

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 23 AUGUST 1923

Electronic reproduction of original hardcopy

(a) Printing of 'The Queensland Producer'; (b) other printing and advertising?

"2. What are the names and addresses of the persons, firms, or companies to whom such work was given and the total cost, respectively?"

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

"The hon. member appears to be much concerned about the business methods of the Council of Agriculture, but if he will restrain himself until the director's report, as provided under section 16 of the Primary Producers' Organisation Act, is tabled, he will then be in possession of all necessary information. I expect this report will be available very soon."

TRANSFERRED SUB-DEPARTMENTS OF PUBLIC SERVICE.

Mr. MAXWELL (*Toowong*), in the absence of Mr. Fry (*Kurilpa*), asked the Premier—

"What sub-departments or branches of the public service have been transferred from the control of one Minister to another since 30th June, 1922?"

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

"Sub-Department.	From—	To—
Water Supply Department	Treasurer	Secretary for Public Lands
State Advances Corporation (Advances to Farmers)	ditto ..	Secretary for Agriculture and Stock
State Advances Corporation Workers' Dwellings	ditto ..	Secretary for Public Works
State Stores	ditto ..	Chief Secretary
Inspection of Weights and Measures	ditto ..	Secretary for Public Works
Registration of Firms	ditto ..	Attorney-General
Registrar-General's Department	Home Secretary	ditto
Stamp Duties Office	Attorney-General	Treasurer
State Government Insurance Office	ditto ..	ditto
Agricultural College, Gatton	Secretary for Agriculture and Stock	Secretary for Public Instruction.

THURSDAY, 23 AUGUST, 1923.

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

APPROPRIATION BILL, No. 1.

ASSENT.

The SPEAKER: I have to report that I have this day presented to His Excellency the Governor Appropriation Bill, No. 1, for the Royal assent, and that His Excellency was pleased, in my presence, to subscribe his assent thereto in the name and on behalf of His Majesty.

A message was also received from the Governor conveying His Excellency's assent to the Bill.

QUESTIONS.

EXPENDITURE BY PRIMARY PRODUCERS' ORGANISATION ON PRINTING AND ADVERTISING.

Mr. LOGAN (*Lockyer*), in the absence of Mr. Edwards (*Nanango*), asked the Secretary for Agriculture—

"1. What was the total expenditure to 30th June last in connection with the Primary Producers' Organisation for—

[*Mr. Kerr.*

ESTIMATED COST OF COMPLETING TREASURY BUILDINGS.

Mr. SWAYNE (*Mirani*) asked the Secretary for Public Works—

"What is the estimated cost of the buildings now in progress at the corner of George and Queen streets (Treasury corner) when completed?"

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

"Approximately, £230,000."

VOTING AT GENERAL ELECTION.

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

Return to an order made on 31st July showing the detailed results of the voting at the various polling booths throughout the State at the recent general election.

LIQUOR ACTS AMENDMENT BILL.

THIRD READING.

The HOME SECRETARY (Hon. J. Stopford, *Mount Morgan*): I beg to move—

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

Question put and passed.

REMODELLING OF APPRENTICESHIP SYSTEM.

Mr. ROBERTS (*East Toowoomba*): In the absence of the hon. member for Oxley, I beg to move—

“That, in the opinion of this House, the time has arrived when, in the interests of the youth of Queensland and our industrial development, the existing method of creating tradesmen should be entirely remodelled.”

Question put and passed.

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 £500 to defray the salary of the Aide-de-Camp to His Excellency the Governor.

The CHAIRMAN: Before the debate is resumed, I desire to point out to hon. members who are in the habit of quoting extracts that it will facilitate the work of the “Hansard” staff if hon. members, when getting their quotations typed, will undertake to get an additional copy made for the “Hansard” staff. (Hear, hear!) I would like to explain that each member of the “Hansard” staff takes a “turn” in the gallery of ten minutes, and, when an hon. member resumes his seat after an hour’s speech, his extracts are taken to the “Hansard” staff by one of the messengers, when the members of the staff have to sort out the extracts used by the hon. member making the speech. As a result, considerable delay occurs, and there is also a possibility that hon. members may not be reported correctly. After mentioning this, I am sure it will appeal to hon. members that, if they follow out my suggestion, it will effect a considerable saving of time as well as unnecessary work to the “Hansard” staff.

HONOURABLE MEMBERS: Hear, hear!

Mr. ELPHINSTONE (*Oxley*): I understood from the reply of the Premier to the leader of the Opposition yesterday that private members’ business was cut out as from yesterday. I presume, therefore, that, under any circumstances, the motion standing in my name would not be discussed this afternoon.

The TREASURER: The motion was agreed to before you entered the Chamber.

Mr. ELPHINSTONE: I did not want to miss the opportunity, had it been available, of discussing the subject-matter of the motion, because it is a very important and non-party matter. I introduced the motion with a view to throwing some new light on the subject, which is one we are all interested in, and I felt that possibly some argument

might be forthcoming from both sides of the House.

The SECRETARY FOR PUBLIC LANDS: The motion yesterday put it out.

Mr. HARTLEY: Are you going to bring up the question of apprenticeship on the Financial Statement?

Mr. ELPHINSTONE: I have something else of importance to talk about.

Mr. HARTLEY: That is something new.

Mr. ELPHINSTONE: The subject we are addressing our attention to at this moment is the general question of the finances of the State, and I desire to take advantage of the opportunity to say a few words under this heading.

The main question that interests us all at this stage is the rate at which Queensland proposes to spend loan moneys. That is piling up the public debt, which I am quite sure gives ground for a certain amount of apprehension in some quarters. I appreciate, like all others, that in a young country enterprise, pluck, and vision are necessary. I quite understand that in conducting the affairs of the State, which is on the eve of its development as one might say, ordinary business precautions cannot always be followed—that one has to take risks and look very much further ahead than one would do in ordinary business undertakings, and that you do not always look to balance the ledger or to make a large profit on the moneys which are so invested. But the question is how far Queensland can go in the direction which she is following to-day, when all the activities of the State’s developmental prospects are concentrated in the Government. In most countries developmental undertakings are not entirely absorbed by the State. Private enterprise takes a large hand in it, and Governments, as a rule, in other parts of the world look to private enterprise, and gladly welcome it to develop the resources of the State, and confine their attention largely to government. Here, however, the Government at present in charge of affairs almost maintain a monopoly of the State’s developmental work, and therefore the question one has to ask is as to how far we can go on in this manner, confining and restricting the development of the State to the Government, and at the same time keeping our finances on an even keel. One has on occasions like this to risk reiteration by referring to figures and contentions which are frequently advanced in Parliament; but on this occasion I cannot neglect making reference to the public debt, which to-day amounts, according to the financial tables just issued, to over £87,000,000. I argue that that is not too big for a State like Queensland, but it is too big for the population at present in Queensland. With the potentialities and the enormous areas we have here, a public debt of £87,000,000 spread out on a square mile basis is nothing; but, when you consider the handful of people over whom that public debt is spread, then it assumes a very much more serious aspect. The interest on the public debt for the current year, according to the Treasurer’s estimate, is £3,700,000. He proposes to spend from loan moneys during the current year a further £5,000,000, which, as he points out, is a very substantial sum.

That is going to entail a further addition to our public debt interest of over a quarter of a million of money. The interest on the

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leas which are to be converted within the next eighteen months or more will involve another £300,000, so that those two items alone add over half a million of money to our already stupendous interest bill, a large amount of which, as I shall show shortly, falls on the shoulders of the taxpayer. We know that according to the way in which our borrowed money is used so it is mere or less productive; and to those who study the financial tables the one outstanding feature is that the large amount of money which forms the public debt is unproductive in the hands of the present Government. The interest on our public debt last year amounted to £3,589,000. Of that amount no less than £2,131,000 was chargeable to Consolidated Revenue. That is a very large percentage, and clearly shows that a tremendous amount of our public debt is invested in channels which are not productive, thereby imposing a serious burden upon the taxpayers of the State, and thus lending force to my question—How long can we continue this great expenditure of money, all concentrated in the Government activities, when so large a percentage of the interest falls on the shoulders of the taxpayer? In 1915, before this Government assumed office, the interest chargeable to Consolidated Revenue was only £267,000.

The TREASURER: You are taking the most favourable year.

Mr. ELPHINSTONE: No. I am taking the last year of the Liberal Administration.

The TREASURER: Take the average.

Mr. ELPHINSTONE: I shall take the average with pleasure. At a later stage—I have not the figures in my hand at the moment—I shall show that the amount of interest which was chargeable to revenue in the eight years under the regime of the previous Government was infinitesimal when compared with the large percentage chargeable to revenue during the regime of this Government. As a matter of fact, since the Labour Government assumed power in Queensland the amount of interest which has been chargeable to Consolidated Revenue has been no less than £13,544,000. That is a very huge sum. So I come back to my question once more—How long can we continue on the course of charging to the taxpayer this deficit of interest which is assuming the large proportions I have pointed out? We have during the life of this Government stressed the enormous importance of curbing public expenditure, and it is well to point out that since 1915 it has increased by 75 per cent., whereas the population of Queensland during the same period has increased by only 18 per cent. Hon. members opposite must agree that that sort of thing cannot go on indefinitely, and that we cannot continue piling up our expenditure at that huge rate whilst the population of Queensland increases at so slow a rate. The payment of the interest bill falls, as we know, upon a few thousand taxpayers, and therefore the figures we have before us and the Financial Statement itself give us a great opportunity of concentrating our minds upon a most important question, because—as the Treasurer pointed out in his wiser and younger days—according to the way in which a Government conduct their finances so are they worthy of support or otherwise. Of course, as the Treasurer gets older, he seems to vary his viewpoint,

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largely, no doubt, according to circumstances and according to the conditions of his party. To-day he does not stress that argument, but maintains that the huge increase in expenditure and large taxation all point to Government activity, which he looks upon as a healthy sign. So it would be if at the same time we were not imposing a burden upon the taxpayers, which I think the Treasurer is beginning to realise now cannot go on. Relief must be given, because the hon. gentleman knows that the heavy taxation is beginning to show itself in no unmistakable form in our industries, which are stagnating to-day. Another item of interest that one gathers from the Financial Statement is that the estimated loan expenditure last year was £4,927,000, whereas the actual expenditure in that direction was only £3,701,000, or a decrease in the actual expenditure of loan money of £1,228,000. Yet, in spite of that, the interest bill is £7,683 in excess of the estimated interest bill. How comes that about? We have invested nearly £1,250,000 less than was estimated last year; yet the interest bill is £7,683 greater than the Treasurer estimated would be the amount of interest, on the assumption that the loan expenditure would amount to nearly £5,000,000.

The TREASURER: The explanation is that more money was borrowed than was actually expended; but we get the credit from the investment of the balance.

Mr. ELPHINSTONE: Is it not fair to assume that the estimated amount of interest during that period would be less if the actual amount expended was less than the estimated amount?

The TREASURER: If the full amount is not expended, the cash balance would be swollen, but we get credit on the other side for the unexpended balance.

Mr. ELPHINSTONE: There is a difference of £1,228,000 between the estimated and actual amount of loan expenditure, but still there is the fact that the interest bill remains at the same figure.

The TREASURER: If the expenditure had amounted to the full estimated amount, we would have only had a small cash balance at the end of the year. The interest would not be any greater.

Mr. ELPHINSTONE: What would be the position assuming that you had spent loan money to the tune of what was estimated at the beginning of the year? I take it that, if that had come about, the actual interest bill would have been very much in excess of what was estimated.

The TREASURER: No; there would be less money to the credit of the Loan Fund Account.

Mr. ELPHINSTONE: Does the hon. gentleman say that the interest bill would not be affected?

The TREASURER: We have to pay interest on the money as we raise it, and not as we spend it.

Mr. ELPHINSTONE: I do not follow the hon. gentleman's argument at all.

Mr. HARTLEY: Of course, you do not follow the argument.

Mr. ELPHINSTONE: Of course the hon. member for Fitzroy is a financial expert and understands all about it, but if he has no

more knowledge of finance than he showed in connection with the recent Liquor Bill, then I do not attach much importance to his opinion. (Laughter.)

The interest bill, which is assuming stupendous proportions, was in 1915 £1,975,000, and in 1923 it had increased to £3,589,000, or an increase of no less than 86 per cent. There was that increase in the short period of eight years. There again I think one sees indications of a state of affairs that requires very careful consideration.

The TREASURER: That is one of the difficulties that the Government have to attend to, and which we are making due allowance for.

Mr. ELPHINSTONE: It is undoubtedly a difficulty which the Government have to contend with, and which would not be so difficult if the Government entrusted some of their activities or some of their enterprises to the shoulders of private enterprise and allowed them to carry the responsibility.

The TREASURER: Surely the hon. gentleman does not suggest that the building of main roads and railways should be entrusted to private enterprise?

Mr. ELPHINSTONE: No; but those items alone do not affect the loan expenditure from year to year. The Government are undoubtedly assuming too large responsibilities, which, in my judgment, are affecting the State to such an extent that they are becoming top-heavy in their manipulation.

Let me now deal with the question of taxation. That naturally follows upon this increase in the public debt. In 1915 the amount of revenue gained by taxation during that last year of the Liberal regime was only £954,000, whereas in 1923 it had amounted to £3,330,000, and in fact the Labour Government during their eight years of existence have gained by way of taxation £21,310,000, or an average of £2,663,000 per annum. Those figures are very important.

Those who pay the taxation know the effect that it is having on industry and developmental work, and they appreciate that this sort of thing cannot go on. We have argued frequently from this side of the House that money taken from production in the manner in which it is being taken prevents the development of any business, or enterprise in business, which will, in the ordinary course of events, provide an easy means of curing unemployment. So long as these excess profits are taken from the taxpayer and he is not allowed the opportunity of developing his business with that profit, it will remain more or less stagnant. Then, on the other hand, those who might otherwise be attracted to this State are driven from it by reason of that high taxation. In the Commonwealth we have six States, all of which are vying one with another with a view to attracting towards their shores men with money, companies, syndicates who look to new fields to start new enterprises. If the representatives of those bodies come to a country like the Commonwealth of Australia, they naturally set about examining the conditions appertaining to those six States to see where they can expect the greatest profit from production. That is only a reasonable and natural instinct which permeates any individual. If they come to Queensland and see that a large percentage of their profit is going to be taken from them in the way of taxation without a compensating advantage, they take the line of least resistance,

and go to that State which offers better inducement by way of less taxation. I saw in one American magazine published recently an actual advertisement of one of the States of that country showing the advantages which would accrue to the individual if he invested money in that State. One of the big arguments used was that in a State which encouraged investors the profit of industry remained in the hands of the investor, whereas, if that money was invested in a State where taxation was higher, the State would benefit and not the investor. Those who set themselves to inquire why our secondary industries are stagnant will discover that people with money to invest will not come here while there are more attractive fields of investment in Australia, where the profits of industry do not revert to the State by taxation but will remain with the individual who provides the money. In Queensland the State is becoming absorbed in the responsibility of too many activities, and it is almost becoming top-heavy. If we are to go on as we have been doing, taking under the wing of the State all the activities we have seen signs of recently, the State will become an unwieldy machine. The Government, no matter what Government are in power, will then have to rely on the permanent officers associated with various activities of the departments to such an extent that they will not be able to give the supervision that is necessary to affairs of the State. That is becoming more and more apparent every day. In fact, it is coming to that stage now when we shall have to consider the position very carefully. The taxpayer is the goose that lays the golden egg, and he cannot continue to lay these golden eggs to make up the losses which occur in Government activities. It cannot be expected that he can always be expected to make up the deficiency in interest to which I have already alluded.

The State's activities lately have manifested themselves in the direction of land settlement. A few years ago we had nothing else but State enterprises—how all industries were to be concentrated in the State, and how, as a result, an ambitious programme was embarked upon. We hear

[4 p.m.] nothing of that in these days. In the Premier's policy speech prior to the last State elections, that question was passed over with some brief reference. We know quite well that the deeper the Government get into this State activity proposition—so far as trading enterprises are concerned—the less profitable and the less desirable it becomes. Therefore, the Government leave that alone, and are now directing their energies into another branch of production—primary production.

I admit this requires assistance, and that the Government have done something towards assisting to improve it to the level it has reached to-day. But primary production may ultimately be handicapped instead of assisted by Bills before the House to-day, and the Government are acting in a manner which may ultimately end in disaster. They are taking on too great a responsibility.

What is the position with regard to the latest activities of the Government in so far as primary industries are concerned? We see that provision is being made for many thousands of settlers being placed on the unoccupied lands of the State. This, we all appreciate, is a desirable thing; but the point

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is what is going to become of the products which these thousands of farmers will naturally place on the market. We have an excellent illustration in the soldier settlement activities of this State. We placed thousands of soldier settlers on the land, and the moneys which were advanced with a view to bringing the soldiers into the realm of producers have been largely lost. It will be a fairly large sum—a sum which will surprise many of us when we actually come to balance the ledger after the soldier settlement problem has been disposed of. Why is it that these soldier settlers have failed to the large extent that they have? I am quite prepared to admit that many of them were not suitable for primary production pursuits, but one of the reasons for failure is that the production which these settlements have created has not been able to find a market. We propose to go ahead and put thousands of settlers on the land, and we hope and anticipate that much greater success will be attained than has been the case with the soldier settlements. But the same result will apply to a large extent to these men unless we can find a means of providing a market for them.

If the production is in cotton and such like commodities which the world is eagerly looking for, and of which there is at present a shortage, then, of course, the argument does not apply with the same force. But we surely do not propose to put 10,000 settlers all to cotton production in Queensland! I ask, therefore, what is to become of the production which these men will place upon the market? The answer should be that a State of this nature should be developed in two directions as equally as possible at the same time—that is, we should develop the primary industries and at the same time develop the secondary industries. That is not the case. Secondary industry is almost stagnant. The primary producer should be the man helping to feed and find the raw material for the masses in the towns, to permit of their manufacturing those raw materials into the articles which we all need in every-day life. Instead of this, we are persisting in developing primary industries and are failing to encourage secondary industry, which is a very necessary part of the development of the country. If our industries were developed simultaneously, as I suggest, then I could see daylight. But to-day, except in regard to cotton, I can see that for a tremendous percentage of our primary production we shall not be able to find a market. To-day one of the greatest problems facing this State and the Commonwealth is to find a profitable outlet for primary products. Both the State and the Commonwealth Governments have done many things to find markets and assist in that direction; but in many cases this has resulted in great losses, which fall back upon the taxpayer, who is almost worn out in his efforts to balance the exchequer. In my judgment, we as legislators must direct attention to the very important question of developing our secondary industries in a manner bearing some reasonable proportion to our primary development, to which the Government are devoting so much of their time at this moment. In my humble opinion, if the State were allowed to progress in the manner that most young countries have progressed—that is, without interference—we in Queensland would be able to look to the future very much more optimistically than we now do. When I make these remarks, it is not because I am for one moment suggesting that the

State is anything else but a prosperous one. There are, naturally, periods in which every country enjoys more prosperity than another; but, looking ahead, as is the policy and duty of a Government to do, it is necessary for us to take stock of all these things. I therefore argue that, had this State been allowed to develop itself in the manner that other British Dominions have done, we should not have been called upon to direct urgent attention to what I believe to be a serious state of affairs in Queensland—that is, that our secondary industries are not progressing in the way they should progress. As I pointed out, this question of taxation has a most important aspect. Say what you like, without the financier of industry, the director of industry, the organiser of industry, without the capital, our industries must remain more or less stagnant. We want to encourage to our shores from every other part of the Commonwealth men who recognise Queensland as being one of the States having the greatest assurance of a successful future. But too much taxation is a bad thing. It does not attract; it rather repels. Too many regulations are enacted to-day, which make it almost impossible for the employer to follow them intelligently. They drive a man out of business and sicken him of that business, instead of encouraging that enthusiasm in the development of his industry which is so necessary. It sickens him, and he begins to wonder whether, by reason of the many regulations which tie his hands, it is worth his while to proceed on the lines he contemplated.

There is too much Government interference, and a man is not allowed to proceed in the unfettered manner that he should. Do not think for one minute that I am suggesting that an employer should treat and pay his employees as he wishes. I have always argued that protection to employees is essential, and I am not referring to that; but I say that there is too much interference. I am referring to those masses of regulations which every employer has to obey in these days, and which are increasing as every session of Parliament passes.

Then, of course, whilst this doctrine of socialism permeates our midst, that is one of those wet blankets which prevent secondary industry proceeding on the lines it should do. Let the Government only cast off that doctrine—and there are signs that they are not so enthusiastic about it as they used to be—let them once and for all admit that private enterprise is most essential in the development of every State—which every country which has adopted socialistic tendencies has to admit sooner or later. Even Russia, with all its great example that some hon. members opposite try to find comfort in, has come to the conclusion that private enterprise and private capital must be introduced to rescue the country from the morass into which she has fallen. For my part I do not believe Queensland will ever get into the position that Russia was allowed to get into; but I do think we can take a lesson from Russia in that regard, and instead of proceeding further in the pursuance of this socialistic dream, let us recognise that private enterprise and private capital are an essential part of our development. Let us recognise that this socialistic dream is impossible, that it absolutely ignores that one important element of self which we cannot eradicate from the human being, and let the world understand that, no matter what our tendencies in the

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past have been, we have come to recognise that socialism is not going to help us in any way, and we therefore invite the individual to come in and assist us in developing our resources here, and enjoy a reasonable percentage of the profits to which his enterprise entitles him. In my judgment that is a very important feature, and, instead of Queensland being stigmatised throughout the world as a country which does not encourage private enterprise, and which does not encourage capital, and which does not encourage the employer, we should create the impression that we want him and that we encourage him to come into our midst, but to obey reasonable regulations in regard to Arbitration Court awards and so forth. When we do that I am satisfied that we shall begin to find a solution of that very important problem that I have endeavoured to call attention to.

Now, State enterprises—which the Government have been engaged in in days gone by and which it is just necessary at this stage to make reference to—are beginning, as I have pointed out, to lose their attraction, and I think the leader of the Opposition was on solid ground when he advised the Government to take this question seriously into account and find out exactly where we stand in regard to all of these enterprises, and, if they are an increasing burden upon the State's resources and are not giving the relief such as they in their more optimistic moments hoped they would, then to do the businesslike thing and cut them out. There is nothing wrong and nothing to be ashamed of in admitting that mistakes have been made. The man who is the menace is the man who makes a mistake originally and pursues it unmindful of the effect it is going to have on the community. If we have made mistakes in regard to our State enterprises—and I think most hon. members opposite admit that—then cut out those which are sucking the life-blood of the community and are of no benefit.

Mr. DUNSTAN: Cut out co-operative bodies also?

Mr. ELPHINSTONE: Co-operative bodies do not suck the life-blood of the community as State enterprises do. The difference between co-operative bodies and State enterprises is this: If co-operative bodies lose money, it is those people who are actively associated with those bodies in the form of suppliers or shareholders who lose; and the mere fact that they do lose keeps them up to the standard of efficiency that is most desirable. On the other hand, there is no need for efficiency in State enterprise, and you certainly never get efficiency in State enterprise; and the moneys which State enterprises lose is made up by those taxpayers who are engaged in private industry against which State enterprises have been competing. The loss in the one case falls on the shoulders of those who are directly responsible for co-operative effort, whereas in the case of State enterprise the loss falls on the shoulders of those who get no benefit, and, far from getting a benefit, have to pay taxes to cover the losses. There is a very material difference between the two. I contend that State enterprise must always fail because there is no incentive to success—that the individual effort is lacking, and a manager who can make a success of any State enterprise under the conditions that prevail can always do very much better as the manager of an individual enterprise of which he has charge.

A GOVERNMENT MEMBER: Why?

Mr. ELPHINSTONE: Because the manager of a private enterprise is allowed to give immediate application to his own ideas and to his own methods in the conduct of that business, whereas in State enterprise he is subject to control and he cannot exercise immediately his judgment so freely in regard to opportunities which occur from time to time, and therefore, I do not care what Government are in power, State enterprise must fail.

Mr. DUNSTAN: What do you mean by success—public benefit or private profit?

Mr. ELPHINSTONE: There are exceptions to all rules. When one is dealing with public utilities such as the Post and Telegraph Department, such as railways, and a few undertakings of that magnitude, where the welfare of the whole community is wrapped up at enormous expense, then it has been found desirable that these activities should be centred in the State.

Mr. PAYNE: What about cheap beef?

Mr. ELPHINSTONE: Cheap beef will always be available when conditions are normal if private enterprise is allowed freedom of action. The only occasion on which we have been able to provide cheap beef through the activities of the State of Queensland was when the beef was obtained on conditions which were absolutely unfair—when the producers' beef was taken from them at a price below the cost of production. As we have pointed out very frequently in this House, any man can make a success of enterprise if he is able to commandeer his stock in trade at a cost below market value. There is no credit in that. Therefore the hon. member is unfortunate in his reference to cheap beef.

Mr. PAYNE: The meat was taken to feed the soldiers.

Mr. ELPHINSTONE: If that is the argument which the hon. member advances in support of the action of the Government, why was it that his Government did not take the beef for the State butcher shops at the same price at which it was sold to the British Government to feed the soldiers? Will he answer that question? The Government charged 4½d. for beef to feed the soldiers, but they commandeered beef at 3½d. per lb. to feed their own supporters.

The TREASURER: You know a lot of that was reject beef.

Mr. ELPHINSTONE: A percentage of it was, but only an infinitesimal portion.

The TREASURER: It was not an infinitesimal portion.

Mr. ELPHINSTONE: If the interjection of the hon. gentleman means anything, it means that he has been feeding his supporters on beef that was not fit for the British troops.

The TREASURER: No. The hon. member is slandering Queensland beef when he says that.

Mr. ELPHINSTONE: The Treasurer so frequently uses this word "slandering" that he hardly ever makes a speech without using it. The point is ridiculous. My argument is perfectly sound. If the argument of the hon. gentleman is correct, he went to the meatworks and said, "Give us all your reject beef for those people who are our supporters, and we will pay a less price for it."

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The TREASURER: You are distorting the truth. Does the hon. member not know that certain nodules of beef is not allowed to be exported?

Mr. ELPHINSTONE: I do know that, but I know also that of that class of beef a very small percentage is sold in the State butcher shops in Queensland.

The TREASURER: Nonsense.

Mr. ELPHINSTONE: Under any circumstances the argument holds good, so the Treasurer and the hon. member for Mitchell must fight it out to see which of their arguments is correct. I argue that Queensland wants money for development.

Mr. COLLINS: Your speech is a repetition of the arguments in Mallock's book dealing with private enterprise as against socialism.

Mr. ELPHINSTONE: I am not interested in that gentleman's book. I happen to have a mind of my own. As a business man, I am able to argue these things out, and if the hon. member for Bowen would only rely upon his own intelligence instead of, parrot-like, repeating utterances which he reads in books, he would make more intellectual discourses in this House. I have no objection to reading books and endeavouring to improve my own mind and add to the experience I have gained in my business training; but the hon. member for Bowen will persist in trotting out doctrines which he reads of in treatises by Marx and others, which are worn out. That is the long and short of it, just as the State iron and steel works are worn out. (Opposition laughter.)

Mr. COLLINS: You know nothing about it; you have never read them.

Mr. ELPHINSTONE: The point I want to stress is that Queensland unquestionably wants more money to develop it, and more population to settle here. The Government appreciate that fact, to give them their due, and are endeavouring to master the difficulties surrounding these two problems; but I contend that the task would be very much easier of accomplishment and very much more quickly accomplished, if they were to invite in more ways than one the private individual to come in and assist them. This may sound to the hon. member for Bowen and others like constant repetition, but we know the old adage "Dripping water ultimately makes a hole," and, therefore, we are endeavouring by continually reiterating the doctrine of individualism, to convert those hon. members step by step to what we believe to be the only method by which the problems of Queensland can be tackled. Therefore, we are pleased to note this session signs and portents which show that the Government are realising many of the arguments which we have advanced during the many sessions which have intervened while they have occupied the Government benches; and we derive some satisfaction from seeing those doctrines adopted because it means the prosperity of the State, in which we all join.

I would like to deviate for a moment to the question of wages, which is so frequently stressed by hon. members opposite. It is always assumed and argued, particularly at election time, that we on this side are mainly interested in keeping wages down to a low level. I want to impress upon hon. members opposite that that is far from being the case, so far as a business man, at any rate, is concerned. We do not believe that the interests

of Queensland are best served by people obtaining large incomes and spending them outside the State. We believe that Queensland's interests are best fostered if that money is kept within the State and the profits of production are spread over a much larger area, because, as business men, we get the advantage of that greater spending power of money.

Mr. COLLINS: It took a long time to convert you to that point of view.

Mr. ELPHINSTONE: I do not understand the hon. member at all. His object, of course, is to keep wages down to a common level. Our object is to start with a common level, but to give those men who show ability and application the opportunity of getting a higher rate of wage. That is the point of view we have always advanced and still maintain, and before many sessions are over we shall have the hon. member for Bowen admitting that this is the case. He has said in this House, occasionally, that he represents more farmers than hon. members on this side. We admit that he represents quite a number of them, and he must know that the farmers whom he represents cannot get any satisfaction from his argument that all should be paid alike. He knows quite well that the farmers in the Bowen electorate get paid by results. If the farmer in his electorate happens to strike a period when his tomato crop fails, he cannot come to the hon. member and say, "Will you please give me relief and make up that money which I would have enjoyed had the crop been a success?" He knows he cannot do it. Therefore, his argument does not apply to the primary producer, nor can it apply with soundness to the wage earner. We first of all advocate payment by results.

The TREASURER: Why are you always against the raising of wages?

Mr. ELPHINSTONE: I do not know whether the Treasurer is getting dull of comprehension, or whether the responsibility of his £25,000,000 conversion is weighing so heavily upon him that he cannot appreciate our points and thinks we are against the wage-earner. Our interest in the wage-earner is so great that we want to raise him from that state of apathy into which the Government's activities have driven him. We want to rid his mind of the obsession that the employer is always an enemy. In that regard, I wonder if the Treasurer read the speech of the Secretary for Public Works in reference to the apprenticeship question recently, and I wonder if he has read the correspondence which has been passing between that hon. gentleman and the Trades Hall in regard to this matter, in which the Secretary for Public Works clearly sets forth—and he is to be commended for making the statement—that a method of co-operation has to be established between employees and employers. That has been our doctrine all through the piece, and that is another step which gives us satisfaction. But, because we advance that argument, we are not against the wage-earner. We want the wage-earner to enjoy the profits of his production. We are against the wage-earner being tied lock, stock, and barrel to a system which keeps him down to a common level. We want him to use his own judgment instead of letting all his thoughts be directed by hon. members opposite, and until he is given that opportunity all I can say is that we shall not establish that happiness of relationship between the

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employer and employee to which the Secretary for Public Works made reference. In that connection, there is another happy side. I received an invitation to-day from the employees of the Ipswich Railway Workshops, which I was delighted to get, asking me if I would go up and address them on the question of profit sharing—which I intend to do—clearly showing that another mass of our Government employes are beginning to realise that their interests are not best served under a system which brings them all down to a common level.

Mr. BULCOCK: It means no such thing, but they are desirous of hearing every side of the question. Members on this side have been asked to speak to them as well as hon. members opposite.

Mr. ELPHINSTONE: If the contention of the hon. member is correct, once they hear my arguments about profit sharing, I am certain they will require no further arguments whatever. (Government laughter.) Even the Treasurer, with all his persuasion, will not be able to upset my arguments.

The TREASURER: Self-praise is no recommendation.

Mr. ELPHINSTONE: If I cannot get others to praise me, I must praise myself.

I wish now to make reference to a statement which the Secretary for Agriculture made in the House a few days ago in regard to the expenditure of a large sum of money on the building of maize silos in the Atherton district—£60,000 or £70,000, I think he said. I was somewhat surprised when I read the answer to the question of the hon. member for Nanango yesterday, from which it was to be inferred by the Minister's reply that an agreement was being entered into with an individual for the erection of these silos on favourable terms. It would seem to be indicated by the reply that it is the intention of the Government to proceed with this large expenditure of money without throwing this big work open to tender.

In my judgment, that is a most serious matter. The Government lay themselves open to serious criticism if they enter into an agreement of this nature, involving so large a sum of money, without [4.30 p.m.] giving private tenderers the opportunity of quoting in accordance with a properly prepared schedule, and I do sincerely hope that they will not make the great blunder of proceeding with a work of this magnitude upon an agreement which evidently has been privately prepared, and which this House has had no opportunity of seeing. I do trust that the Government will not proceed on those lines. They should give to everyone who is prepared to tender for this large undertaking an opportunity of doing so. They have adopted that policy so far as the sugar-mill in the Tully River district is concerned, and I contend they will be failing in their duty if they proceed with this contract without adopting a similar course. I hope that before this Parliament is many days older we shall have the opportunity of perusing the proposed agreement, and knowing all about it before the work is undertaken. In times like the present, when we are continually stressing the importance of saving every pound, it is a dangerous doctrine and an unhappy and unfortunate policy for the Government to proceed to erect structures of this nature, entailing

so large an expenditure of public money, without taking the ordinary business precaution of inviting tenders for the work.

Now I want briefly to refer to the question of apprenticeship, which I had hoped to have the opportunity of dealing with on a private member's afternoon.

A GOVERNMENT MEMBER: You slipped.

Mr. ELPHINSTONE: I did not slip. I would very much have liked the opportunity, and I would have preferred to be able to speak on this subject with my notes before me, which is not the case just now. Nevertheless, with a general knowledge of the subject, it seems to me that it would not be amiss to devote a few moments to a discussion of the question. In a nutshell, this problem—which is not peculiar to Queensland, but which is present in every State in the Commonwealth, and indeed in most countries in the world, resolves itself into a question of whether the private employer, or employers generally, are better able to educate and train apprentices than the State through its technical colleges. The line of argument I intended to adopt in my remarks lay in the direction of so developing our technical colleges that the training of our boys in the direction of becoming qualified tradesmen could be confidently entrusted there to properly trained experts, whose business it would be to see that they were turned out successful tradesmen in every respect. As an employer, or as one in whose business apprentices play a part, I must admit that there are occasions when the apprentice does not get that opportunity which should be given to him of developing his intellect and gaining that knowledge which is necessary to make him expert. There are some foremen who can impart information to others. On the other hand, there are some who, although well-qualified tradesmen, cannot impart that information, no matter how good their intentions may be. There are some employers, too, who look upon apprentices purely from the point of view of £ s. d., and who do not interest themselves much in their welfare or see that they are pushed ahead in their knowledge of their trade. Moreover, there are certain workshops where the environment for the apprentice is not of the best, and where he cannot be expected to gain that intimate knowledge of his trade which should follow. I argue that, if technical colleges were entrusted with this work, and if we employed experts to impart the necessary knowledge, paying them salaries in keeping with the responsibilities which we imposed upon them, we would get very much greater results. We have cause for encouragement in that regard in our experience with returned soldiers whom we trained to equip them for taking a useful part in the activities of the State. Hon. members are probably aware that returned soldiers who spent only six months under technical college trainers were accepted as 40 per cent. efficient—that is to say, employers were prepared to attach to such men a value for 40 per cent. of efficiency. That is a result which supports to a very large extent my argument—that if our young men are taken in hand at the right time, and trained in the right environment, and have the opportunity of using and understanding the most modern machinery under the most efficient experts whose services we can command, they will become efficient tradesmen in a much shorter time than

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if they are apprenticed in the ordinary course of events.

Mr. DUNSTAN: Would you give them pay in keeping with their merits?

Mr. ELPHINSTONE: I would give them pay in keeping with their age at the time when they were turned into the industry. If the hon. member will only concede to me the logical conclusion of the argument suggested by his interjection, I will willingly pay them in keeping with their merits. If he holds that they should be paid according to efficiency, he must also admit that the fully qualified tradesman should be paid according to efficiency also.

Mr. DUNSTAN: So he is.

Mr. ELPHINSTONE: He is not paid according to efficiency. All bricklayers are paid alike. All carpenters are paid alike.

Mr. W. COOPER: No; we only fix a minimum wage.

Mr. ELPHINSTONE: That old argument cannot impress us, because we know from experience that immediately that minimum is exceeded the fact is used as an argument to raise the minimum to whatever figure the employer may have paid, and therefore, although many employers may be inclined to adopt the policy of regarding it as a minimum only, the effect is that all employees of that particular class are raised to the higher rate by Arbitration Court awards. I contend that, if you train a dozen apprentices in a given trade, and put them out to employers as sufficiently skilled to command the wages of adults, they should be paid according to their efficiency. That should be the encouragement which should be held out to those young men in their days of learning. But that is not permissible under existing conditions.

Mr. W. COOPER: The employer would not take them on on that basis.

Mr. ELPHINSTONE: That is not a fact. Employers are only too anxious in these days to encourage a system whereby they may pay according to efficiency. I could have put many other arguments in support of my contention on this apprenticeship question had my notes been before me and had time permitted, but I content myself with saying that many advantages would accrue if the State undertook the training of these apprentices in the existing technical colleges. We have to a large extent all the necessary machinery.

Mr. DUNSTAN: Private enterprise could not do that.

Mr. ELPHINSTONE: I quite agree that in these days private enterprise is so much engaged in making ends meet and paying the taxation which is exacted from it that it cannot afford the time.

Mr. DUNSTAN: It was just the same in the old days.

Mr. ELPHINSTONE: The "good old days" once more! I hope the hon. member will admit that, just as his party are trying to leave their "good old days" behind them, when they believed in State enterprises and all these other absurdities, so the members of this party are entitled to progress and change their views as time goes on. We have always argued that we do not stand for the "good old days," when low wages and long hours prevailed, and during my remarks I have endeavoured to show why that is so. One other reason in support of

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my contention that the technical colleges should undertake the training of these lads is that in most cases they have at their disposal all the necessary machinery which, as a rule, is used only at night and not during the day time. Further than that, I do contend that it is unfair to expect an apprentice who has been giving faithfully of his time to his employer during eight hours of the day to apply three or four hours of the night to work at a technical college, which, if done in the day time, would perhaps be followed by better results.

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

Mr. WARREN (*Murrumba*): There has been a good deal of discussion about the expenditure of loan money and its effect on the State. I would like to deal with the conditions that face Queensland far more seriously than any other misadventure that has occurred. I refer to the drought, which is at the present time bleeding the primary producers of this State. Those droughts have a very great influence in connection with procuring new loan money and in connection with conversion loans. I have been through the drought-stricken districts two or three times during the last few weeks. I have been through big droughts in New South Wales and fairly big droughts in Queensland, and I am of the opinion that Queensland was never in a more serious position than she is in to-day. I know Queensland's potentialities and its ability to recover, but, when we see hundreds and hundreds of landholders losing their stock, we must realise how hopeless things are and what a disaster has befallen the State and the individual. This is one of the biggest problems which the Government have to face. Some people think this drought only exists on the Northern Downs, but it affects an enormous stretch of country. The Government have given a certain amount of relief. I do not come here as a carping critic to criticise what they have done, because I believe that they have genuinely attempted to mete out some relief. But I do not consider that in every case relief has been handed out fairly, and I do not say that the system cannot be improved upon. If the position is not relieved, then an enormous amount of land in Queensland will go back to the Agricultural Bank or other financial institutions.

The SECRETARY FOR AGRICULTURE: You are a Jeremiah.

Mr. WARREN: It might be said that I am a Jeremiah because I am drawing attention to these matters, but, if the hon. gentleman only saw the tremendous difficulties that the men, women, and even children have to contend with from year to year, he would realise the hard conditions that some of our fellow producers have to contend with, and he would urge that a more elaborate scheme of assistance to help keep the stock alive should be brought into existence. From Toowoomba westward you can see dying stock scattered over thousands of square miles of country. In some cases you can see almost dozens in different heaps. Through want of nourishment the cattle have become so poor and weak that, when they lie down at night, they are too stiff to be able to stand up again next morning. These unfortunate beasts owned by these unfortunate people can be seen dead in every direction.

Mr. COLLINS: What do you suggest?

Mr. WARREN: I will make my suggestion directly, and I shall not ask for any suggestions from the hon. member, because he is not fertile enough to give me any. I am not here as a carping critic to criticise the action of the Department of Agriculture, but I wish to draw the attention of the Government to their responsibilities. We heard during the last few days that some people were getting relief who were not deserving of it. Anyone who asks for relief and does not require it is a criminal, and he should be treated as such. But because there are some people who are improper enough to accept relief when they do not require it, is that any reason why hundreds and hundreds of people who are genuinely in need of the relief should be debarred from receiving it? I have seen soldiers fighting, but I have never seen braver deeds committed than are being committed month after month by these people in their hopeless struggle in the West. I have never seen a braver people than those men and women out there. I consider that they are absolutely the bravest and toughest people that God ever made, and I want to draw the attention of the Government and the people of Queensland to this struggling class of people, who are the most deserving and the best and finest people that Queensland or any other country has ever seen.

Mr. DUNSTAN: I notice that you do not go to private enterprise for assistance.

Mr. WARREN: That is an interjection made in a carping spirit. (Government laughter) We see the mighty efforts that are being made by hundreds of private enterprises in the West. If those industries were carried on as State enterprises, do you think that the State would be able to maintain the struggle so long against such odds?

OPPOSITION MEMBERS: No.

Mr. WARREN: If the State was running those farms, and hon. members opposite who call themselves socialists were running Queensland to their own liking and were employed as servants of the State around Chinchilla and the Northern Downs, they would want £4 10s. a week under the present circumstances, instead of nothing at all or the paltry bit of relief that is being at present received by the present holders. The hon. member for Gympie does not understand the circumstances of these people, and it is a great pity that he does not go out there and have a look.

Mr. DUNSTAN: You do not understand your own position. You want more State socialistic assistance.

Mr. WARREN: If the hon. gentleman would only go out and see these poor, unfortunate struggling people putting up such a great fight against want and privation in the conduct of their farms, he would urge his Government to do something practical. The people will have to go off the land if they do not receive greater assistance. But where will they go to? They are not able to go to any work, because there is no work available. If in the Chinchilla district a hundred farmers were assisted and, when the season breaks, they are able to produce butter—which is their main product—to the extent of £200 each per annum during the coming years, what a nice sum that would be for that district! It would save that district. If they are forced off the land, nothing but disaster will

follow. I am only alluding to one small portion of the State. The amount of money which the Government expend in saving the stock and relieving the drought-stricken people is money well invested and is going to stand to the State. The reason why the finances of this State are in a deplorable position is because the money has been badly invested. It is not because we have been borrowing. The farmer can borrow money and pay 10 per cent. interest and carry on on his land so long as the soil is of good quality.

The Government could borrow that money at 5 or 6 per cent., and, if invested judiciously, it would be a direct benefit to the country. Unfortunately, the investments of the Government in State enterprises have been almost universally bad. Here is an instance where an investment, as I suggest, would be productive, and I want to wake the Government up to the necessity of doing something in this direction. Fodder must be procured as quickly as possible and distributed among the stockowners in need of it as liberally as it is possible to do so. Fodder at the present time is coming to Toowoomba from New South Wales through Brisbane. The Government would be acting wisely if they established a fodder depot at Toowoomba, as by diverting it from Brisbane they would enable the stockowner to secure it more economically and quickly. After speaking to the farmers around that district, I feel more like thanking the Government for what they have already done than otherwise; but I do not see why they should not do something better. We all know perfectly well that this is a most extraordinary drought. Never before in the history of Queensland has it happened that so much of the country has been devastated by drought. If the records of rainfall were consulted, it would be discovered that in no period has there been such a lack of moisture as in the last two years. But the position is not hopeless, although the people have been so badly hit. It is an encouraging hope to them to think that the drought may break at any time; but, if a cold snap followed rain, I am quite sure that not 70 per cent. of the herds, that have been reduced to 30 per cent. of their original numbers, would survive unless they receive some nourishment by way of artificial feeding. There are hon. members in this Chamber who can bear me out in this statement. I quite admit that a lot of our trouble arises from the over-capitalisation of our land. We must all admit that any relief that is afforded will be a charge against the settler. We do not expect, and neither do the people, that they will receive this relief for nothing. Although over-capitalisation of the land is the primary trouble in a great many instances, it is not so in the case of the Northern Downs. The extra debt, therefore, that will be placed on the farmer would not be a back-breaking one. I am sorry the Secretary for Agriculture is not in the Chamber, as I wish to draw his attention to the fact that it is very advisable for the Government at once to invest a few thousand pounds in the purchase of stock, and, when rain falls, offer opportunity to the people in these drought-stricken areas to purchase stock so that they may become producers again. This is not a matter which benefits the individual farmer alone, but one which benefits the State and the worker.

Mr. COLLINS: Quite a socialistic speech.

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Mr. WARREN: I hope I shall never become a socialist like the hon. member for Bowen. The position on the coast is that the country is over-stocked and cattle are cheap. In fact, they are not a saleable commodity. The ordinary common, garden variety of cow is worth very little. If a number of these cows were now purchased and kept until the drought breaks in the West, they would do reasonably well on the country out in the West, which is much sweeter than the coastal country. It would therefore be a good proposition and money well spent, besides showing foresight on the part of the Government. We do not think for a moment that any active Government, whether good or bad, is going to make or completely mar our State; but we do say—and I wish to emphasise this—that the financial transactions of any Government have an immediate good or bad effect on the people of the State. It has been pointed out on many occasions in this Chamber that much of the work done—take soldier settlements for instance—has been executed at a very high cost. We are coming to the conclusion, and I think the Government are also, that a lot of this work is absolutely useless. Had this work been done on land of some value, it would have been money well invested and returned good interest on the outlay.

Mr. COLLINS: The hon. member for Oxley told us this afternoon that they could not sell their products

Mr. DUNSTAN: That we are growing too much.

Mr. WARREN: The hon. member for Oxley was thinking of fruit and also of beef. Unfortunately, at the present time the beef market is at a very low ebb, while the fruit industry is suffering from over-production. To realise that fact, one has only to look at the thousands of acres in Victoria and New South Wales which have been put under oranges and at the vast increased production of fruit in Queensland, while at the same time the population has only been increasing very slowly. There are many people on the North Coast who are suffering as severely from low prices as the people are suffering in the West from drought. Their trouble is certainly not as bad as drought; but it is pitiable to realise that men are producing valuable products and receiving no return for them. Bananas are the only attractive production in fruit. That is because so much of our banana land has gone out of cultivation because of "bunchy top."

Mr. DUNSTAN: It is not so in Queensland.

At 5 p.m.,

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

Mr. WARREN: Unfortunately it is very much affected; one of the biggest banana centres in Queensland is very seriously affected. However, I do not wish to discuss the question of "bunchy top," as I understand the Secretary for Agriculture has the matter in hand, and I believe he will do his best to stamp out this horrible scourge. I wish him every success.

It is all very well for the farmer to produce, but, if we have not got the population—and I do not think we are going the right way about getting that population—we shall not be able to market our products satisfactorily. I suppose that, with the exception of wheat, we can produce anything in abundance and can beat any other State in the

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Commonwealth in this respect. We can produce strawberries, oranges—long-carrying and the other variety of orange—and all manner of citrus fruits, and also the most beautifully flavoured bananas in the world. We can do all these things, but there is one thing that we cannot grow quickly enough under our present methods. Take Canada—

Mr. COLLINS: For God's sake don't quote Canada. It is about 300 years old and has only about 8,000,000 people.

Mr. WARREN: It is only during the last few decades that Canada has come to the front at all. It has come on in leaps and bounds because the people there have altered their methods altogether and are steadily developing. I want to see the Government of Queensland alter their methods and start developing the State. Queensland, as the hon. member for Oxley said, has practically no population; taking it on a mileage basis, we have hardly any population; and the unfortunate thing is that the population we have wants to live in the cities.

Mr. COLLINS: It shows the second best results for the whole of Australia so far as population in the metropolitan area is concerned.

Mr. WARREN: I am not saying that it does not; but it is the general complaint that, until we can alter those conditions and make country pursuits attractive, thus inducing men to go on the land, our policy is going to be a most disastrous one for the State.

Mr. COLLINS: What do you suggest?

Mr. WARREN: I suggest that we should give the people on the land more liberal treatment.

Mr. COLLINS: Does not our programme provide that?

Mr. WARREN: What is the use of your having a programme if you do not put it into operation? Every party in Queensland has a beautiful programme. If you went to a restaurant and they gave you only the bill of fare, that would not fill you; you would want the waiters to bring you some food. So we want these waiters, our Ministers—the people who are responsible for the government of Queensland—to give us a little fair treatment. They must make agricultural pursuits more attractive. It is no use talking about their agricultural scheme. It must be remembered that every committee that is organised for distribution purposes is not organised through this agricultural scheme. That is the unfortunate part of it. When we criticise their actions, we find that the head of that scheme does not treat us fairly. We want to see the scheme the success it should be, and are willing to assist to make it so. I do not care who thinks differently. The farmer is not doing his duty to himself if he does not take hold of the scheme with both hands; he is not working in the interests of the producers unless he takes hold of it and makes it his own. It is no use having a sub-branch of the Agricultural Department and the Government scheme—that is not going to help us in any way.

One of the greatest troubles is that this conglomeration scheme cannot deal with individual industries. The sugar man will not deal with the fruit man, and the fruit man will not deal with the sugar man—he is unable to deal with the problem. The

scheme must allow each branch of the industry to work in its own line. If the butter man does not work for butter, if the milkman who is supplying the city does not work for milk, then the scheme is going to be a failure.

Touching on the milk question, I would like to refer briefly to the matter of pure milk. I think it is of the greatest importance to the city that we should have pure milk. The Department of Agriculture goes a certain distance, and we give it great credit, because the suppliers have always asked the department to treat very stringently those people who adulterate milk, even if they adulterate it only with water.

Mr. COLLINS: Surely they don't adulterate it with anything else?

Mr. WARREN: This supervision does not go far enough. The inspectors are only allowed to go to the vendors. They should go to the restaurants and test the milk on some of the tables there. We should create—as we have attempted to do with fruit—a greater desire to drink milk. This would be a great advantage to the community. There is not sufficient milk consumed in Brisbane; and there are many other cities consuming more milk per head than we do. If the department would only test this milk in public-houses and restaurants, it would be found that some of the milk is not only adulterated, but it is poor milk and is not as it comes from the dairyman. That is the weakness of the system. The whole system is badly managed, and I think it is a pity that the dairymen cannot handle this question themselves. They have asked for a pool, and I am of opinion that once the dairymen are educated sufficiently—and doing this work is the only thing that is going to educate them—they will be capable of handling the supply of milk from the cow to the consumer, and will be more competent to give a pure milk supply than under the present system with its three or four heads. The farmer is not getting a fair deal. Not only is he the man who has to produce, but he is also the man who has to pay the taxation. The taxation on the produce is altogether too great. We hear a lot said about only so many paying taxes; but we must remember that every farmer in the State has to pay taxes. It is a great mistake to say that only so many farmers pay taxes. In some cases the farmer has to pay in taxation to his local authority a great deal more than he pays to the Commonwealth and State Governments. The general extravagance no doubt extends to local authorities. They point out that it is owing to the high cost of wages, but it is not only the high cost of wages that has led to the general extravagance. That is one reason why we should encourage private enterprise a great deal more than we have during the last few years. I do not quite agree with the hon. member for Oxley, who said the Government were becoming converted. I do not think they are becoming converted, and I know the hon. member for Bowen would not like it if they were. I hope, whatever happens, that the Government will take into consideration the very hard times the farmers are going through at the present time, and that they will do all in their power to help the farmers to save their stock so that, when rain does come, they will be able to carry on.

Mr. COLLINS: The socialistic State.

Mr. WARREN: It is merely co-operation.

Mr. COLLINS: That is what socialism really is.

Mr. WARREN: Socialism is not co-operation. If the farmers were run under a socialistic scheme they would be getting a higher return now. The industry would be paying; but at the present time tens of thousands are going heavily into debt. If they were under a socialistic scheme, the State would not only buy fodder for the farmers and pay their expenses, but would also be paying these men wages. Under a socialistic scheme, if the Government had unlimited resources, farmers would be much better off than they are under private enterprise; but, unfortunately, the Government would "go broke." They would be like the Russian Government.

Mr. COLLINS: How do you account for the Russian Government being still in existence after five years?

Mr. WARREN: How do you account for a dead man walking? All I ask is that the Government should co-operate to the extent of taking some of the burden, if only temporarily.

Mr. W. COOPER (*Rosewood*): Permit me to congratulate the Treasurer upon his Financial Statement and also to refute some of the statements that have been made in connection with the last election campaign. It has been stated in this Chamber that on the platform at Lowood I made the assertion that the Government were practically bankrupt, and in that they were in no different position to any other Government in the world. I want to say here and now that I never made any such statement. And if hon. members consider the source from which the statement emanated, they will readily understand that the statement was false, because no candidate would be fool enough to make a statement of that kind when contesting a seat as a supporter of the Government. The statement appeared in the "Courier" of 16th April, and the report was signed by Alfred Lilley, a solicitor at Lowood. If he was half as fair as his name indicates, we would have no trouble; but, unfortunately for this gentleman, while he sat in that audience, I took stock of the condition he was in at the time, and I say that he was not in a fit condition to report anything correctly or half correctly. I am sorry that the hon. member for Dalby was not more conversant with the tactics used by men of that class before he got up in this Chamber and made that statement. I am of the opinion that the hon. gentleman knew perfectly well that I never made that statement, although it appeared in the "Courier."

Mr. VOWLES: It was made over two months ago, and you never contradicted it.

Mr. W. COOPER: The hon. member knows quite well that during the whole of the time I was engaged in contradicting statements made by himself and by my opponent during the campaign that were absolutely inaccurate. It took me all my time to refute the statements that were being sent out by the ex-leader of the Country party in connection with the actions of the Government towards the farmers and the people generally of this State.

Mr. VOWLES: Why did you not contradict it in the "Courier"?

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Mr. W. COOPER: I had no time to read the "Courier" then. If I had taken the trouble to contradict every misstatement that may have appeared in the Opposition Press, I would have had no time for anything else. There was also a report that I said the reason why the Government had had a redistribution of seats was because we wanted to give greater representation to country people than to those in the city. I also give that an emphatic denial. I never made any such statement, and, if the Committee will bear with me, I will tell them exactly what I did say in connection with that matter. I said that time after time the Government had been twitted by the Opposition that metropolitan members were representing more electors than the country members, and the Premier at the time took the Opposition at their word and brought about a redistribution. I can safely say that I was one of the members who never went near the Commissioners in regard to an alteration of the boundaries of my electorate to suit myself; but my opponent admitted in this Chamber that he was the first man to go there, and he gave as a reason for going to the Commissioners that someone else had done so. That was the statement I made in connection with the redistribution.

In regard to the financial position of the Government, I also made this statement—that practically every Government in the world had had a deficit during the period of the war. I did not say that Queensland was practically insolvent. I think that clears that up.

Mr. VOWLES: Did you not make the statement during the election that the Queensland Government were practically insolvent and no different from any other Government?

Mr. W. COOPER: That was the report, but I give it a denial. At the time I did not take any notice of it. I was very much like the hon. member, perhaps—concerned in winning my seat. I have no time to write to the "Courier" in reply to statements of that kind. There have been charges made against the Government, particularly within the last eight years, of extraordinary expenditure on the construction of railways. The Government from 1915 to 1918, and indeed up to the present time, have been placed in an infinitely worse condition than any other Government which built railways under the day-labour system. Comparisons have been made between the cost of construction of lines by the present Government and previous Governments. We have first to consider the cost of material, and, secondly, the cost of sleepers. In the early construction of Queensland railways all that was necessary was to go right alongside the lines and hew the sleepers out, and put them on the line as it went ahead. The sleepers are to-day costing over 100 per cent. more than they did in 1912, and the price of timber has risen 150 per cent. more than it was in 1914.

Mr. MORGAN: Who was the cause of the rise in timber?

Mr. W. COOPER: The timber merchants themselves. The hon. member has asked that question, and I will answer it. The Government send out assessors to value the timber in the forests and place a value on it, and then call tenders for the purchase of the timber, which system hon. members opposite are so fond of advocating. The merchant goes and buys the timber at from 50 per cent.

to 100 per cent. more than the Government are charging as royalty. That is the reason for the high price of timber, and the hon. member knows all about it. Hon. members are asking for a remedy for the position in which the unfortunate farmers are placed through the drought. I have not seen any tangible proposition put forward by the Opposition to relieve the farmers when they are suffering from drought. In my opinion there is only one way to bring about a state of affairs which will give relief to the farmers—that is, the method of insurance. The way the Government have relieved the worker from distress is by insurance, and the only way to relieve the farmer is to bring about a system of drought insurance. We have to take into account the unfavourable condition of farmers in certain areas in Queensland as compared with others in more suitable localities where the rainfall is greater. When some portions of the State are suffering from drought, other portions are free from it and get the benefit; but the unfortunate farmer who happens to be in a drought-stricken area has to pay the piper every time. A system of insurance against drought would not cost very much. A fund could be set aside in the same way as insurance for the worker is set aside, and, when drought occurred seriously injuring the farmers in any district, they could draw upon the fund.

Mr. MORGAN: Get your State Insurance Department to take it up, and we will insure.

Mr. W. COOPER: I dare say that the State Insurance Department will take it up, if the hon. member who is so frequently advocating private enterprise will endeavour to get private enterprise to take it up as well. If he will do that, the Government will give the farmers assistance in that direction.

Mr. CORSER: Would you want a monopoly?

Mr. W. COOPER: The unfortunate thing is that we have not got a monopoly of insurance, as we would then be able to put this scheme into operation and relieve the farmer from the distress he is suffering.

Mr. CORSER: Mention the matter in caucus, and see if the Government will take it up.

Mr. W. COOPER: There has been something said in connection with wages. The hon. member for Oxley has claimed that a man working in an industry does not get the full reward for his labour, and I am prepared to admit that he does not. He should be paid according to efficiency, and I am satisfied that there is nothing to prevent an employer paying his employee on that basis. Arbitration Court awards only state the minimum wage to be paid to employees. I have never yet been fortunate enough to meet an employer who would pay a man more than the minimum wage although he was worth more, unless he was under contract and was therefore compelled to do so.

Mr. MORGAN: He employs a lot of men who do not earn the minimum wage.

Mr. W. COOPER: I am prepared to say he does not, and, if the hon. member said that outside, he would not be in this Chamber. Hon. members opposite have been saying that we have introduced a Bill to enable the Arbitration Court to fix the wages for rural workers. I have worked on farms, and it is very rarely that I have seen a farmer pay his employees by results. The only time he does that is when he finds he cannot get

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the work done any other way, because the wages usually paid for the particular class of work are so small that the farmer cannot get anybody else to do it.

Mr. MORGAN: Do you say the farmer pays starvation wages to his workers?

Mr. W. COOPER: I said that, when he cannot get his work done by day labour, he gives it out on contract. It is a most remarkable thing that many employers do not adopt the contract system in connection with their employees. When a man takes a contract to put up a building he pays his workmen weekly wages. Why does he not let the work out by contract? It is because he knows that it cannot be done that way; and the State is placed in exactly the same position in regard to railway construction. There is no incentive for a man to slum work if he is being paid by the day or the week, but the moment you give him a contract he has the opportunity of doing slum work. I had an opportunity about three or four weeks ago of going down to the Tweed River, and I saw a bridge there which had been washed out by the recent flood. When I examined the piles, which under the contract should have been pointed and shod, I found they were cut off and not sunk within 8 or 10 feet of the depth to which they should have been sunk under the contract.

Mr. KELSO: If you wanted a bit of land cleared, would you not get it done by contract?

Mr. W. COOPER: No; I would not.

Mr. Maxwell interjected.

Mr. W. COOPER: The hon. member is judging me by himself as a member of the Employers' Federation. I have never called tenders for any work I have had done.

Mr. MORGAN: Quite right. You have never paid a man wages in your life.

Mr. W. COOPER: I have paid as much wages as the hon. member, and I have had more men working under me than the hon. member has had, and I paid them better wages, too. But it is no use for the hon. member to try to drag me off the track. I had the opportunity of making dummy bolts for bridges erected under the contract system. All we have to do, if we want to see how the contract system works, is to look at the construction of the boats built for the Commonwealth. Lloyds would not let them go to sea. Some hon. members have complained about the cost of the roads which are being built by the Main Roads Board, but if you take the cost of the roads built by that board and of the roads built by a shire council and consider them, with the cost of upkeep of a motor or other vehicle for twelve months in each case, you will find that people will be well recompensed for putting down roads under the Main Roads Board system. I know that in New South Wales, prior to 1906, all the roads were constructed by the Government, and they were at that time called and claimed to be main roads. In 1906, New South Wales passed a Local Authorities Act and handed the roads over to the shire and municipal councils, and it was not five years before those bodies were calling upon the Government for grants.

Mr. KELSO: Did not the local authorities do the work by day labour?

Mr. W. COOPER: Did they? Let me tell the hon. member that my experience of roads

in shire council areas is that they have abandoned the contract system and have now gone back again to the day-labour system. What would be the position under the contract system of the men who make roads? Would we revert to the old days when men toiled under a supervisor who was extracting their blood and sweat from them for the meagre wages which existed then? I am satisfied that hon. members do not want to go back to those old times. At all events, they do not want to be reminded of some of the things that occurred under the contract system and before the advent of a Conciliation and Arbitration Court. I remember, many years ago—when there was no Arbitration Court award or any system by which employers were compelled to pay fair and reasonable living wages—when shirt and other factories of that kind advertised in the newspapers for so many girls over fourteen years of age to put in six months on probation in the making of the various articles they turned out.

Mr. MORGAN: How many years ago?

Mr. W. COOPER: It was a bit before the hon. member had pyjamas. (Laughter.) As a matter of fact, what happened was that those girls were employed for six months, but so soon as the paltry half-crown became payable under the agreement with them, they were discharged and a fresh lot were put on. And these very philanthropists are the men who, to-day, are telling us that we have no right to have an Arbitration Court. They are the men who want to go back to the bad old days, and I want to say that hon. members opposite would be very pleased to see us go back to that self-same system. The reason why the hon. member for Oxley has advocated payment by results and profit sharing is that he sees the writing on the wall. He sees that the old system is going out, and something new must come in. Is it not remarkable to watch how hon. members opposite are reaching out a hand to the worker to-day? Is it not simply because they have not been able in the last year to oust this Government from the Treasury benches, owing to the fact that we have taken up a humanitarian stand and helped everybody, whether he be on the land or in the town, whether he be employee or employer—nobody can say that he has not been helped by this Government. All you have to do to get proof of that fact is to consider the prosperity of this State during the last eight years. You will find that there will be no lack of capital coming into Queensland in the next ten or, perhaps, twenty years, but it will be a catastrophe if members of this party are ever put on the Opposition side of the House. I am satisfied that for at least another thirty years this Government will be here in office. (Opposition laughter.)

GOVERNMENT MEMBERS: Hear, hear!

Mr. W. COOPER: There will have to be a disaster of some kind before the gentlemen occupying the Treasury benches are ever placed in opposition. Something has been said by hon. members on the other side about apprenticeship and about how a boy can be taught a trade most efficiently. I happen to be a tradesman, and I know something about the conditions of the period when I was an apprentice. I know how the boss treated me and my comrades. Before the passing of the Factories Act in New South Wales, an employer was able to put his apprentices in most dangerous positions. What did it

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matter to him if a boy lost his life? He could always get another apprentice for nothing. I sat side by side with another apprentice, he grinding on one side of an emery wheel, and I on the other—an open, unprotected emery wheel. The wheel broke and my mate was killed. The only cost to the employer to protect that emery wheel would have been 10s., and as a matter of fact he protected it afterwards.

Mr. FERRICKS: He saved his 10s. and lost the boy's life.

Mr. W. COOPER: The boy was no loss to him; but what about the loss to the unfortunate mother, and sisters and brothers? I say here, without fear of contradiction, that if it had not been for men like the hon. member for Bowen, who believed that the workers should get fair and reasonable conditions and that human life was more valuable than property, that state of affairs would have existed to-day. An apprentice to be trained properly must have experience and practice, but, above all, he must have a considerable amount of brains. It is no use for any man to say that he can make a carpenter out of a man who will make only a bootmaker, or an engineer of a man who would be fit only for sweeping the streets. The unfortunate thing is that many boys have not the opportunity of selecting the trade which they are most fitted to learn. When the boy goes to serve his time, not only has he many difficulties to contend with, but the man who is endeavouring to impart knowledge to him also has difficulties to contend with. It has been said by the hon. member for Oxley, and rightly so, that every man does not possess the ability to impart knowledge. I contend that every boy does not possess the necessary qualifications to become a tradesman in a particular calling. There are some boys who are temperamentally fitted to become blacksmiths, and others to become carpenters.

Mr. ELPHINSTONE: And others to become judges.

At 5.40 p.m.,

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

Mr. W. COOPER: To-day employers are asking for premiums from boys who wish to be apprenticed to the electrical trade. Only the parent who is able to pay the highest premium is able to get his boy apprenticed in an electrical house in Queensland. It is impossible for any committee, or any parent, or executive body to train a boy when the master is opposed to having that boy. Under those circumstances, the boy's chances are not very great. That not only applies to the electrical trade, but it applies to every other trade, and the only method by which a boy can be properly trained is under that method which gives him plenty of practice. It is no use going down to the technical college and putting in two or three hours every night.

Mr. KELSO: You want both theory and practice.

Mr. W. COOPER: They are both essential, and they both can be obtained at the technical college. A boy cannot become a tradesman without having a considerable amount of practice. There is one trade which requires more practice than another, and that is the blacksmithing trade.

Mr. MAXWELL: Each man thinks that his own trade requires the most practice.

[Mr. W. Cooper.

Mr. W. COOPER: No. At any rate, there is not very much in painting. (Laughter.)

Mr. ELPHINSTONE: You are very hard on the Secretary for Public Works.

Mr. W. COOPER: Anyone who has a knowledge of turpentine, linseed oil, white lead or zinc, and is able to see straight, and knows a door when he sees it, can become an efficient painter. It is not necessary for him to be able to use varnishes. Quite the reverse applies to fitters and turners.

Mr. ELPHINSTONE: Do they not have to see straight?

Mr. W. COOPER: Let me take the case of two boys employed in a blacksmith's shop, one as a painter and the other as a blacksmith. I guarantee that in six months the boy who is doing the painting will be almost as efficient a tradesman, whereas the blacksmithing boy will not be an efficient tradesman. I know that some hon. gentlemen think I am casting some reflection on the Secretary for Public Works, who is a painter.

The SECRETARY FOR PUBLIC WORKS: Don't worry about me.

Mr. W. COOPER: The Minister has found it necessary to take some action to control the ingredients of paint because they are poisonous. Unfortunately, many of the master painters in the metropolitan area have not yet awakened to the danger of poisonous ingredients in paint.

Mr. MAXWELL: You are out of your depth.

Mr. W. COOPER: No. I would inform the hon. gentleman that I know something about painting. He thinks that I do not.

Mr. MORGAN: He did not say so.

Mr. W. COOPER: He inferred it just the same.

Mr. KELSO: He did not.

Mr. W. COOPER: I shall tell hon. gentlemen opposite something that they will not like to hear, and that is in reference to the conditions under which farmers are labouring to-day as compared with the conditions they were labouring under when previous Governments were in power. The organisation of the farmers has been one boon that they have received at the hands of this Government. Although in the past there have been Governments composed of men who posed as great friends of the farmers, yet they never attempted to introduce any scheme by which the farmers might have bettered their conditions.

Mr. KELSO: Were the dairymen never organised before?

Mr. COSTELLO: You are not game to tell the dairymen that.

Mr. W. COOPER: The dairymen are not organised yet. If the hon. member had any knowledge of dairymen, he would know that they are not organised. We have a co-operative butter factory established in Booval. Does the hon. member suggest that the suppliers to that factory and the shareholders are organised?

Mr. KELSO: I think they are.

Mr. W. COOPER: There is a certain amount of organisation. Are the whole of the farmers organised? Would the hon.

member be surprised to learn that many of the farmers who are shareholders in that factory send their cream down to Kingston?

Mr. MORGAN: Then they are scabbing on their mates.

Mr. W. COOPER: They are doing that because they are not organised into a proper body. Just imagine an hon. member representing farmers saying that they are "scabbing on their mates"! No decently organised body would "scab on their mates." The hon. gentleman does not know anything about organisation. The articles of association of that factory say that unless a man is a supplier he cannot participate in any benefits, and he cannot be a shareholder unless he is a supplier. What does that mean? It means nothing more or less than preference to unionists, which hon. members opposite say they do not want. The co-operative butter factories and cheese factories in Queensland, to all intents and purposes, apply the principle of preference to unionists to their suppliers and shareholders, otherwise they would not have the conditions that I have stated set out in their articles of association. Preference to unionists purely and simply! Unless they are shareholders they cannot be suppliers, consequently they are outside the pale of the organisation, which, in my opinion, is not half an organisation up to the present time. They can only be organised efficiently by the Council of Agriculture.

GOVERNMENT MEMBERS: Hear, hear!

Mr. W. COOPER: The hon. member for Murrumba said, quite rightly, that the producers of milk should also supply it, and thus get the fullest reward of their industry. I do not believe for one moment that any city council, judging from what I know of city councils, is capable of running the milk industry of Queensland. The producers of the milk are the only people capable of placing the milk in the homes of the consumers in the most efficient manner and under the best conditions.

Mr. MORGAN: And without water.

Mr. W. COOPER: Yes, and without water. As a matter of fact, when the farmer sends his milk to the men who have the distributing agencies in ninety-nine cases out of a hundred, unless he has a cow that does not give milk of the required standard—and there are such cows—it is of the best quality. It would be infinitely better and more conducive to the health of the people of Brisbane if they had a milk pool, because under the present conditions the people of Brisbane are not getting the fair deal that they should get, any more than the farmer does for the milk he supplies.

Mr. MORGAN: Who is going to govern the pool—the council or the farmer?

Mr. W. COOPER: The farmer will.

Mr. MORGAN: The council wants to.

Mr. W. COOPER: I know that they are putting up a bit of a fight for that control, but that does not say that it is right that they should get it.

Mr. MORGAN: They should not interfere at all.

Mr. W. COOPER: No. Their only responsibility is to see that the milk is in a healthy condition when supplied. Whether they will be able to do that or not is another question;

but their only function is from a health point of view. If one is to judge of their abilities in this regard by looking around the city and seeing some of the places there, they will not be able to do that.

Mr. MORGAN: You are making the hon. member for Fortitude Valley blush.

Mr. W. COOPER: The hon. member for Fortitude Valley knows perfectly well that the local authorities are not what they might be.

Mr. MORGAN: He will have to get up and defend the City Council.

Mr. W. COOPER: And he also is aware that improvements can be made in the city so far as the City Council are concerned, and also in connection with the shire councils in the country. The difficulty I find with local authorities is that they will not place sufficient taxation on themselves so as to make good streets or roads, or give healthy conditions for the people. After all, it is well known that you cannot tax yourself into prosperity, but you can tax yourself into a healthy condition.

Mr. KELSO (*Vundah*): We all listened to and read with great interest the Financial Statement delivered by the Treasurer, and we certainly are pleased, as the hon. gentleman must be surprised, to look back twelve months and find that the deficit then anticipated is not as bad as he thought it would be. At the same time, it is deplorable, when we look at the figures, to find out the immense amount of taxation we are labouring under at the present time, and one begins to wonder when this increase in taxation is going to end. As compared with the other States, Queensland heads the list in taxation. We also find that this state of affairs makes it very difficult for the people here to compete with the people in the South because of the great advantage that the Southern people have in the lesser rate of income tax. To give the House some idea of the comparative taxation, I intend to quote some figures. These figures have probably been quoted before, and I am going to be very gentle in quoting figures, because the leader of the Opposition has already gone very fully into the matter.

The SECRETARY FOR PUBLIC LANDS: Liars can figure.

Mr. KELSO: The hon. gentleman can have an opportunity at any time to show that he has proved his ability in that direction. In 1914-15 the Treasurer secured from the people in income tax £517,275. The taxation under three or four other headings for that period totalled £954,457. In 1922 we find that the receipts from income tax increased to £2,149,607.

GOVERNMENT MEMBERS: Hear, hear!

Mr. COLLINS: By taxing those best able to pay.

Mr. KELSO: This is an increase of £1,632,334.

Mr. COLLINS: Obtained from those best able to pay.

Mr. KELSO: The hon. member for Bowen has made so many remarks in the short time that I have been in the House that I forget all the interjections he has made, because he has contradicted himself so many times.

Mr. COLLINS: You prove that from "Hansard."

Mr. Kelso.]

Mr. KELSO: The hon. members opposite think it is a grand thing to hit the fellow who has money.

Mr. COLLINS: Don't make assertions unless you can prove them.

Mr. KELSO: The hon. member for Bowen this afternoon quoted one Mallock as an authority. He gets his ideas from him.

An OPPOSITION MEMBER: From Karl Marx.

Mr. KELSO: At any rate, he has an idea that the easiest way for the State to get the money it has to spend if it is short is to stick it on to the rich fellow.

Mr. COLLINS: What a lot of wisdom you are giving us!

Mr. KELSO: The hon. member knows perfectly well that taxation put on one section of the community is practically spread over the whole of the community.

The SECRETARY FOR PUBLIC LANDS: Your party does not admit that in local government matters.

Mr. KELSO: But the hon. member must realise that he cannot hit the rich man without hitting the poor man.

The SECRETARY FOR PUBLIC WORKS: You don't know much about it.

Mr. KELSO: It is appalling to think that there has been an increase in taxation from £954,457 in 1914-15 to £3,330,885—an increase of £2,376,428, or 249 per cent. I propose to show later on that a lot of this revenue has been spent in a very uneconomical way. The taxation in the various States for the year 1920-21, according to the Commonwealth statistics, is—Queensland, £4 17s. 11d.; New South Wales, £3 10s. 8d.; Tasmania, £3 os. 7d.; South Australia, £3 6s.; Western Australia, £2 17s. 9d.; and Victoria, £2 10s. 4d. We find that the Budget

[7 p.m.] anticipates an additional £10,000 from taxation, although the raising of the exemption allowance for children and other dependants involves a loss of £63,000. Certain economies have been effected in order to make up the lessened deficits shown. During the year 1921-22, 1,120 employees were deflated, saving £241,000, and a re-arrangement of work saved £66,000, making a total of £306,000 in 1922-23. There has also been a 5 per cent. reduction in salaries of all Government employees and the stoppage of increases in salaries of £300 and over, and in 1923-24 a similar reduction is to apply to salaries of £400 and over.

As has been pointed out before, although the Estimates for the last year provided a certain amount for education, in spite of the demands of a growing population and the great need for the full vote being disbursed, an amount of £23,446 was saved out of that vote. This afternoon the hon. member for Oxley dealt extensively with the question of State enterprises, and other hon. members following on also dealt with this question, because the subject is such an important one and there is so much money invested in these enterprises. It must have dawned on hon. members on the other side of the House that this is one of the most important functions of the State, considering the amount of capital involved, and the fact that most of these are not paying enterprises. The hon. member for Oxley pressed home the argument that it is about time that the Government, after these experiences with

State enterprises—after many of them having failed to pay—

Mr. PEASE: Which ones?

Mr. KELSO: I will give those in a minute or two. It is about time that those industries which have been proved failures should be cut out. Hon. members opposite who are wedded to State enterprise must face the situation. I will read the losses on the State enterprises for the year ended 30th June, 1923—

	£
State stations amounting to ...	400,350
Produce Agency amounting to...	5,290
State Cammery	38,114
Fish supply	30,502
Coal mines	92,191
Arsenic mines	6,373
Iron and steel works	48,507
Roma bore	33,883
Batteries	4,566
Palmer goldfield	4,220
Chillagoe mines	117,984
Irvinebank treatment works ...	36,145
Trawler	13,792
"Douglas Mawson"	10,656
Lime pulveriser (approximately)	2,000

It is such a long list that one really gets out of breath in reading it. The total loss amounts to £844,385. I am sure hon. members will appeal to me to give the other side—that is, those enterprises which show a profit. They are—

	£
State butcher shops	6,929
Babinda Hotel	5,901
Railway refreshment rooms ...	21,360
State sawmills	14,265
Total	£48,455

showing a net loss of £795,930.

Mr. RIORDAN: You have omitted the State Insurance Office.

Mr. KELSO: If the Government are prepared to run these enterprises as a business proposition, then it is only fair that they should deal with them in the same way as ordinary enterprises are dealt with by the State. The State should not be favoured in any particular way if you are going to have a basis of comparison so that you can see whether the State enterprises pay or not. Independent of that, the State enterprises are exempt from State and Commonwealth income tax in the few cases where there are profits to be taxed. Then again, any agreements in connection with State enterprises are always free of stamp duty. There are further losses on State stations due to over-valuation of stock and under-estimation.

The SECRETARY FOR AGRICULTURE: I suggest that the Minister should change the name and call them "The People's Enterprises," so that the people would understand what you are talking about.

Mr. KELSO: The Treasurer in his Financial Statement says—

"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."

What is the object of doing that? The hon. gentleman wants to do the same as has been done in the past; he wants to cover the weaknesses of those State enterprises that do not

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pay by making transfers from time to time from healthy accounts to those that do not look too healthy, and thereby lead the people to believe that these particular enterprises that have been bolstered up are really in a healthy condition themselves. In 1915-16 an amount of £60,650, profit on the wholesale meat transactions, was transferred to the retail butcher shops. Then again, there was another transfer from the butcher shops to the State Fish Supply, amounting to £30,000. That item of £30,000 did not manage to bolster up the fish enterprise. Then the State Produce Agency, which has been so much boosted, received a credit of £10,000; and in 1918-19 an amount of £3,755 was transferred from the old Metropolitan Fish Board to the Fish Supply expenditure. In 1920-21 the Railway Refreshment-rooms transferred to the State Produce Agency £25,000 to help to reduce the losses in connection with the State Produce Agency; and in 1919-20 an amount of £6,000 was taken from revenue. What is the effect of doing this? The effect to those who do not follow up past transactions is that it is impossible in trying to gauge the prosperity of any State enterprise in any particular year to find out whether that enterprise is prospering or not. I think that these credits from one enterprise to another should be brought forward from year to year, so that it will be quite plain for anybody who looks it up to find what loss has occurred on a State enterprise in any year, quite independent of any bolstering up which comes from the Trust Fund.

Mr. PEASE: Do you say that the Government should close the State Cannery?

Mr. KELSO: Excessive taxation is a very serious matter for the State when you consider that it is very necessary for the State to develop secondary enterprises to the fullest extent. It is necessary, first of all, to place people on the land. We know that the land is the original source of wealth, but there are a great many people in the cities who must be kept going who could never possibly aspire to be farmers, and these industrialists must be found employment unless you are going to have a large number of men out of work. It is a great pity that there has been practically no increase of factories during the last few years in Queensland in order to absorb the industrialists, as compared with the Southern States. The increase of factories in Victoria between 1916 and 1921 was 1,119; in New South Wales, 627; in South Australia, 172; in West Australia, 124; in Tasmania, 48; and in Queensland only 13. Is there any reason why in Queensland, which is the home of primary products, those products should not be manufactured here?

Mr. PEASE: Why does not private enterprise build those factories?

Mr. KELSO: I am just about to come to that. We have here the hides and the wool and we are going to have the cotton. Why is it that we have not increased our factories? Take boot factories, for instance. Most of the hides are produced in Queensland and sent down South. We find that in 1921 Victoria had 304 factories, New South Wales 189, and Queensland only 31. In connection with the wool and cotton industries, Victoria has 17 mills, New South Wales 9, and Queensland only 2. The reason why these factories are not established here is because private enterprise is not prepared to put capital into such factories in Queens-

land because they will not get the return from the investment of their capital which they can get in New South Wales or Victoria.

Mr. WINSTANLEY: They get better returns here.

Mr. KELSO: That is caused by the heavy taxation to which we are subject.

Mr. W. COOPER: In what direction?

Mr. KELSO: The hon. member knows that the income tax in Queensland is more than double what it is in Victoria. Is there any inducement for a man to build a factory here, where he is taxed on the profits of that factory more than twice the amount he would be taxed in Victoria? The proof of the pudding is in the eating. We are not, as hon. members opposite have said, scandal-mongers, decrying the name of Queensland.

Mr. PEASE: You are doing it.

Mr. KELSO: We have just as much faith in Queensland as hon. members opposite say they have.

Mr. W. COOPER: You have a peculiar way of showing it.

Mr. KELSO: We say that, if we had good sound government, the prosperity of this State would be on a par with the prosperity of the Southern States. We are not going to say for a moment that Queensland is insolvent; we are not going to say that the Labour party has made Queensland insolvent. We could say it if we liked, but we are not going to say it. What we do say is that, in spite of the legislation which hon. members on the other side have brought in, Queensland has progressed, but she has not progressed as she would have done if we had had in power a Government which brought in sound and sane legislation.

Mr. PEASE: According to the late Prime Minister of the Commonwealth, unemployed came to Queensland from the other States looking for work.

Mr. KELSO: I find that in 1921-22 the amount expended by the Government in outdoor relief was £177,019, but I see from the figures this year that the amount in 1922-23 was reduced to £76,413.

Mr. PEASE: Because the men are now in employment.

Mr. KELSO: What I want to ask the Minister is whether the real reason for the reduction is due to the fact that many of those unemployed are now receiving assistance from the Unemployed Workers' Insurance Fund?

The SECRETARY FOR PUBLIC WORKS: If you knew anything about it, you would know that the sustenance payments do not come into operation until the 1st September. There has been no expenditure from the fund other than administrative expenditure.

Mr. KELSO: I am sorry to see any man having to apply for relief, but there must be a certain amount of unemployment—as a matter of fact, in every big city there is a certain number of unemployed—but I want to ask whether it is not fair that these men should have work provided for them? Is it a good thing for the community that they should receive doles and not do anything for them? Does it not degrade a man to have to go, cap in hand, to any State department and say, "I am out of work, I am starving, I

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want relief"? I offer the Government the suggestion—which I think is a very fair one—that they should consider the question of trying—

The SECRETARY FOR PUBLIC WORKS: You want to start the workhouse system, do you?

Mr. KELSO: I do not.

The SECRETARY FOR PUBLIC WORKS: That is what you are advocating—breaking a yard of stones for a feed.

Mr. KELSO: In 1893, when many of the banks suspended payment and things were in a very bad state, the Government of the day had to help the unfortunate men who were out of work. They had to find them rations and keep them alive, but they respected the manhood of those unemployed and provided them with work.

Mr. W. COOPER: They provided soup kitchens, too.

Mr. KELSO: They did not provide soup kitchens.

Mr. W. COOPER: They told them that, if they did not like to take 4s. 6d. a day, they could starve.

Mr. KELSO: They said to those men, "If we must give you relief, you can retain your manhood by doing work equal in value to the relief you are getting." At any rate, I think it would be far better if the Government were to do that now.

Turning to the question of loan expenditure, it is wonderful to notice how the views of hon. members on the other side have changed, and changed for the worse. In "Hansard" for 1912, page 1247, the present Treasurer is reported as saying during the debate on the Financial Statement—

"I want also to call attention to the enormous increase in loan expenditure."

A little later on he referred to—

"the very dangerous increase of loan expenditure in the last year or two."

Of course, he was sitting in opposition then.

He goes on to say—

"In 1910-11 it was £1,995,501. In 1911-12, last year, it was £3,324,248. Do Ministers expect that the people believed that that rate of loan expenditure could be continued?"

He goes on to say—

"This year they propose to expend £2,835,250. That is also an inordinately high rate of expenditure, and it is a rate that this country cannot keep up."

He continued further—

"When this party is on that side they will adopt a policy which will not involve an expenditure of £3,000,000 per annum, and I think there will be no necessity then to complain about the public works policy."

He was backed up by the late Mr. Bowman, who said—

"Well, speaking for myself; and I know that a number of members agree with me, while we are prepared to support a borrowing policy for reproductive works, we should be careful in the amount we do borrow. We should only have restricted borrowing."

He further said—

"I think it would be a big mistake for

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this Government, or any other Government, to go in for borrowing indiscriminately."

What is the record of the Government for the last few years? During the last eight years of the Liberal Government £16,363,743 were expended, and during the eight years of the Labour Government, not including the current year, £26,244,969 were expended. Taking individual years, we find that the amount expended was—

	£
1919-20	4,797,865
1920-21	4,251,248
1921-22	2,599,573
1922-23	3,701,750

We find that for the current year the Treasurer proposes to expend £5,038,156.

Mr. COLLINS: Now quote the increase in population.

Mr. KELSO: The hon. member is getting a little bit nervous.

Hon. members conversing in a loud tone,

The CHAIRMAN: Order! I appeal to hon. gentlemen, if they wish to conduct a conversation, to do it in a lower tone. It is certainly disconcerting to the speaker, and it is not fair to the "Hansard" staff or the Press.

HONOURABLE MEMBERS: Hear, hear!

Mr. KELSO: The Premier, in delivering his policy speech at Cairns on 20th April, 1923, said—

"At the last election the State was faced with a critical position with regard to loan funds owing to the operation against us of a political boycott on the London money market. The sinister designs of our opponents were entirely thwarted by the success of the Government in gaining access to an unlimited market in New York. Our success in establishing a success in that market has been of considerable benefit to the whole of Australia."

He is reported in the "Daily Standard" as having said at Charters Towers, four days after he delivered that policy speech—

"Dealing with the question of loan conversions, he said the value of those falling due in 1924 was £13,000,000, and in 1925 an addition of £12,000,000, and it was necessary for the Government to arrange for loan flotations in England in order to effect the conversion of these loans. The Government did not anticipate difficulty in arranging this for existing bond holders. An early appeal would be made to the Bank of England, which acted as adviser to the Government. One of the strongest reasons for the arrangement of this business in England, rather than provide for transfer of these loan obligations to New York or elsewhere, was that it most suited the interests of all parties to have the business continued on the same basis as in the previous year. It used to be said that trade followed the flag, but it undoubtedly was true that trade followed the financial current. The transfer of these large loans to other countries undoubtedly would lessen the volume of trade between Great Britain and Australia, and this was not desirable."

What I want to know is what happened during those four days. Here we have the

hon. gentleman making a definite statement and crowing over the fact that he dished these people who kept him off the London market by going to the New York market, where he could get unlimited supplies of money, and four days afterwards we find him saying it would be far better to go to the London market to get the money if it was available. What happened in the interval? If that news was cabled home, it is safe to assume that some information was sent to the Treasurer to moderate his views in view of the approaching conversion? The Treasurer has been crowing about the loans he floated. He says in his Financial Statement—

“The two loans raised in America, which were dealt with at some length in my last Financial Statement, have formed the subject for a good deal of comment both in Parliament and in the Press. When the results of these issues were made public, I stated that we had raised them at a lower cost than the rate at which money could have been obtained in London at the time, and no evidence has been supplied by critics to disprove my statement.”

The matter of the American loans does not seem to have been gone into very exhaustively, and, in order not to repeat the arguments used by the hon. members on this side, I propose to spend a little time in considering the statement the Treasurer has made that nobody as yet has disproved the fact that the actual rate of interest, according to the Budget Speech of last year, on the first American loan was £5 12s. 10d. We find that there was a loan floated on the 1st October, 1921, of 12,000,000 dollars, and that the price it was issued at was 93. These figures are from the report of the Auditor-General and the Budget Speech. We find that the gross proceeds, exclusive of expenses, were 11,830,000 dollars. That is equivalent at par value of the dollar to £2,441,430.

At 7.23 p.m.,

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

Mr. KELSO: We are told that the rate at which this was converted into English money was 3.92½ dollars to 3.96¼ dollars, that the profit made on the conversion to sterling was £523,713; the gross proceeds sterling in pounds were £2,965,143, and the expenses on the underwriting of the loan came to £102,439. The net realisation of that 12,000,000 dollar loan, therefore, came to £2,862,705, and the rate of interest on the 12,000,000 dollars was 7 per cent. The actual rate of interest, if the dollar is at par value when interest is paid, is £5 12s. 10d. The period of the loan is twenty years. The annual interest at 7 per cent. on 12,000,000 dollars is 840,000 dollars. If that is converted at the rate of 4.866 dollars—that is par—it is equal to £172,626. This is what I want to emphasise—and the Treasurer has not mentioned this in his Budget Speech at all—the interest on this loan has to be paid half-yearly. We find that at the present time, with the convertible price of the pound sterling at 4.45 dollars, the interest amounts to £188,764. I was saying that 4.865 dollars to the pound is equal to £172,626, which is the interest which has to be paid on that loan. If that interest has to be remitted to America at the present time, it can only be remitted at the current rate of exchange. The current

rate of exchange to-day is about 4.45 dollars to the pound, which is equal to £188,764. The

Treasurer has thrown out a challenge [7.30 p.m.] lence on a number of occasions—and I am very sorry that he is not in his place now, because I wish to throw out a challenge to him to-night.

Mr. RIORDAN: Do you want the Treasurer? I will get him for you.

Mr. KELSO: I take up that challenge, and say that the figures given by the Treasurer are not correct.

Mr. COLLINS: Do you say that deliberately?

Mr. KELSO: I do, and, if the hon. member listens, he will appreciate the truth of what I am saying, and it will be up to the Treasurer to deny my statement. The Treasurer has stated that the loan is only costing a certain rate per cent. If I state that those figures are wrong, the Treasurer must prove that he is right.

The HOME SECRETARY: You have not yet shown that they are wrong.

Mr. KELSO: I am going to do so. The Treasurer in his Financial Statement for last year said—

“The proceeds of this 12,000,000 dollar loan, exclusive of the profit on conversion, amounted to £2,441,430, and the profit on conversion into sterling was £523,713, making the gross proceeds £2,965,143. The expenses were £102,439, leaving the net proceeds £2,862,705.”

He further said—

“The rate of interest on the net proceeds is £6 0s. 7d. per cent. net, but, as the realisation has been £116 1s. 8d. per cent., the effective cost (including redemption) works out at £5 12s. 10d. per cent.”

I say that the Treasurer has taken in the profit on conversion of £523,713 into his figures, and he is using it a second time.

The HOME SECRETARY: Why do you say that?

Mr. KELSO: I will give the figures, and the hon. gentleman will realise that I am right. If you take the net amount, after deducting expenses, at £2,862,705—which the Treasurer admits—I do not think there will be any dispute about the fact that 7 per cent. on £12,000,000 is 840,000 dollars. The interest on that is equal to £6 0s. 7d. per cent.

The HOME SECRETARY: And the conversion profit?

Mr. KELSO: The conversion profit is already included in these figures.

The HOME SECRETARY: That is where you are making a mistake.

Mr. KELSO: I read the figures which include that profit. The actual amount of money that the State got out of that loan was £2,862,705, which includes £523,713 profit on conversion. The money taken from New York to Great Britain showed a profit, through favourable exchange, to that extent.

Hon. F. T. BRENNAN: You must place the 7 per cent. on top of that.

Mr. KELSO: That is the exact amount admitted by the Treasurer, and that is what the State got out of the transaction, including the profit on conversion.

Mr. PEASE: You have omitted the 620,000 dollars retained in America for the purposes of a Sinking Fund. This, converted, amounts to £130,000.

Hon. F. T. BRENNAN: Of course it does.

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Mr. KELSO: The annual interest is 840,000 dollars, and if you take that at par, it gives exactly the amount that the Treasurer has stated.

The SECRETARY FOR PUBLIC WORKS: Put your figures on the table and we will analyse them.

Mr. KELSO: They will go into "Hansard," and hon. members may read them there. That interest has to be sent over to America and has to pay the current rate of exchange.

Hon. F. T. BRENNAN: You have not answered the question from the hon. member for Herbert.

Mr. KELSO: The hon. member wants no reply. He cannot lead me off the track.

Mr. PEASE: I say that you have omitted the 620,000 dollars retained in America for the purpose of a Sinking Fund. That amount was never sent to London.

Mr. KELSO: It is highly probable that, for some considerable time, dollars will have to be bought at an average of not more than 4.45 dollars to the pound, and if this is so, the effective rate of interest will be £6 11s. 10d. That is what it will cost us to send money across. In addition to this, under the Sinking Fund arrangements, during the last fifteen years of the period of the loan, the bond holders can require the Government to redeem the whole of the loan at 102½. The arrangement is that during the first five years the Sinking Fund can be redeemed at 100 dollars, and the Treasurer in his Financial Statement is rather patting himself on the back by pointing out that he has made a splendid arrangement by this American loan. He says—

"Although the loans were raised in October, 1921, and February, 1922, for 12,000,000 dollars and 10,000,000 dollars respectively, only 18,000 dollars has been required for the purchase of bonds for the purpose mentioned. This, I think, indicates the value of the security in the minds of the investors."

That is perfectly right, and the Americans know that they have made a splendid bargain at the expense of Queensland. But what are they going to do when this loan has been running for a little while and the Americans exercise their option of requesting the Government to buy certain of these bonds? For five years it is not likely that those men will buy any of these bonds because they will only get 100 dollars; but when the five years have expired, starting with 1927, you will find the American investor will see it is to his advantage to ask for these periodical payments in reduction of the loan, because he will get 102½ dollars for every 100 dollars, and if he keeps that going for fifteen years he will get all of the loan back. It is only common sense that the major portion of this money has probably been underwritten by one or two of the large American firms, like J. P. Morgan and Company. We know that these firms are immensely strong and control a chain of strong financial houses, and I venture to say that the probability is that most of this loan is held by these men, and they are not going to ask for that redemption for five years because it would not pay them to do so.

Mr. DUNSTAN: Do you think they will do something that will prevent us borrowing again from them?

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Mr. KELSO: They will wait five years, the same as the hon. member would do, because at the end of five years they can ask for their systematic reduction of the loan and get 102½ dollars for every 100 dollars. They will continue to do that. The more you examine this loan the more you discover that it is not a very profitable transaction at all.

Mr. PEASE: Only a profit of £750,000.

Mr. KELSO: The second loan is for 10,000,000 dollars. The date of the flotation was 12th February, 1922, and it was floated at 96½. The gross proceeds came to 9,650,000 dollars, equivalent at par value of the dollar to £1,933,143. That loan was converted into pounds sterling, according to the official tables quoted here, at 4.39½ dollars to 4.44½ to the pound, and the profit on the conversion was £191,096, less underwriting expenses, £85,703. The net realisation on the 10,000,000 dollars was £2,033,541, and the actual rate of interest, as per the Budget, is £5 17s. 5d. per cent., and that loan runs for twenty-five years. There is a big difference between the two loans. On the second loan the interest is payable half-yearly on 15th February and 15th August. The sinking fund is 50,000 dollars on 15th August, 1922, and 50,000 dollars every half-year thereafter for the purchase of bonds at a price not exceeding par, the instalments unapplied to be invested at the option of the State in these bonds or in State or Commonwealth stock. In this particular case they insist upon a sinking fund, and, if the bondholders do not claim to have that particular portion of the sinking fund paid back to them at par, then that must be used in the purchase of bonds in New York or in the purchase of State or Commonwealth securities. Every year we have a sinking fund of 100,000 dollars which has to be provided in redemption of the debt. That is a fairly heavy payment, and, although it is a very good thing to have a sinking fund, yet year by year the State has to provide a certain amount which is a very reasonable loan in itself in order to provide for people who insist on having repayment made to them. There is no definite sinking fund attached to the first loan, as the sinking fund only operates if the bondholders wish to resell to the Government at a fixed price. This sinking fund also requires a credit in New York for the purchase of bonds if the holders wish to sell. What does that mean? It means that the Government have to be continually sending across at least 100,000 dollars every year—as a matter of fact 50,000 half-yearly—on the chance of people in New York demanding their money. They have to pay exchange on that. I would remind hon. members that the present rate is 4.45 dollars to the pound, and, if you spread that over the whole life of the loan you will find there is a fair amount of exchange lost there. The Treasurer is assuming that by the time the loan falls due the pound will have recovered and the dollar will be at par, but I would remind the hon. gentleman that lots of things may happen before that.

Let us see the splendid bargain he made as to the terms of the loan in another direction. The hon. gentleman must know that it is a very good thing to float a loan and have a sliding scale, making that loan repayable—if it is a thirty-year loan—at the end of twenty years at the option of the Government or at any period subsequent to that which will enable the Government to fix their own time for the redemption of the

loan within any period of ten years or within a period of five years. Five years may make all the difference to the Government, because at any special time it may be possible to float a loan on advantageous terms, or there may be a European crisis on. We have had the same thing happen before; but in fixing up this loan the Treasurer seems to have overlooked that. In his haste to get all this money from New York to dish the coterie that he talked about yesterday of 160 men, he omitted to make such an arrangement.

Hon. F. T. BRENNAN: Do you still claim that your figures are right after what the hon. member for Herbert said?

Mr. KELSO: Yes. The Treasurer in that particular matter failed, unfortunately, to provide for a breathing space as has been done in most other loans, and as would have been done probably had he floated the loan in London. Here are some figures regarding loans floated in London about that time—

Mr. RIORDAN: Do you approve of the delegation?

Mr. KELSO: What delegation?

Mr. RIORDAN: Ask the hon. member for Toowong.

Mr. KELSO: I am talking about something worth talking about, and the hon. member ought to follow me. If the hon. member will only listen, I will tell him something that he has not heard before. On 12th October, 1921, New South Wales floated a loan for £3,000,000 at 6 per cent. The term was for nineteen years, with the option of redemption after nine years. The effective cost of that loan approximately was £6 8s. 8d. per cent. In January, 1922, the Commonwealth floated a loan of £5,000,000 at 6 per cent., and it was over-subscribed. The effective cost of that loan was approximately £6 6s. per cent. In February, 1922, Victoria floated a loan of £4,000,000 at 5½ per cent. Fifty-six million pounds were offered, and the effective cost of that loan was £5 15s. 6d. per cent. There was no question of going cap in hand, and no fear as to whether the loan would be floated or not. In April, 1922, New Zealand borrowed £5,000,000, and they had £10,000,000 offered to them—twice as much as they wanted. The loan was floated at 5 per cent. at par, term twenty-three years, with the option of redemption after thirteen years. The cost to redeem that loan was £5 3s. 9d. per cent. In May, 1923, New Zealand floated a loan of £4,000,000 at 4 per cent. It was issued at £92, and terms twenty years with option of redemption after ten years. The cost to redeem was £4 12s. 7d. per cent. Victoria floated a loan of £5,000,000 at 5 per cent., issued at £99½, and the effective cost was only £5 2s. 4.6d. per cent. In July, 1923, Western Australia floated a loan of £3,000,000 at 4½ per cent. The loan was issued at £95, and cost of redemption £4 18s. per cent. The Treasurer has been patting himself on the back because he has been able to get £1,277,000 over the counter, due on 1st July, 1932. I give the hon. gentleman credit for fixing a limit of five years during which he can pay off that loan. I only regret he did not make the same provision in connection with the American loans. The hon. gentleman talks about the solidity of the State. He said the State is this and the State is that because Labour happens to be in power. I find from the platform of the Labour party that they are against any loans

which are free of taxation. Why is it that hon. members opposite do not carry out their platform in that respect? They are glorying in the fact that most of this money was subscribed by the big financial institutions, which rushed the loan.

The SECRETARY FOR RAILWAYS: A good deal came from Victoria.

Mr. KELSO: If the hon. gentleman was a rich man and lived in Victoria, or if he was connected with a big life or fire insurance company in Victoria as a director, it would pay him to rush that loan and put as much money as possible into it.

The SECRETARY FOR RAILWAYS: That is what they are doing, because Queensland security is safe.

Mr. KELSO: I do not know whether the hon. gentleman was in the House when I said that members on this side of the House will never say that Queensland is insolvent. These men have taken it up because they know on which side their bread is buttered. They have an investment there till 1938, unless the option is exercised by the Government, free of income tax. The Secretary for Railways will agree with me that it pays those big companies to take up the loan if the interest is free of State and Federal income tax and the graduated tax will not apply. It is the declared policy of the Labour party to condemn this kind of loan; but, when the first opportunity occurs, the Government take £1,277,000 over the counter—and they could have taken another £250,000 if the Federal loan had not come into block it—and say to investors, "We will give you this loan free of Federal and State income tax." In July, 1923, Western Australia issued £3,000,000 at 4½ per cent. at £95, which cost them only £4 18s., but our State Treasurer gives 5½ per cent.

The SECRETARY FOR RAILWAYS: What are the Federal Government getting now?

Mr. KELSO: My time is nearly up.

A GOVERNMENT MEMBER: Answer that question.

Mr. KELSO: I should like to continue on this very interesting subject, but my time is nearly up. I thank hon. member opposite for having given me a little more attention at the end of my speech, because they realise it is an important subject. I am prepared to stand by everything I have quoted. In conclusion, I want again, with other hon. members on this side, to protest against the statement that we wish to stain the fair name of Queensland. We realise to the full that the Treasurer has a big task ahead of him. Few people, and certainly not those who understand anything about public finance, would envy the Treasurer his position at the present time. If there had been a Treasurer from this side in office, his conscience would have been so clear that he would have gone to London and demanded all the money he wanted at a low rate of interest, and he would have got it. Why is the Treasurer so nervous? He remembers the reception he got last time. He knows the promises which were broken, and that people at the other side of the world have long memories.

Mr. HARTLEY: What promises were broken?

Mr. KELSO: I am referring to the "Repudiation Act," which the Government had no right to place on the statute-book.

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The Treasurer is going home with a nervous feeling that everything is not all right. So far as we on this side are concerned, we wish the Treasurer success in the renewal of the loans. We have the assurance of the hon. member for Oxley that he will do all he possibly can when he gets home to assist the Treasurer. (Government laughter.) If the Treasurer is in earnest, he will accept the assistance of the hon. member for Oxley. We are just as anxious on this side that the fair name of the State shall be upheld as hon. members opposite, and that the loans may be obtained at a low rate of interest for the benefit of the people of the State.

Mr. FARRELL (*Rockhampton*): This is the first opportunity I have had of addressing the House, although I was elected as the representative for Rockhampton in February of this year. I have had to face two elections without having taken my seat in the House, and I think it must be pleasing to hon. members on this side to know that on the second occasion on which I contested the Rockhampton seat I was returned with a greater majority than before.

GOVERNMENT MEMBERS: Hear, hear!

Mr. FARRELL: The hon. member who has just resumed his seat said that the Treasurer was very nervous when he delivered his Financial Statement. I do not know what he would say about me. In reply to an interjection which I made when the hon. member for Kurilpa was speaking yesterday, that hon. member said that, when I had been in the Chamber a little longer, I would have more experience, and would know that the efforts of the Labour party in the direction of making conditions better for the workers of Queensland were of no avail, and he suggested that I should wait until I had more experience before I spoke here. I must thank the hon. member for that advice, because it is very sound.

I listened with great interest to the leader of the Opposition, the hon. member for Logan, and other hon. members opposite, but my study of logic convinces me that the only constant factor in the speech of the hon. member for Kurilpa who spoke last night, was noise, more noise, and still more noise. (Government laughter.)

I was much impressed with the speech of the leader of the Opposition, who, I think, was sincere when he told the House that all his efforts would be directed towards assisting the Treasurer to get a renewal of the loans in London at the lowest possible rate of interest; but I am sorry to say that the speeches of the hon. member for Oxley, the hon. member for Enoggera, and even the hon. member who has just resumed his seat, instead of helping the Premier in his mission at the end of the year, will tend to do exactly the opposite to what the leader of the Opposition would like it to be.

The hon. member for Enoggera last night did nothing but castigate the Government for their financial administration, and a similar remark replies to the hon. member who has just resumed his seat. All I can say is that, when it comes to the question of the financial administration, I am prepared to accept the verdict of the people of Queensland, who at the last election returned the Premier and his party with an overwhelming majority. After hearing hon. members opposite, one would think that

Queensland was the only State in the Commonwealth where the word "deficit" was ever known. This week we

[3 p.m.] have heard speeches one after another condemning the Labour Administration because on different occasions they have showed a deficit; but, if we look into the figures, we will find that although Queensland's deficits have amounted to something like £900,000 during the whole of the time Labour has been in office, States in which no Labour Governments have been in power have fared much worse. In 1920 in New South Wales a Nationalist Treasurer presented to Parliament a Financial Statement showing a deficit for the year of £1,599,577. Nothing was said by hon. members opposite about the administration of a Nationalist Government in New South Wales! Let us turn to Western Australia. There has been deficit after deficit under a Nationalist Administration in that State. As a matter of fact, there has been a succession of deficits for the last seven years, totalling £4,500,000. Not a word from hon. members opposite about the Nationalist Administration in West Australia! Then let us turn to South Australia, also under the control of a Nationalist Administration. Since 1917 they have piled up deficits aggregating £1,320,000. Tasmania, also under a Nationalist Government, has for the last five years shown deficits totalling £320,000. So, when we examine the so-called financial genius, the supposed financial ability of Nationalist members of Parliament and Governments in the other States of the Commonwealth, we realise the true position, and I am sure the people of Queensland realised it at the last election.

I do not intend to delay the House by dealing further with matters of that kind, because I am sure that any criticism which is levelled at the Government by hon. members opposite can well be left to the reply of the Treasurer himself; but I would like to deal with one prominent "catch-call" of hon. members opposite. My experience has been that, when they speak in the House, they give expression to the same ideas as on the hustings, and on the matter of taxation their cry, both on the hustings and in Parliament, has been that the Labour Government of Queensland have taxed the workers and the people of Queensland generally to such an extent that they cannot bear any further taxation, and, whilst they recognise that to all intents and purposes the worker is exempt from taxation directly, they draw the inference that the burden of taxation is thrown back on to him by those who actually pay it. I simply ask—as the Treasurer asked an audience at Townsville during the recent campaign—if it is a fact that the people who earn big incomes in Queensland throw the burden of taxation back on to the worker, why is it that these men with big incomes are doing the squealing at the scheme of taxation of the Queensland Government? For the same reason hon. members opposite carry on their campaign of criticism of that same scheme of taxation. I consider—and although I am the youngest member of the House, I still think that my opinions are entitled to some respect—that the system of taxation in Queensland is most equitable. It is based, as has been pointed out often by hon. members in this House, upon the principle of ability to pay. I say—and, if necessary, I shall prove my statement—that the masses of the people of

[*Mr. Kelso.*

Queensland pay no taxation at all. Let me quote proof of that assertion from one of the official organs of the Opposition, in the shape of a leading article in the Rockhampton "Morning Bulletin," which, I think, nobody will accuse of being a supporter of the Government for which I stand. In March, 1922, dealing with the Income Tax Bill introduced by this Government, that paper said—

"Of course the Labour Government are taxing the income of only 26,000 out of a population of 750,000, or 3.4 per cent. of the population, the other 96.6 per cent. of the people go tax free."

We find that of those 26,000 persons 520 earning incomes of £3,000 and over supply actually half the total amount of income tax. If hon. members will take the trouble to go into the figures, they will see that those 520 persons earn an aggregate of £4,000,000, or, roughly, £7,700 each. I said at the beginning that the Queensland system of taxation was the most equitable one could think of. Let me quote from a table to show hon. members just how the tax bears on the people of Queensland, and how the graduated system of taxation affects incomes, to show conclusively that the man with the small income pays absolutely no tax at all. Let us take a taxpayer with an income of £250. The rate in the £1 is 6d. He pays a total tax of £1 13s. On £300 the rate is a little over 6d., and the taxpayer pays £3 10s. On £400 the rate is 7d., and including supertax the taxpayer will pay £8 8s. 9d. The man on £500 per annum, paying 8½d. in the £1, would pay £14 12s. 1d.; the man on £1,000 per annum, paying 1s. in the £1, would pay £70 per annum; the man on £2,000 per annum, paying 1s. 6d. in the £1, would pay £180 per annum; the man on £3,000 per annum, paying 2s. in the £1, would pay £360 per annum; and the man on £4,000 per annum, paying 2s. 6d. in the £1, would pay £600 per annum. Those figures are very significant. Let us compare them with the payments in Victoria. I will show that comparison more clearly when I show exactly what the worker pays in Queensland, as compared with the workers in the other States of the Commonwealth. I shall take a worker receiving £208 per annum. This is the amount he would pay—

	£	s.
Queensland	0	5 per annum
Victoria	0	14 per annum
South Australia ...	1	10 per annum
Western Australia ...	2	5 per annum
Tasmania	3	1 per annum

The hon. member for Dalby quoted Western Australia as a State which showed wonderful financial ability. Let me now take the figures with respect to a married man and three children—

	£	s.
Queensland	No tax	
Victoria	0	15 per annum
Western Australia ...	1	17 per annum
South Australia ...	2	14 per annum
Tasmania	4	19 per annum

Let us compare the figures for the small incomes in Queensland with the figures for small incomes in the other States, and the figures for the large incomes in Queensland, with the figures for the large incomes in the other States. We find that the taxpayer earning £1,000 per annum would pay £70 per annum in income tax in Queensland, while in Victoria he is only asked to pay £18

4s. 10d. In Queensland the man on the basic wage, who has a wife and family, has to pay no tax, whereas in Victoria he is asked to pay 15s. per annum. In the latter case I refer to the man earning £208 per annum. All those figures prove conclusively that in Queensland we have the most equitable system of taxation that has yet been introduced in any State of the Commonwealth. The principle laid down by the Labour Government in Queensland is that those best able to bear the burden of taxation shall bear the burden of taxation, and I hope that policy will continue here for many days to come.

Much opposition and much criticism have been levelled by hon. members opposite at the State enterprises entered into by this Government. I admit that all the State enterprises have not been a success. I have in mind the State stations. I admit that they have not been a success, but I ask hon. members opposite if they can tell me of one cattle man in Queensland who at the present time can show that he has not suffered as much as the State stations have suffered, or even more. Hon. members know full well that the cattle men in Queensland have had to write down the value of their cattle and the value of their stations, and while they castigate the Government on the lines that they have been doing in regard to our State stations they calmly turn round next day and take a deputation to the Treasurer and ask for concessions for the cattle men in Queensland, and the Treasurer has never yet refused to give the greatest consideration to those cattle men. All I ask from hon. members opposite is that they act fairly in criticising the State Enterprises Department. That is one instance of where the State has lost, but my view of State enterprises, as I know the policy of the Government in power, is that the results of State enterprises are not shown by £ s. d. balances, but are shown in the value that the people themselves get from those State enterprises. I have now in mind the State Insurance Department, where the people of Queensland have been saved thousands of pounds by that wonderful institution. Hon. members opposite say that it is only through sheer luck that the Government were able to make a success of that department. They say that it is only sheer luck that has enabled the Government to make a success in any of the departments where success has been achieved. Just let me take the State enterprise in which I am most interested in Rockhampton. I refer to the State butcher shops. If any enterprise has shown better profits than the State butcher shops of Queensland, then I would like to know that enterprise. I admit in this case that the £ s. d. balances are not very large, but the money that has been saved to the people is a considerable amount. It is estimated that the State butcher shop at Rockhampton serves one-third of the total meat consumed in that city, and I find by taking the prices that were charged in 1916, before the inception of the State shops, and the prices charged by the State shops after their inception, the saving to the people in Rockhampton in that item alone amounted to £235.813. I cannot quote a better statement as to the excellence of the State butcher shop in Rockhampton than to quote the hon. member for Normanby when he was on this side of the House. I find that in 1917, when he was speaking on the Financial Statement, he said—

"We have got three State butcher

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shops in Rockhampton, and they are also established in Townsville, Charters Towers, and other places, and we hope soon to have them all over Queensland."

He further said—

"Not only do State butcher shops provide cheap meat, but the effect of their establishment has compelled other shops to bring their prices down."

It would be interesting to know what stand that hon. member takes at the present time regarding those shops. He cannot very well do otherwise than adopt the same stand.

Mr. GLEDSON: You do not know him if you say that he cannot do otherwise.

Mr. FARRELL: While I was reading the speech of the hon. member for Normanby I took out these extracts regarding his remarks on State butcher shops. I noticed that he said, in reply to the then member for Toowoomba—

"All I can say is, that every Labour 'rat' is scrapped out of the rubbish tin and made a Liberal leader."

I am sure that the remarks by that hon. member with regard to the State butcher shops were sincere, and I believe the hon. member thinks the same to-day.

Mr. PETERSON: They could have reduced their prices still further.

Mr. FARRELL: I am sure that, if the Minister in charge of the State Enterprises Department could not reduce the price of meat in the State butcher shops still further, then I have not got much faith in the ability of the hon. member for Normanby to do so. To show that the price of meat in the State shops in Rockhampton has been considerably reduced, and to show that the Employers' Federation—I hope the hon. member for Toowoong will notice this—recognised that the State butcher shops were affecting private enterprise in Rockhampton, let me read a letter which was sent to the Commissioner for Trade by Mr. J. J. Verney, the secretary of the Employers' Federation in Rockhampton—

"The master butchers of Rockhampton have instructed me to approach you with the suggestion that all retail butchers shops in this city, including your State shops, should adhere to the uniform price of meat as fixed by the Prices Commissioner. At the present time, of course, you are aware your shops are selling meat at considerably less than the proclaimed prices."

Does the hon. member for Normanby know that?—

"In justice to the master butchers it must be mentioned that they are in every instance adhering to the legitimate prices. Should you be prepared to maintain the fixed prices the master butchers have authorised me to say that they are willing to do the same and fully reciprocate your efforts."

There is a letter from the Employers' Federation in Rockhampton to the Commissioner for Trade asking him to get the State shops to increase the price of their meat and bring it up into line with private enterprise. The Minister in charge of that department, who has the interests of the people of Rockhampton at heart, refused to agree to the suggestion.

ton at heart, refused to agree to the suggestion.

GOVERNMENT MEMBERS: Hear, hear!

Mr. FARRELL: I think that is the answer direct to the hon. member for Normanby, who says that the price of meat should be still further reduced. The interests that he represents now on the opposite side of the House by that letter alone show that he stands, not for a reduction in the price of meat, but for an increase.

I would like to make a few comments on the Workers' Homes Act, which has been introduced by this Government. Here, again, I probably speak with more authority than most members on this side of the House, because it was in Rockhampton that the scheme was first initiated. I am pleased to say that already fourteen homes have been built in Rockhampton under this Act; and while I was in Rockhampton during the last week-end, I had no fewer than sixteen people coming to see me wanting to take advantage of the liberal conditions provided under the Act. I notice that the hon. member for Enoggera, when speaking to this motion, advocated a scheme whereby better conditions still should be brought in to enable a young man who wanted to marry to get a home of his own. I do not think the hon. member is sincere, because, when his Government were in power, they either did not want to bring in this Act, or else they did not have sufficient statesmanship to bring it in.

Mr. MORGAN: They brought in the Workers' Dwellings Act, and the Labour party opposed it.

Mr. FARRELL: How many people have taken advantage of the Workers' Dwellings Act since the Workers' Homes Act was passed?

Mr. MORGAN: They have no money—that is why.

Mr. FARRELL: The reason why they do not take advantage of the Workers' Dwellings Act is because every applicant has to find at least one-fifth, or 20 per cent on the capital value of his house.

Mr. GLEDSON: Twenty-five per cent.

Mr. FARRELL: Twenty-five per cent.—I thank the hon. member for Ipswich for his correction. On a £600 house he would have to put down a deposit of £150. For a similar house under the Workers' Homes Act the worker would be asked to put down a deposit of £30. The hon. member for Murilla prides himself on the fact that his Government introduced the Workers' Dwellings Act.

Mr. MORGAN: Hundreds of workers have taken advantage of that Act, and thousands and thousands of pounds have been advanced to them.

Mr. FARRELL: I agree with the hon. member that it is an excellent Act, but the party I represent have passed an Act which extends to the worker much more liberal conditions. From the worker's point of view—which I look at more than anything else—he is more able to get a home under the Workers' Homes Act than under the Workers' Dwellings Act, where he had to find a deposit of 25 per cent. when lodging his application.

Mr. MORGAN: The better conditions he obtained in those days enabled him to find that deposit more readily than he is able to do now. (Government dissent.)

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Mr. FARRELL: Another bogey introduced in Rockhampton, particularly at that memorable by-election, was another Act introduced by the Secretary for Public Works, that is the Unemployed Workers Insurance Act. The first we heard in Rockhampton during the by-election—and the Minister and several other of my colleagues can bear me out—of the workers' unemployment insurance fund from my friends in opposition—some of whom I recognise here to-night—(laughter)—was that the workers of Rockhampton would have to pay 5s. per week out of their wages towards this scheme. This certainly frightened a great number of workers of Rockhampton. The following Friday, the Secretary for Public Works came to Rockhampton and explained that the actual contribution of the worker towards this scheme was half the price of a packet of cigarettes—3d. per week. Last week-end, when I was in Rockhampton, I met a deputation of the Australian Workers' Union, who came along to see me about the administration of the Act, and every one of them voiced the opinion that it was easily the finest Act that had been put on the statute-book during the whole of the period that Labour has been in power.

Mr. GLEDSON: Yet they call it the "Loafers' Paradise Act."

Mr. VOWLES: Is it in operation yet?

The TREASURER: Yes.

Mr. SIZER: You have started to collect the premiums, but the Act is not operating.

Mr. FARRELL: The hon. member for Sandgate was one of those who said it was going to cost the workers 5s. a week. After the criticism levelled at this Act in Queensland, I took the trouble to get into communication with friends in England regarding a similar Act and its working there. Not only was I successful in getting the information, but my friends sent me the card used in England. The only difference between the Act administered in Queensland and the Act administered in England is that in Queensland the worker pays 3d. a week, whereas in England he pays 7d.; but instead of drawing the amount that is drawn by the worker in Queensland, he draws on an average 5s. per week less.

Mr. VOWLES: It does not apply to all unemployed workers.

Mr. FARRELL: I believe the hon. member is right. There is another scheme that I hope before long the Labour Government of Queensland will also place before the electors of Queensland, and that is a scheme of national insurance against ill-health, such as exists in England to-day. The workers of England are also insured against ill-health as well as against unemployment, and the amount of payment per week, as shown by the cards I have in my possession, is 7d. per week.

Mr. ELPHINSTONE: It was not the Labour party which introduced that scheme in England.

[8.30 p.m.]

Mr. FARRELL: No; but it was a Nationalist Administration in Queensland that criticised it as it now exists.

I am going to reply to a few of the criticisms levelled at this side of the House, chiefly with that by the hon. member for

Cunningham, in regard to the department in which I have served all my life. I believe that I can safely say that I can speak with some authority on this question—the question of education in Queensland. The hon. member for Cunningham, when speaking on a motion three nights ago, said that there should be more schools built in Queensland, and that the expenditure on schools in the country should be greater, that facilities should be provided, and that extra money should be spent. I must say that I agree with the hon. member.

OPPOSITION MEMBERS: Hear, hear!

Mr. FARRELL: I think that, if any department in Queensland should be well provided for and should have every facility at its disposal, it is the Education Department.

OPPOSITION MEMBERS: Hear, hear!

Mr. MORGAN: I am surprised.

Mr. FARRELL: The hon. gentleman need not be surprised, because the longer I am in the House the more he will appreciate that I am sincere in what I say. I find by comparison that the amount expended by this Government on education in Queensland is twice as much as the amount expended by the Tory Government when that Government was in power.

Mr. MORGAN: There has been a great increase in wages since then.

Mr. FARRELL: I am glad that the hon. gentleman admits that the Labour Government have increased the salaries of teachers. I find that in 1915 the total vote, exclusive of works, was £565,133, while last year, under a Labour Government, it amounted to £1,276,397, or an increase of £711,264—an increase which was more than the actual amount spent by the Tory Government. I find also that the proposed vote for this year is £1,313,000—a further increase of £37,000 on last year's vote.

I now come to the part which the hon. member was speaking about—the salaries of school teachers. In 1915 the Tory Administration paid £412,000 in salaries to the teachers of Queensland. Last year the Labour Government paid £951,000—an increase of £538,000, or more than double that paid by the Tory Government. In 1915 we had 1,408 schools in Queensland. This had been increased in 1922 to 1,625.

Mr. MORGAN: The population has increased.

Mr. VOWLES: What about the revenue?

Mr. FARRELL: The hon. member is talking about revenue. Has he been so long in the House and does not know yet that we do not get revenue from the Education Department? (Laughter.) The number of teachers in 1915 was 3,803, and last year it had increased to 4,327, chiefly due, I admit, to the extra number of schools built by the Labour Administration. Hon. members opposite are great believers in higher wages. They will be surprised to learn the amount of salaries paid by their Government before the advent of a Labour Administration. In 1915, a Class III. teacher, after serving a five years' probation and passing five examinations, was paid the munificent sum of £150 per annum.

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Mr. VOWLES: Equal to £300 per annum now.

Mr. FARRELL: In 1923 the same Class II. teacher, under a Labour Government, is paid £285. A Class II. teacher in 1915 received £210, as compared with £350 in 1923. A Class I. teacher, after passing examinations which are equal to B.A. standard at the present time, received £270, as compared with £410 now.

I am not so much concerned with the policy of this Government with regard to the increase of salaries as I am with the general facilities that have been granted to the children of this State to acquire a good education. The Tory Government, when in power, placed an iniquitous tax on the children of the State by asking them to bring along quarter money at the end of each quarter to supply school requisites. Immediately the Labour party got into power that quarter money was abolished, and no further poll tax was placed upon the children.

Mr. VOWLES: We supplied the children with a number of other things.

Mr. FARRELL: Not only was the quarter money cut out, but now the children receive free books, pencils, copy-books, rubbers, and other incidentals connected with their work. The whole of the things previously supplied by the scholar himself are now provided free of charge by the Labour Government.

There is another important feature, and that applies to the secondary education of our children. It do not think that hon. members on either side of the House will deny that this is a very important subject. I find that the Labour Government have made such provision for secondary education in Queensland that last year 1,463 children, by passing scholarship examinations, were entitled to a free secondary education at the Grammar Schools. Also that 1,600 children in Queensland, by passing a High School examination, are entitled to a free secondary school education in the High Schools of Queensland.

Before passing from this subject, I would like to make a reflection in connection with the High Schools and the Grammar Schools as they exist at the present time. I say, and do not apologise for saying it, that the Grammar Schools in Queensland ought to be nationalised.

GOVERNMENT MEMBERS: Hear, hear!

Mr. FARRELL: I think that they ought to be brought under the direction and control of the State. Only this morning I received a letter from one of the assistant mistresses of one of the principal schools in Rockhampton, complaining of the class distinction which was made in the Rockhampton Girls' Grammar School between the worker's child and the child who is there as a paid boarder—between a scholarship child and a child belonging to a wealthy person who paid for her education at the Grammar School. This is a problem which the Secretary for Public Instruction will have to face sooner or later. It is a very serious problem, and to-day I stand whole-heartedly behind the High Schools of Queensland as against the Grammar Schools. I think the hon. member for Oxley was well on the right track this afternoon when he referred to the excellent work of the Technical Colleges. In Queensland to-day we are turning out too many clerks

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and typists and not sufficient tradesmen, and the fault lies with the Grammar Schools of Queensland. If the system of High Schools, State Schools, and Technical Colleges in Queensland was carried out to the full letter and Grammar Schools dropped altogether, we would have in some measure a solution of the problem which the hon. member for Oxley referred to in his address to-night. I can speak from personal knowledge of the excellent work that is being done in the Rockhampton Technical College. There facilities are provided for apprentices to get an expert knowledge of their trades, and only a couple of months ago, when the electric light scheme was being put into operation in Rockhampton, I, in company with my colleague, the hon. member for Fitzroy, made representations to the Minister, and he immediately made provision for a class in electrical trade subjects at the Rockhampton Technical College, and that is going to be of great benefit to the boys who are apprenticed to that trade at the present time.

I would like to say a word about something which is of national importance to Queensland; and in this case I may probably have to say something which may not altogether fit in with the views of some hon. members on this side of the House. I refer to the training of teachers. At the present time Queensland is to be complimented on the calibre of its State school teachers, and nobody recognises that more than the Secretary for Public Instruction. But we have to face facts as we find them, and I find, on looking up the last report of the Education Department, that in the schools of the North in one particular district the number of untrained teachers represents 44.6 per cent. of the total teachers in that district. I cannot help but remark, when I look round this beautiful building and see the beautiful architecture, what a wonderful mind it must have been which suggested this beautiful architecture. But how many of us think what a wonderful teacher it was who trained that wonderful mind that designed this beautiful structure; and it is that point I want to make in connection with the training of teachers in Queensland. I give place to no one in my appreciation of the great work that has been done by the unclassified teachers in Queensland. Their work has been magnificent under most trying circumstances. The point we have to arrive at is: How are we going to give these teachers an opportunity of becoming specialists? Because, when we get the child at school, the teacher has the most wonderful power in the world over that child's mind—more power than all the Parliaments of the world. He can make or mar this child's life, according to whether he is trained and skilled or whether he is untrained and unskilled. Most hon. members present to-day have children of their own, and can recognise the force of my argument. The greatest work in the community to-day is the work of the State school teacher. I am going to submit a proposal to the Secretary for Public Instruction, who is interested in educational work in Queensland; and the best compliment that has been paid to him since he has been Minister is in the fact that only recently the secretary of the Queensland Teachers' Union, in remarking as to who was likely to become the new Secretary for Public Instruction, said, "I hope, so far as this

union is concerned, that the Hon. John Huxham will be retained as Secretary for Public Instruction in Queensland." I think that is a very fine compliment to the Minister, coming as it does from the official head of the Queensland Teachers' Union. The proposal I would suggest in connection with the training of teachers in Queensland is this: We all know that the examination system, as it exists to-day, is probably not all it should be; but we also know that, if there was not an examination system by which teachers would be compelled to study certain subjects, then those subjects would not be studied.

I find I have only a few minutes left at my disposal, but I shall probably have an opportunity of dealing with this matter when the Estimates of the Department of Public Instruction are being considered. Briefly, I would suggest that psychology and logic be made compulsory subjects with teachers, so that they will be forced to study them; and, if I might be pardoned for saying it, I would suggest that logic at least be made a compulsory subject for members of Parliament—particularly as applied to members of the Opposition. (Laughter.) In addition to that, I would suggest that for these unclassified teachers in Central and Northern Queensland training schools be established at Rockhampton and Townsville—a central school at Rockhampton and a central school at Townsville, and that unclassified teachers at present in charge of schools should be brought into these schools, serve there for two years, so that they will become at least fairly skilled in their work, and then be allowed to go out again. I would suggest that to the Secretary for Public Instruction for his consideration. I would like to have had the opportunity of dealing with this matter in a much more complete way, but I want to refer to one other matter to which hon. members opposite have taken a great deal of exception, and that is the decision of the Minister to have Australian history taught in the Queensland schools. As a teacher of fifteen years' experience, not only would I have Australian history taught in the schools of Australia, but also Australian geography, Australian poetry, Australian songs, and Australian literature, so that we might inculcate in the young children of Queensland that healthy Australian sentiment at which we are aiming. (Hear, hear!) When criticism was levelled at the Secretary for Public Instruction for enforcing in the State schools the teaching of Australian history, hon. members opposite tried to draw red herrings across the track and accuse the Minister of disloyalty or of something else which is akin to their slurs about communism, Bolshevism, &c.

The TREASURER: Loyalty to Australia is the highest form of patriotism.

Mr. FARRELL: I quite agree with the hon. gentleman. In order to be loyal to Australia, we should teach Australian literature, Australian poetry, Australian songs, and Australian history in the State schools of Queensland. There was the same opposition and the same criticism levelled at the Minister when he brought in a regulation about saluting the Union Jack in the schools of Queensland. From my own experience, I can say that of the whole of the schools of Central Queensland I only know of one school where the children had to

bow down and salute the Union Jack each morning before they went into school. I served in that school, and it is a significant thing that, while at the other schools in which I served the children were manly, upright, loyal, and patriotic, in the school where they had to bow down and salute the Union Jack they treated the flag as a scrap of paper or as something beneath contempt. It was a significant fact also that the inspector when examining that school reported that the tone of the school had deteriorated considerably since the last inspection. I compliment the Secretary for Public Instruction on the stand he has taken in regard to the saluting of the flag in State schools. Let us not have the outward signs of loyalty, but let the children, by their own methods, their own actions, and their own work, show that they are loyal first of all to themselves, and, above all, loyal to Australia.

GOVERNMENT MEMBERS: Hear, hear!

Mr. FARRELL: I intended to deal with Rockhampton's position, and the great work that the Government have done for Central Queensland since Labour got into power; but the time at my disposal is very short, so I will just briefly run over the main things. The Government by granting concessions to Central Queensland—by their decentralisation policy—have made it possible that in a few years it will not be necessary for me to come down to Brisbane, because I think the Labour party's policy of development in Central Queensland has been such that in a few years Central Queensland will be created into a new State.

Mr. VOWLES: Let it be soon. (Laughter.)

Mr. FARRELL: I am sure that the hon. member—who has no interest at all in Central Queensland, who belongs to the old Queen street Government which denied Central Queensland its rights for so many years—will be glad to see us go back again. So long as there is a Labour Administration, Central Queensland need not be afraid, and I for one will be pleased when I can sit in the Parliament at Rockhampton, the capital city of that State. The cotton industry, the Broadmount port, the coal export, the Ulam marble quarries, the opening up of the Mount Chalmers mine, and the growth of the dairying industry are important factors which are going in the future to create the State of Central Queensland, and Northern Queensland afterwards. My friend the hon. member for Townsville I see is not here. (Laughter.)

Labour's policy of decentralisation includes the following works:—

Burnett scheme	£4,000,000
Dawson Valley	2,000,000
North Coast Railway	2,000,000
Railway construction and rolling-stock	2,000,000
Longreach-Winton Railway	600,000
School buildings, Westwood Sanatorium, and public buildings	150,000
Coal export trade (rolling-stock)	100,000
New railway station (Rockhampton)	50,000
New goods shed	20,000
Water Scheme Loan	300,000
Harbour Board	100,000
		<hr/>
		£11,320,000

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—of which over £5,000,000 has been spent. I am very much interested in the sugar industry. Last week at Rockhampton a representative body of people from Yeppoon placed before me their proposition for growing sugar-cane again in that district. They have decided to put in 5 acres each as a test and supply cane to the Millaquin mill, and, if the price works out favourably, Yeppoon will again be one of the foremost sugar-producing districts in the State.

In conclusion, I would like to say that the Secretary for Agriculture has been most considerate to the people of Central Queensland, and I would ask him to give consideration to the growing of tea also in that district. I have been informed that the climate of Yeppoon is very similar to that of Ceylon, and I hope that he will at least allow an experiment to be made in the growing of tea in that district. I thank hon. members for the attention which they have given me.

GOVERNMENT MEMBERS: Hear, hear!

Mr. DEACON (*Cunningham*): I have to congratulate the hon. member for Rockhampton on his maiden speech and on the sincerity of his belief in the Government. I hope that, as time goes on, he will not be as disappointed as I have been. (Laughter.) I must confess that I would not like to have the responsibility of administering £13,000,000 of the people's money on my shoulders with the prospects which are ahead at the present time. I want to congratulate the Government on having improved a little, as there is in the Financial Statement a desire expressed for economy. They have expressed not only a desire to bring the expenditure within the revenue, but also, as far as they can, to secure stability in the finances of the State. I sympathise with the Treasurer in the difficulties facing him at the present time. They are not only of his own bringing on but are the fault of those sitting behind him. If we take away the Treasurer and his responsible Ministers, the rest of hon. members opposite are the most unrepentant crowd you could find anywhere. (Laughter.) Outside the front bench I have not heard a single expression of regret for anything that has been done—no desire expressed to do any better. They have not even congratulated the Treasurer on his desire for economy. There are some things that one cannot help feeling dissatisfied with. First of all, I think we are spending far too much loan money. It is not so much the amount of money spent, but the results we are getting from the expenditure which are so unsatisfactory. We have had very little advantage during the last eight years from the money we have spent. If we have any difficulty in renewing the loans, and Queensland has to face an additional interest bill of £100,000 or £200,000, hon. members opposite will be responsible for the position. (Government dissent.) There are so many things which the Government have not managed well and from which there will not be any return. It is either bad management or bad luck.

A GOVERNMENT MEMBER: Bad luck.

Mr. DEACON: If it is bad luck, financiers do not like people who have bad luck. They like people to be lucky in their enterprises. There are very few of the State enterprises which show a profit, and very few of them in connection with which the outlay can be recovered. Take the cattle stations. Even if

[*Mr. Farrell.*

the management is all right now, they were bought when cattle were booming and at a price which they had never reached previously in the history of Australia. The Government actually bought their own land back at a higher price than it was worth. It is not such enterprises as that which make them welcome on the London market or any other market.

There is cause for disappointment in the smallness of the concessions which are to be made in taxation. I understood at election time that we were going to receive many concessions. It was duly understood that they were to be greater than the Financial Statement discloses, and I expected that the Government would keep their promises in that respect, particularly since they were to benefit the small man.

The Treasurer expects this year to get an increased revenue. I am not going to say that he is wrong, because I am not a financier. He may get it, and he may get less. There are difficulties in front of him. A drought prevails at present. Only one industry is really flourishing—that is, the wool industry; and the income tax from the wool industry cannot well be more than it is. There will certainly be fewer sheep this year than last year, and it is quite possible that the Treasurer will have to face the fact that he will receive a great deal less revenue from that source than at any time during the last eight years.

I am sorry that the land tax is to be continued, particularly without any increase in the exemption. We are to have a rise in the exemption under the Income Tax Act to £250, but owners of land worth more than £1,500 or £2,500 have a capital tax levied on them whether they get an income or not. Not the slightest concession is to be made to them. They may have a bad year and a small income, but still they have to pay their land tax. A land tax can be justified for only one purpose, and that is in order to break up big estates or prevent their formation; but so far the result in that direction from our land tax has been disappointing. Nothing like the amount of land has been put on the market at anything like the price which was expected. There is no justification whatever for imposing a tax on capital which happens to be in the form of land. No other class is treated in that way. It is fair to pay a tax on income; it is not fair to have to pay it on one form of capital only. If the Government wish to tax capital, owners of capital of all kinds should be treated alike. It is just as reasonable to tax money in the bank as land. Everybody should be put on the same level in matters of taxation, and there is this to be said in favour of that system—that, if the money we now get from land tax were obtained by income tax, the State would raise just as much money and the larger landowners could be made to pay their full share in the same way as they do through the land tax. It would be fair to everybody, and nobody could complain.

I was disappointed to see that a saving was made last year in the Estimates of the Department of Public Instruction.

THE SECRETARY FOR PUBLIC INSTRUCTION: Did I hear you say that we were very extravagant?

Mr. DEACON: I certainly was disappointed, because I do not think that the

Department of Public Instruction gets its fair share of money. There is no room for economy in that department. I am not quarrelling with its administration, but I say that it was wrong to save a penny of the money allotted, because there was work that should have been done, work that was worth doing, work that would have been the best paying work in the State. I think that we should not take much notice of any comparison between the cost of material now and that in years gone by, because we have to remember that if things do cost more now the people who have to bear the burden of taxation receive more; on the average their incomes are larger. We spend unlimited amounts of money in other directions which we should spend on education, and, if there is any place which is entitled to a school and which has the requisite number of children ready to attend it, we should give a school to that place without regard to the cost. If we have as a result to save in other directions, let us save; if we have to put on more taxation, let us do so.

THE SECRETARY FOR PUBLIC INSTRUCTION: Then you will squeal about the burden on the taxpayer.

Mr. DEACON: I do not think anybody in the country would complain of that. I think we should do our duty in that respect, and I hope that there will be no saving in the Estimates this year. I look forward to seeing an increase in the amount allowed to this department, to which the Government ought to give consideration above all others.

We are spending a large amount of money on the Main Roads Board. When the Railway Department wish to build a railway which is going to cost £5,000 a mile, they have to table in this House a plan, section, and book of reference, showing how they propose to spend the money, and they have to get parliamentary authority for the work. But in building main roads we just hand over the money to the Main Roads Board in a lump, and they spend it just as they like. I am sure that they have spent more on many roads than they ought to have spent. I believe that one of the arguments put forward for these main roads was a reference to the fine roads that the ancient Romans built, but we have got past that age. A steel road is the cheapest road we can build in the long run. It is more enduring than a gravel road. There is no comparison between them, and to put a gravel road where we shall have to put a railroad eventually is a silly waste of money.

I am disappointed altogether with the result of the operations of the Main Roads Board. I hardly think that it has justified its existence. I believe it would be better to allow the local authorities more money on more favourable terms than at present, for then the State would receive better value in its roads. Everybody expected more from the Main Roads Board. I think anybody who has been in close touch with it is disappointed with the result. We find that only 2 or 3 miles of road are built in different shires. It takes about two-thirds of the shire's revenue for those 2 or 3 miles of road, and then it is impossible for that shire to go any further in that direction. What is the use of 2 or 3 miles when we want 20 miles on the same route? It is impossible to construct any greater length of road at the

present cost. With the present cost and rate of construction, this generation will not see a main road from Tocwoomba to Warwick, or to any other place. We shall only see it in patches. They are very well constructed, but they are too costly for the purposes for which they are intended. The expense in connection with the construction of roads is worse than the expense in connection with the Railways Guarantee Act which received so much condemnation from the present Government. Under that Act, when a railway was built, the people were only required to find half of the interest on the money and half of the working costs over a period of fourteen years, whereas under the Main Roads Act they have to find half the capital and half the interest charges over a period of thirty years. They are worse off, and they do not get so good a result for their money. The revenue this year may be less than the Treasurer anticipates. We have to remember that we have got the cost of production up to an artificial level, and that is bound to result in decreased production; and decreased production, particularly in primary products, is bound to react on other industries and cause unemployment, and that will have a certain effect on the revenue. We cannot keep on continually raising the cost of production. We cannot raise the cost of production beyond the cost in other States and countries with which we compete. In the question of exports we have to realise that we have to compete with the cheapest labour markets in the world. If the consumer is content to pay the increased cost of production, it is all right for the people who produce; but how will the working man get on when the cost of living is artificially raised? How can his industry stand any more than it is doing at the present time? Can it stand competition with other countries where costs are less? We have been working in a circle. We have been getting round it by degrees, and in a short time we shall be in the same position that we started from when the Government first came into power. It is not the amount of money that a man or an industry receives that is of importance, but it is the value that can be got for that money. Let me take the wheat industry. We used to be able to sell wheat at 3s. 6d. a bushel and make a profit, but now we can barely make a profit when selling at 5s. a bushel.

Notwithstanding the statement by the Treasurer, I consider that sufficient economy is not being exercised in the department. There is too much economy in some directions and too little in others. It seems to me that the Government are in a position that anyone gets into who starts out to have a good time. They have had a wonderful time. When they first came into power the industries in this State were more prosperous than they had ever been in the history of Australia. Never before were prices so high, and never before could the country stand so much taxation. The Government had all that in their favour, and now they are faced with abnormal times, and it is to be hoped that, in their desire for economy, they will not sacrifice the departments that are worth their money, but will economise in those departments that have never been a help to the State and have never been a help to any industry, and which it is impossible for the Government to make pay at present.

I am not going into any details with regard to State enterprises, because they are

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too numerous. The State enterprises must be a sore point with the Government. When they see the loss in that direction, I am sure that they wish that they had never started at least three-fourths of them, and, as time goes on, they will wish that they had never started any.

I listened to the remarks by the hon. member for Rosewood with regard to insurance against drought. The best insurance that any man has is in his own management, his own mind, and his own body. Money is not the only thing that is required. There are many men who do not make the best use possible of the good seasons. Their management is bad. There are a great many of them who are not in a position to raise a crop as an insurance against drought. When I was a younger man engaged in wheat farming we used to save the straw. That is not done now. It always came in very useful for feeding the stock during a drought. It was generally responsible for saving the stock during the drought. To-day the farmers cannot do that, because the stock are not worth the cost entailed in that direction. They have to sacrifice that straw. Costs have gone up in every direction, and the farmers cannot do anything in the way of insurance against drought. In considering that matter, one has to take into account the question of costs. It is the same with everything. All produce costs a great deal more now than ever it did before in the history of farming in this State. This is where the trouble comes in, and that is why they are always short. You cannot do it and make it pay. In a great many instances it is better to let the stock go.

Mr. W. COOPER: It is an inhuman principle to allow stock to starve in a drought.

Mr. DEACON: It may be; but, when you are faced with the position of either letting your stock starve or starve yourself, what are you going to do?

Mr. W. COOPER: What do you suggest?

Mr. MOORF: A change of Government.

Mr. DEACON: My suggestion, as the hon. member for Aubigny says, is a change of Government. The Government have the remedy in their own hands, and it is for them to apply a remedy.

I listened with interest to the speech of the hon. member for Rockhampton. There are a few things he said that I would like to reply to. I would first like to say that the hon. member looked as if he meant what he said, which is quite a contrast to his colleagues, who do not always say what they believe. Speaking in regard to the State cattle stations, the hon. member for Rockhampton said that all owners of cattle had to write down their values. That is one of the complaints we have made against this Government—that they have failed to write down the values of their cattle and the cattle stations.

Mr. W. COOPER: Are we responsible for that?

Mr. DEACON: Only in 1922 they had cattle on the State stations valued at something like £4 a head when they were not worth £1.

Mr. W. COOPER: If someone came along and offered you £1 a head for your cattle, I am sure you would not take it.

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Mr. MORGAN: Some cattle have been sold for less than that.

Mr. LOGAN: You know that cows with calves were sold for less than that.

Mr. DEACON: I know of an instance where cows were sold at 5s. per head, and the calves were given in. I notice that the hon. member for Rockhampton condemned the Commissioner of Prices, and I agree with him there. The hon. member certainly found the Commissioner was above the market in his prices. Ever since the Commissioner of Prices started operations his prices have either been above the market or far below it. He could never keep the market. It would be impossible for any man in his position to do so.

Mr. W. COOPER: Then why blame him?

Mr. DEACON: I am not blaming him, but I do blame the Government for making provision for his office and salary.

Mr. W. COOPER: Do you know he is carrying on a dual position?

Mr. DEACON: It is a useless position; he does not do any good.

Mr. GLEDSON: You want to create more unemployment.

Mr. DEACON: As the hon. member for Rockhampton pointed out, the butchers there tried to get the State butcher shops to keep the prices up to those fixed by the Commissioner of Prices.

Mr. W. COOPER: Would not the keeping of the prices up benefit the cattle producer?

Mr. MORGAN: No; it would be of benefit to the butchers. Higher prices of beef do not benefit the cattle owner.

Mr. DEACON: I do not wish to take up any more of the time, but before sitting down I would like to express the hope that I may see the members sitting behind the Government express their true belief, as the hon. member for Rockhampton has done, in regard to the many things the Government have done.

HON. W. H. BARNES (Wynnum): I regret that the hon. member for Rockhampton is not in the Chamber, because I wanted to deal with one or two matters to which he referred. One of them had to do more particularly with the State butcher shops. The hon. member made it appear as if these shops have proved to be a very great success.

Mr. W. COOPER: Hear, hear!

HON. W. H. BARNES: The hon. member says "Hear, hear!" but I will show that the figures in connection with the State butcher shops reveal a distinct falling off in the trade. Some hon. members will say, and I am prepared to admit it, that the falling off to some extent may be accounted for by the lower values ruling for stock. There is a Government report which also shows that it is also due to increased competition. I have in my hand the report of the Commissioner for the State Trade Department for the year 1921, and on page 31 I notice that the sales in the retail butcher shops for the year were £602,255, and I also notice that the sales for the following year amounted to £345,277. It will therefore be seen that there has been a very distinct falling off in

connection with the business. One of the reasons assigned for that in this report is that the lower price of meat has brought into competition with the State shops a number of private shops. What is the use of an hon. gentleman getting up and saying that certain things have been brought about as a result of what has been done by the Government? And then the hon. gentleman started, in connection with financial criticism, to deal with the question of Western Australia with regard to large balances that are brought forward from year to year.

Mr. GLEDSON: £4,500,000

HON. W. H. BARNES: The hon. member for Ipswich should know that, while Western Australia has a fairly big debit balance, there are none of the other States that have the sinking fund that Western Australia has. I was very much amazed to know that the hon. member for Toowoomba got away back to 1893 and said, "Look at the rate that had to be paid for money in 1893." That is all very well; and it may be that the conditions for getting money in those days were very difficult, but I hope that the present Government will do as well as Mr. Denham did when he proceeded to England to renew some loans.

Mr. GLEDSON: No one sent a delegation to the old country then to interfere with his mission.

HON. W. H. BARNES: The hon. member for Ipswich knows that the delegation business was exploded last night. The Treasurer himself said that 100 brokers were responsible.

Mr. GLEDSON: He did not say anything of the kind.

HON. W. H. BARNES: The hon. members bite; they do not like to be cornered; but the fact remains that, when Mr. Denham went home, he was able to procure over £11,000,000, and the rate of interest worked out at £4 11s. 8½d. on the net proceeds.

Mr. GLEDSON: That was very dear interest at that time.

HON. W. H. BARNES: "Very dear!"—£4 11s. 8½d.! Someone may challenge that statement.

Mr. GLEDSON: What about 1891?

HON. W. H. BARNES: My time is too short to answer the hon. gentleman who is making such silly interjections.

OPPOSITION MEMBERS: Hear, hear!

HON. W. H. BARNES: I am quoting from "Hansard," from the first speech delivered by the present Treasurer, who gives the figures. The page is 1267 of "Hansard" for the year 1915-16. The hon. gentleman shows that the sum of £11,000,000 money was secured, as I have said, at £4 11s. 8½d. Yet we have that brilliant member—the hon. member representing the famous seat of Toowoomba—going back to 1893 and asking us what was paid at that time for money. I am able to show that money was obtained at a price which revealed the fact, at any rate, that the Government of that day were capable business men and understood their jobs. Let me say further that they had the confidence of the people of Britain in connection with the borrowing of money.

I said a while ago that the Treasurer was trotting all about the country telling us

what the people had paid for money, and telling us about overdrafts. I am going to tell hon. members what the position of Queensland was over quite a number of years, from 1904-5 to 1914-15, under the Liberal Government. Let me read the years consecutively as they come, quoting now from the Treasurer's tables:—

	Surplus.
1904-5	£13,995
1905-6	£127,810
1906-7	£296,115
1907-8	£115,301
1908-9	£9,940
1909-10	£5,675
1910-11	£5,271
1911-12	£23,654
1912-13	£6,115
1913-14	£10,742
1914-15	£3,259

Those figures show a total surplus of £717,882 for a period extending over eleven years. The Treasurer twitted me, by interjection, with making a statement that was not correct so far as the overdraft in the Commonwealth Bank is concerned. I am now going to quote from page 2 of the Auditor-General's report for the year 1922. Remember that it does not include, as shown in the Treasurer's tables, the deficit for last year. The Treasurer said there was no such thing as an overdraft at the Commonwealth Bank. Either the hon. gentleman has made a misstatement, or else the Auditor-General has made a mistake. I ask hon. members which is likely to be correct in that regard? Is it the Treasurer, or has the Auditor-General forgotten the position he occupies to-day, or did he make a statement in 1922 which was not correct? What does he say on page 2 of his report for last year? He says—

"The accumulated deficits on 30th June, 1922, amounted to £625,031."

If he has made a mistake, then we ought to have the Auditor-General on the floor of the House to answer for something he has done. He goes on to say—

"The overdraft on account of Consolidated Revenue Fund at the Commonwealth Bank of Australia, Brisbane, at the 30th June last was £625,031."

It is the practice of the Treasurer to try and sidetrack these matters, and he deliberately said there was no such thing as an overdraft. I am far more willing to accept what the Auditor-General says than what the Treasurer has to say in that regard. I made a statement yesterday, which I repeat to-night. At the present moment there is a debit balance of £810,010 which has not been provided for, and included in that amount is the sum of £625,031, and the balance no doubt has gone to keep it company, because it has accumulated since. I made another statement which I repeat now. That is that every previous Government dealt with deficits of that kind, and dealt with them in an effectual manner.

Before I go on to deal with the notes I have made I wish to say that I am an Australian. I am as much an Australian as any member of this Chamber. I am Australian born, and the man who does not love his

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country is not worth his salt. I say I am an Australian, and I love my country, and I love the institutions belonging to my country. I confess that it pained me to listen to a young man coming into this House and practically saying those things which did not mean, at any rate, loyalty to another Power—our own Power, our own country, and our own people.

The SECRETARY FOR AGRICULTURE: What do you call your own people?

HON. W. H. BARNES: Those from whom I have sprung, and I am an Australian. We are part of a great Empire; I am part of that Empire; and I have no hesitation in saying—

Mr. COLLINS: I will quote a poem by one of the greatest Britishers living on that matter which will surprise you.

HON. W. H. BARNES: The hon. member for Bowen will have an opportunity of telling us all about this wonderful poem, and may he take the first opportunity of reading it to us.

The Treasurer, in his Financial Statement, starts off by saying that the people would envy him in the difficult task which he has ahead of him in connection with the renewal of loans. Many past Treasurers would have envied the hon. gentleman, not for the reasons which he has given in connection with the subject, but for other reasons. I can remember that when the late Mr. T. B. Cribb was Treasurer of this State there was something then that we could sympathise with. The revenue was shrinking and shrinking, and he had drought upon him. A Treasurer in that position would envy the present Treasurer, who has had increased revenue from year to year ever since he has held the office. Would any Treasurer not envy the hon. gentleman with an increased revenue of £396,703 over the Estimates? Is it any wonder that a deficit, which was supposed to be over £500,000, turns out to be only £184,979? It simply shows how fortunate the Treasurer is. When he got his blue pencil and made anticipations for the year, it is quite evident that the good luck which the hon. member for Cunningham spoke of favoured him, and he had an increased amount in connection with the receipts which came in. On page 4 of the Financial Statement references are made to some things which show that the Treasurer himself is trying very largely to bolster up the whole business. He has been as fortunate as it is possible for any man in his position to be.

Mr. W. COOPER: Why?

HON. W. H. BARNES: Because he has had an increased revenue to deal with.

Mr. W. COOPER: Are you annoyed because he has?

HON. W. H. BARNES: I am annoyed for the reason that, while in 1914-1915 direct taxation only produced about £950,000, the people last year were bled to the extent of £3,400,000. More than that, there was no State land tax then as there is now. I heard the hon. member for Rockhampton say that there were only a few people who felt the pinch. The Treasurer himself has said that you have to pass it on, and it is passed on. If an increased amount of taxation is put upon any person, or upon the people generally, it is distributed, and the worker has

to pay all the time. I noticed a very interesting article some little while ago in the "Sydney Morning Herald." A gentleman who was visiting Australia, in writing to that paper, said that Australia had got on to wrong lines, and that in every step she was taking she was shutting out more and more the prospect of doing an export trade. When you impose increased taxation it means that certain things have to happen, and also that you cannot deal as effectively as you would like with your products under such conditions. The Treasurer, from the point of view of £ s. d., has been the most fortunate Treasurer who has ever occupied the position in Queensland.

The Treasurer makes another statement in regard to the Commonwealth Savings Bank. He says that we are partners in the business. So we are; we are a kind of sleeping partner, but jolly bad sleeping partners, because the best asset that Queensland had has been passed over to the Commonwealth. When I was Treasurer I fought for the retention of the State Savings Bank. We established agencies at every centre, because we realised that it was a distinct advantage to us to have a State Savings Bank. What is the position to-day? The Treasurer says in the figures which he has placed before us here that up to the end of June last, at any rate, it has been a losing transaction. What is worse than that, is that, whereas the State was paying 3 per cent. and 3½ per cent. for its money, it now has to pay 4½ per cent. to the Commonwealth, and is, in addition, responsible for a portion of the losses.

Mr. GLEDSON: Why not be fair and say that the collecting expenses made up the balance?

HON. W. H. BARNES: It is quite evident that the hon. member for Ipswich has again got on to a track that he does not understand. The collecting expenses never cost what the hon. member suggests—1 per cent. and 1½ per cent. The State always made a distinct profit out of the State Savings Bank.

I think it was the hon. member for Bowen who said that Labour members had never opposed the Workers' Dwellings Act about which we have heard something during this debate. I say that they did.

Mr. WINSTANLEY: They did not.

HON. W. H. BARNES: Mr. Lesina stated that the Bill was a Bill to help the man who had property, and the Labour party did not believe in property, but they believed in leasehold. And that is their policy to-day. I ask the hon. member for Rockhampton what man wants to have a leasehold, so-called?

Mr. PEASE: A perpetual lease.

HON. W. H. BARNES: Would you, Mr. Cooper, prefer to have a perpetual lease of that nice home of yours or to have the title deeds? I do not know whether you are married, but I am quite sure that, if you are, your wife would prefer a freehold.

Mr. PEASE: One of your late colleagues, Mr. Leahy, is one of the chief takers of perpetual lease in Queensland.

HON. W. H. BARNES: Whatever Mr. Leahy may have done, the hon. member for Herbert never touches a perpetual lease. He wants the title deeds.

Mr. PEASE: Perpetual leasehold is the only thing I hold in this world to-day.

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HON. W. H. BARNES: The Workers' Homes Act is only a fraud and a sham, because it will be found that at the end of the term the owner has paid infinitely more than under the Workers' Dwellings Act without getting the freehold for it. And this is the Government who, through the hon. member for Rockhampton, say, "See what splendid men we are for the workers"—playing up to the men behind, beating the drum to get them to rally round them, whilst, at the same time, they take the workers down with something which is not as good as that which was introduced by us. The Secretary for Public Works knows that that is absolutely true.

THE SECRETARY FOR PUBLIC WORKS: I know that it is absolutely untrue.

HON. W. H. BARNES: Getting back to the Savings Bank, we are told that we are partners in the business. Every sane man in the State of Queensland will wish that we had never been partners in it, but had kept it for ourselves. Why did the change come about? Because the Government had so mismanaged the affairs of Queensland financially that they had to grasp at any straw in order to keep afloat.

I am sure, Mr. Cooper, that you must have been very interested at some of your pre-session meetings—you have them and we have them—to hear some of the paragraphs which the Treasurer proposed to put into his Financial Statement. This, on page 10, is a rare gem. Talk about angling to my friends in the Country party! It is beautifully baited—

"The heavy railway losses in Queensland compared with the other States are 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."

GOVERNMENT MEMBERS: Hear, hear!

HON. W. H. BARNES: If hon. members would just allow those representing the Country party to be blindfolded for about five minutes, every one of them would be over on the other side after the bait that has been put in by the Treasurer. I am sure that members representing the Country party are not so soft in the head. I guarantee that when that paragraph was read at the pre-session meeting of the Labour party, my, wasn't there a smile? Someone must have said, "The Premier of the day is out-heroding Herod in trying to catch the farmers." The funny part is that they have not caught them, and even those who were gravitating towards him are finding that there was a "nigger in the pile" in another direction which they have learned since the general election. The Government now have to prepare something fresh. They have to find some new bait for the next election when it comes about. They have to find something fresh which will catch on, and which will be a bait to get at the people who are concerned.

MR. WRIGHT: We stick to our own name.

HON. W. H. BARNES: Where do the Government really stand to-night? What do they really represent?

MR. WRIGHT: They possess the confidence of the people.

MR. MAXWELL: Not according to numbers.

MR. PEASE: Yes, by 16,000 votes.

HON. W. H. BARNES: There was a gathering at Emu Park and, according to the "Daily Standard" the Treasurer had a very narrow "go." The "Daily Standard" of 12th March last makes this observation—

"The 37 to 35 decision was certainly not an endorsement of the wages reduction. Had the decision gone the other way, it would have amounted to censure of the Government, and would probably have been treated as such, with the usual consequences. As it was, it was consistent with the widely expressed view that last year's wage reduction in the public service was, as the President of the Convention put it, a 'bad break.' It was a warning that the Labour movement cannot stand for this abandonment of vital principle, even temporarily. We believe that the warning will be heeded."

MR. W. COOPER: There is nothing wrong with that.

HON. W. H. BARNES: The Government went before the electors and said, "We are the people who have not done anything amiss." What was the reason for this action? Was not the reason the reduction in the basic wage from £4 5s. to £4? Was not deflation the reason?

MR. FARRELL: What was your reason for taking the increases from the school teachers in 1914?

HON. W. H. BARNES: The reason is perfectly clear. The Government were anxious to get at the people, and they had the audacity to point out that New South Wales had done certain things which had not been equalled in that direction by this Government. They still pose as the workers' friends. We find hollowness right through the whole business. The hon. member for Rosewood is reported in the Press, as having said—

"He asserted that, being practically bankrupt, the present Government was in no different position from any Government in the world at the present time."

Listen to these words of wisdom—

"The elimination of certain electorates was done so as to give a greater representation to the metropolitan area, and the fact that no Socialist electorates were cut out"—

MR. W. COOPER: I rise to a point of order. I have already denied that statement in this House within the last three hours.

MR. KERR: What is the point of order?

MR. W. COOPER: The hon. member for Wynnum cannot quote what I have already denied.

THE TEMPORARY CHAIRMAN: I would call the attention of the hon. member for Wynnum to the fact that the hon. member for Rosewood has already denied that he made that statement.

HON. W. H. BARNES: I accept that denial at once, but the funny things said about the hon. member should just as well be known, even if he has been unfairly treated in connection with this matter. The report says—

"The fact that no Socialist electorates were cut out is to be accounted for by

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the fact that it is not natural for any Government to reduce its own strength in the country."

What does the Government represent? The Treasurer has unfolded a programme which is not at all harmful, but is that due to the fact that he is going to the old country? What happened only a little while ago at the Emu Park Convention? A division there resulted in 37 for and 35 against, so he was nearly ousted. Members of the Ministry, like the Secretary for Public Works, would be absolutely loyal to the Premier and would vote with him, yet, with all the members of the Ministry and himself arranged on the one side, the division was 37 to 35.

Mr. COLLINS: It is funny—that was the strength of the parties in this House before the election.

HON. W. H. BARNES: Talking about certain matters that occurred at the Labour Congress in Brisbane in 1921, the Treasurer is also reported to have said—

"The trouble was that the minds of a number of delegates were saturated with doctrines and dogmas that did not belong to Australia."

We have evidence of them here to-night. The hon. gentleman went on to say—

"Mr. Ross had been preaching those doctrines in antagonism to the Labour movement"—

and so on. The hon. gentleman at one period said that, if the Conference did certain things, they were going to wreck the Labour party.

A GOVERNMENT MEMBER: They did it, too.

HON. W. H. BARNES: Now, because of the contemplated trip of the Treasurer to the old country, the Emu Park policy is buried. The hon. gentleman last night said—

"We are going forward step by step."

GOVERNMENT MEMBERS: Hear, hear!

Mr. COLLINS: Evolutionary progress.

HON. W. H. BARNES: That is the practice of the party, to go step by step, and, if it adopted certain ideals, the Treasurer will have to carry them out.

Mr. GLEDSON: That is a sound policy—to go step by step.

HON. W. H. BARNES: Because a large amount of loan money is falling due the Treasurer has buried the policy of the party; and, as his colleagues look on, he says to them, "Hush! When I get the money and come back, that is the time we will put all these things into effect. That is what we will do, and we will show that the policy of the Labour party, as carried at the Emu Park Convention, is the policy to be carried out here."

Mr. GLEDSON: Are you going home to stop him getting the money?

HON. W. H. BARNES: I want to-night to deal more particularly with the Financial Statement and the financial tables, and to draw attention to three or four

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matters which show that the Government is not a working

man's Government.

Mr. WRIGHT: Why did you leave a working man's electorate?

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HON. W. H. BARNES: I assure the hon. member for Bulimba that, had I sat for that electorate, he would not have been here to-night.

Mr. WRIGHT: You were not game to give it a "go."

HON. W. H. BARNES: Let me draw attention to the expenditure under the heading of Public Works. The expenditure in 1914-15 was £253,771. Remember that it is admitted generally that work was very much cheaper then than it is to-day. The expenditure for last year was £199,407. I shall show as I proceed that in other directions the same thing applies to other buildings. In order to assist doubtful enterprises, in order to give assistance to things which were not of great use to the State, the Labour Government cut off at every possible turn the legitimate expenditure of money in connection with the affairs of Queensland. Buildings in 1914-15 cost £119,436. In 1922-23 they cost just about half as much—£96,003. This is a Labour Government, supposed to be the friend of the worker, and at every turn we find them driving the worker to the scrap-heap of unemployment.

Mr. PEASE: Have you looked at the vote for outdoor relief?

HON. W. H. BARNES: Last year it was £177,000.

Mr. PEASE: Well, say something about it this year.

Mr. GLEDSON: Where were all those buildings put up in 1914?

HON. W. H. BARNES: The Treasurer made some reference to the railways. I am prepared to admit that New South Wales is more thickly populated than Queensland. The working expenses of the New South Wales railways last year were reduced from £11,116,302 to £10,649,974—a saving of £466,328. The net earnings paid from the railways and tramways to the Treasury were £4,691,236. The railways returned on capital invested £5 4s. 4d. and the tramways £5 3s., showing a surplus of £84,056. In Queensland we have been going on from year to year piling up a debt which could have been avoided very largely. This debt was brought about in my judgment through failure correctly to administer the affairs of the department, and through outside interference. We find that, whilst another State, with railway lines costing ever so much more a mile than the railways in Queensland, shows a surplus, we go to the wall. I want the public to know that we cannot go on losing money year after year without a day of reckoning coming. We have to face the position. Could any private person act like this?

Mr. COLLINS: New South Wales is half the size of Queensland and has over 2,000,000 of a population.

HON. W. H. BARNES: I am prepared to admit that New South Wales has a larger population, but it also has a more costly railway system. Yet they have been able to do very much better. There is another phase of the business which wants looking into. I notice, according to the report, that the Trust Account was overdrawn on 30th June to the extent of £34,974; and let me draw attention to another thing. The Treasurer, in his Financial Statement, tells us that there is going to be a reshuffle of accounts. I quite remember, in connection

with the workers' dwellings and in connection with the advances to settlers, that, in order to make these accounts appear better, they were shifted shortly after the Government came into office, and the fact remains that the Government do not care a straw so long as they can get their hands on money. They do not care a straw how they get it, and it does not matter whether it is going to ruin the State or not—they expend it. The position they find themselves in to-day has been brought about very largely through mismanagement.

I want to deal for a moment or two with something I dealt with the other afternoon. It is worth showing how the Government have failed in their sympathy towards the worker. According to the report of the State Advances Corporation for 1922, in 1913-14 1,591 houses were built under the Workers' Dwellings Act; in 1914-15 the number built was 1,586; in 1917-18, 345; and in 1921-22, 290. I am prepared to admit that last year the number built was greater. The amount put down on the Estimates for 1914-15 was £408,574, and the amount put down in 1921-22 was £136,890.

Mr. PAYNE: You could build two houses in 1913-14 for the cost of one now.

HON. W. H. BARNES: I will take the interjection at its face value. How does it work out? Nearly five times as much building was done, allowing for all that. The hon. member knows that the Government have been shamming in their professions of sympathy for the worker. There is no question that, when it comes to helping the worker, the present Government, instead of assisting them, have always damaged them.

Mr. COLLINS: How do you account for us still being the Government?

HON. W. H. BARNES: The total amount advanced for workers' dwellings to the end of 1922 was £2,512,321. The repayments to hand for the same period amount to £1,290,482. It will be seen at once from those figures that the Workers' Dwellings Act has been the most successful Act that was ever passed in this or any other State. When you look at the figures and find the small amount of losses—practically nothing—I say it is marvellous. What has it done? It has helped the man who has been willing to save a bit to get a home at a less rental than he would have to pay if he were a tenant. It has been one of the factors which have materially helped development in Queensland.

I take the credit for having made the Act more liberal than it was when I became Treasurer, and we ought to even go further, because it is one of those Acts which are going to make men and women more satisfied with Queensland. The Government have failed in certain directions because they have allowed themselves to be hampered by outside things. The hon. member for Rockhampton spoke of State enterprises. The duty of a Government is to govern.

Mr. PEASE: Let the people starve.

HON. W. H. BARNES: They never starved before. The duty of the Government is to govern, and not to run the shops which they are running in some directions and making great failures of them. If we take up the business-sheet, we find that in the main the Bills which have gone through have been of the paltriest description and unworthy of Parliament. It shows that the Government are destitute of anything which goes in the

direction of initiating what is going to be of benefit to Queensland.

Mr. WEIR: The Stallions Registration Bill is a good Bill. (Laughter.)

Mr. MORGAN: It is no good. (Laughter.)

HON. W. H. BARNES: I am bound to admit that the hon. member for Murilla is a better judge of that subject than I am. I pointed out to the Treasurer the other day that the balance to the credit of the Loan Fund, £3,607,560, would not carry the Government along very far at the proposed rate of expenditure. The Treasurer says in his Statement that the expenditure for the current year will be about £5,000,000. I asked whether, when the Treasurer went to the old country, he was going to raise money outside the renewal of the loans. I am prepared to admit that moneys have been raised in the State over the counter, but notwithstanding that fact, at the present rate, the expenditure for the current year, two months of which have already gone, will largely exceed this balance of £3,607,560. We are spending like a mendicant. It is a case of "Eat, drink, and be merry, for to-morrow we die," with hon. members opposite. Before the elections the Treasurer went North and scattered promises like gold coin. When I was at Rockhampton I addressed a rowdy meeting one night, at which a collection was taken up for me, and the people were throwing pennies on the lorry; but the Treasurer did not throw pennies. He told some people who were starting a certain industry—I think it was at Oakey—that if they could only put it before him on business lines £15,000 would be available. I do not know whether it is not on business lines, but no £15,000 have materialised. The Treasurer threw promises here, there, and everywhere. We have to realise the fact that to-day Australia is importing more than she is exporting, and that is a positive evil and danger to the country. Australia's imports in 1921-22 were £95,790,000 odd, and in 1922-23 they had increased to £120,073,000, whereas in the same period the exports decreased by £6,000,000 odd. We cannot continue to send money out of the country without getting money back, and it is highly important that this State should face the position and realise its responsibilities.

Mr. PEASE: Queensland is one of the best States in the Commonwealth.

HON. W. H. BARNES: Nobody has ever heard me say that it is not a good State, but it is shamefully mismanaged, and it is only because it is a good State that we have got through in spite of this mismanagement. The people of this country have to realise that there are difficulties ahead, which have been largely brought about by mismanagement. I should like to go on a little longer, but there are various reasons calling me to-night, and I shall sit down.

The House resumed.

The TEMPORARY CHAIRMAN reported progress.

The resumption of the Committee was made an Order of the Day for Tuesday next.

SPECIAL ADJOURNMENT.

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

"That the House, at its rising, do adjourn until Tuesday next."

Question put and passed.

The House adjourned at 10.20 p.m.

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