

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

FRIDAY, 10 OCTOBER 1930

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as spokesman for a body known as 'The Vigilants,' on a deputation to the Premier, suggested, according to the metropolitan press of 8th October last—

' . . . reduction of civil service, removal of railways from political control, utilisation of the unemployment relief fund in work which would be reproductive, the amendment of Acts affecting the Brisbane City Council, reduction of the number of members of State Parliament, the reduction of the number of free scholarships to 800 or 1,000, with free choice of school, and reduction of taxation or a declaration by the Government that it would not increase taxation . . .'

the assistant manager of the Union Trustee Company of Australia, Limited?

"2. Were the Union Trustee Company of Australia, Limited, in 1925, prosecuted for furnishing false income tax returns and fined, as a result, £100 and over £2,000 double tax?

"3. Did the Union Trustee Company of Australia, Limited, plead guilty of the charge of furnishing false returns?

"4. Is imprisonment the penalty under English law for this offence?

"5. Was Mr. Herbert employed in the capacity of assistant manager or in any other capacity by the Union Trustee Company of Australia, Limited, during the years 1922-23-24-25?"

The PREMIER (Hon. A. E. Moore, *Aubigny*) replied—

"1. I believe so.

"2 to 4. The Chief Secretary's Department does not deal with income tax matters.

"5. I do not know."

MEAT INDUSTRY BOARD AND ISSUE OF DEBENTURES FOR PURCHASE OF SWIFTS' MEATWORKS.

Mr. BULCOCK (*Barcoo*) asked the Premier—

"1. When is the Meat Board arising out of the purchase of Swifts' meatworks to be appointed?

"2. When are the debentures to cover purchase price to be issued?"

The PREMIER (Hon. A. E. Moore, *Aubigny*) replied—

"1. Probably early next year.

"2. When they become due under the Act."

CRITICISM OF TREASURER'S BUDGET BY "TELEGRAPH" NEWSPAPER.

Mr. KIRWAN (*Brisbane*) asked the Treasurer—

"1. Has he read a series of articles appearing in the 'Telegraph' severely criticising the taxation proposals appearing in the Budget, and suggesting alternative proposals?

"2. Has he given any consideration to the proposals outlined in the articles mentioned, and what action, if any, does he propose to take to recast the Budget?"

FRIDAY, 10 OCTOBER, 1930.

The SPEAKER (Hon. C. Taylor, *Windsor*) took the chair at 10.30 a.m.

QUESTIONS.

SOUTH AUSTRALIAN POLICE REPORTS ON CONDUCT OF SAILORS OF DUTCH WARSHIP VISITING AUSTRALIA.

Mr. DASH (*Mundingberra*), for Mr. BEDFORD (*Warrego*), asked the Home Secretary—

"In view of the report of the South Australian police on the conduct of the sailors of the Dutch warship visiting Australia, and the later report of a stabbing affray in Sydney in which Dutch men-of-war'smen were implicated, will he instruct the police specially to guard against the repetition of such disturbances in Brisbane during the visit of the Dutch ship?"

The HOME SECRETARY (Hon. J. C. Peterson, *Normanby*) replied—

"The matter will receive all necessary attention from the Commissioner of Police and his officers."

Mr. HERBERT, "THE VIGILANTS," AND UNION TRUSTEE COMPANY.

Mr. A. JONES (*Burke*) asked the Premier—

"1. Is the Mr. Herbert, president of the Taxpayers' Association, who recently,

The TREASURER (Hon. W. H. Barnes, *Wynnum*) replied—

"1. Yes,

"2. I always read with great interest any proposals that are outlined either by the "Telegraph" newspaper or any other leading journal."

SUSPENSION OF STANDING ORDERS.

WAYS AND MEANS—TAXATION PROPOSALS.

The PREMIER (Hon. A. E. Moore, *Aubigny*): I beg to move—

"That so much of the Standing Orders be suspended as would otherwise prevent the receiving of resolutions from the Committee of Ways and Means on the same day as they shall have passed in that Committee."

This will not deprive hon. members of any of their rights, but will enable the resolutions from Committee of Ways and Means to be received on the day on which they are passed in Committee; and that will enable hon. members to get the Finance Bills a day earlier than otherwise would be the case. This will give hon. members a longer time to consider the proposals before a discussion of the Bills takes place.

Mr. W. FORGAN SMITH (*Mackay*): The Premier intimates that the carrying of the motion will not deprive hon. members of an opportunity of discussing the Finance Bills; that the receiving of the resolutions on the same day on which they are carried in Committee will permit the Bills to be circulated and debated the following day. Provided that that is carried out, there is no serious objection to the proposal. It is a method that has been adopted in previous years; but it must be remembered that the resolutions on this occasion will be of outstanding importance to the whole of Queensland, because attached to these resolutions will be taxation proposals of far-reaching consequence affecting the lives and wellbeing of the people. Consequently, I would oppose very strenuously any attempt to rush the Finance Bills through on the same evening on which the resolutions were carried. Taxation proposals, involving probably three Bills, require to be thoroughly understood and fully discussed. Provided that the Premier assures us that an opportunity will be given for a full discussion, there can be no objection to the motion.

The PREMIER: I do not wish to curtail discussion.

Mr. W. FORGAN SMITH: Under those circumstances, I do not object to the motion.

Question put and passed.

SUPPLY.

FINANCIAL STATEMENT—RESUMPTION OF DEBATE. (Mr. Roberts, *East Toowoomba*, in the chair.)

Question stated—

"That there be granted to His Majesty, for the service of the year 1930-31, a sum not exceeding £700 to defray the salary of the Aide-de-Camp to His Excellency the Governor."

Mr. KIRWAN (*Brisbane*): The debate, as might have been expected on such an important Financial Statement as that delivered by the Treasurer on this occasion,

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has led to a discussion of the financial position from various viewpoints.

Some hon. members opposite seem to forget that they are sitting behind a Government. One would imagine that they still occupied the Opposition benches, and were assailing the Budget of some Labour Treasurer, instead of being called upon to defend that of their own Treasurer, and to point out wherein they have succeeded on the lines they so often indicated when sitting on this side of the Chamber. Some hon. members opposite have taken to sneering at hon. members who have risen on this side by referring to them as "soap-box" and "gin-case" orators, and in one or two instances speeches have been described as being similar to those which can be heard in the Domain. I do not know that hon. members opposite have given us a great deal of enlightenment on the financial position by their speeches; quite a number of them have been a rehash of what they discussed on various platforms during the last election campaign. Other hon. members opposite have thrown out an S.O.S. signal to members of the Opposition. They have said, "In the present serious position of the State, it is your business to co-operate with the Treasurer and the Government generally in an endeavour to straighten out the financial conditions."

It might not be inappropriate just here to refer to what is now a fully realised prophecy contained in a statement made by the ex-Secretary for Public Lands, Mr. Dunstan, after the last general election. In a statement to the "Daily Standard" of 17th May, 1923, Mr. Dunstan said—

"The Nationalist-Country Party in Queensland has been returned on its oath to solve the unemployment problem without lengthening the hours, lowering wages, or disturbing the conditions and living standards which Labour has established during the past fourteen years.

"The Nationalist-Country Party Government will find many difficult problems to handle, but the most difficult will be to live up to its promises. How soon it will reveal the true inwardness of its policy as affecting the workers remains to be seen."

Those words were prophetic; they have been realised in every detail. The prophecy ventured by the then Secretary for Public Lands—that hon. members opposite would find considerable difficulty in fulfilling their promises—has been realised to the fullest extent; and, what is more, the true inwardness of their policy to which he then referred has been revealed by their general attitude in slashing wages and in attacking the standard of living conditions.

A speech made by the hon. member for Bulimba during the election campaign is singularly appropriate at this stage. When speaking at the Picture Theatre at Bulimba, Mrs. Longman, as reported in the "Courier" of 4th May, 1929, said—

"She ridiculed the Labour cartoons and leaflets which were being broadcast to the people, and appealed to the electors to use their common sense and not be gulled by such malicious lies. They had been told that if 'Mrs. Longman and her gang' were returned, the people would be deprived of all their rights. She had been referred to as a 'souless Tory.' It was pitiful that any party should be

reduced to such tactics. She had met many men and women in Bulimba who were living on the dole, and little growing children were not receiving enough nourishment.

"A Woman's Voice: They give us a tin of condensed milk now.

"Mrs. Longman: The children of Bulimba should be getting fresh milk. Various excuses had been put forth for the appalling unemployment. Mr. Wright had blamed the drought and the City Council. It was foolish to compare Queensland—a young, undeveloped country—with Great Britain when considering unemployment.

"It was principally bad administration that was responsible for unemployment."

It might reasonably be asked—after seventeen months of the administration of the Nationalist-Country Party—how it is that the unemployment problem has to-day grown out of all proportion to that which previously existed in this State during any period of depression in its past history.

Mr. MAXWELL: You know the reason. Why not be honest about it?

Mr. KIRWAN: I know the reason. We have found that the promises made by the hon. member for Toowong and the other Government candidates during the last general election were nothing short of misstatements, and now that they have got possession of the reins of government they are unable to solve the unemployment problem.

We had the spectacle last night of the hon. member for Nundah making one of the most extraordinary speeches that have ever been delivered from the Government side, inasmuch as he endeavoured to prove not only that the position in Queensland to-day was the result of the financial position in Australia, but also that we are feeling the effects of the financial position in the world generally. Yet, when the Labour Party and their candidates and responsible spokesmen said during the last general election campaign that the workers of Queensland would be very fortunate if they were able to hold the conditions which they then enjoyed, we were ridiculed by hon. members opposite, who said, "Put us in power and every boy will get a chance; every girl will get a chance; every unemployed man and unemployed woman will be in a job; prosperity will reign throughout the length and breadth of Queensland; we will show you what we are able to do although the Labour Party has said that it is not possible to improve the existing conditions."

I mentioned at the outset of my speech that hon. members opposite seemed still to imagine that they are on the Opposition benches. That remark in singularly appropriate as applied to the speech of the hon. member for Wide Bay. I looked up that hon. member's statements just after the last election, and I find that, speaking at Maryborough—my native town—he delivered himself thus, according to the "Courier" of 15th May, 1929—

"The people have had quite enough of experimental legislation. Mr. Moore has now a large following of men who have been successful in business careers," said Mr. E. H. C. Clayton, the successful candidate for Wide Bay, to-day. "The execution of Mr. Moore's policy

will be the means of all sections enjoying greater prosperity, and confidence will be restored. Men with capital to invest now will introduce more money into industry, and not put it into gilt-edged securities, as they are doing at the present time. With the restoration of confidence industry will be given a fillip."

Mr. CLAYTON: Hear, hear! I stand up to every word of it. You were responsible for fourteen years of misgovernment, and then you expect us to clean up the mess in seventeen months.

Mr. KIRWAN: And the hon. member says, "Hear, hear!" Seventeen months after this prophecy was uttered by the hon. member, there is less confidence in Queensland than at any other period during the past twenty years. There is no need for me to quote what the Premier said in an interview when he returned from Canberra, as reported in the daily press. It is sufficient to say that the hon. gentleman used language almost identical with that of the hon. member, and prophesied equal results. They have not arrived, and the reason is to be found largely in the bungling administration of the present Government.

It may not be amiss to discuss the position that has been brought about in Australia following the policy of the squandermania of the Bruce-Page Government during the six years they were in control of the affairs of the Commonwealth. Hon. members will see that I am using an expression which was used by the hon. member for Fassifern, and which is particularly appropriate. The first Budget of the Bruce-Page Government was for £49,000,000; the last Budget was for £64,000,000—an increase in six years of £15,000,000. In the Federal Public Works Department the expenditure increased from £31,745,000 to £39,803,000, an increase of £8,058,000. Oversea liabilities were increased by £43,000,000 per year. It is not to be expected that such expenditure would not have its result; and early in 1928 there was evidence in Australia that a period of depression was setting in. The Federal Government adopted the attitude of believing that it would disappear very soon, and in October, 1928, the then Federal Treasurer, Dr. Earle Page, in the course of an official statement to the press, definitely declared that the clouds of depression were disappearing, and that it would not be long before everything in the garden was lovely, and that in Australia, both from the point of view of national expenditure and that of commerce and industry generally, there was nothing to fear. That depression did not pass away, but became more aggravated in its effects throughout the length and breadth of Australia.

We are seriously told that a combination of commercial training and business experience is necessary to equip the individual who aspires to responsible position in Governments in both the State and Federal sphere; and the wonderful Bruce-Page Government, which was alleged to possess all the essential training, decided to invite the "Big Four," as they were generally known, from Great Britain to Australia with a view to investigating and suggesting to the Prime Minister and his Government the necessary steps to be taken to place Australia upon a correct financial foundation. The "Big Four" duly arrived, and visited various

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parts of Australia in a somewhat hurried manner. Certainly they did not have a great deal of time at their disposal; but it is generally admitted that they made the best use of that time. The Commonwealth Government and the State Governments of Australia placed all the available data and information at the disposal of these gentlemen, who were regarded as the representatives of the leading commercial interests of Great Britain; and, having thoroughly investigated the position in Australia, they made certain recommendations thereon. I have no doubt that hon. members opposite have read the report of this British Economic Commission—a most important document. They had a great deal to say about the tariff policy of Australia, the large irrigation works under construction, soldier settlements, and our railway systems; but the matter to which I desire to draw particular attention is their remarks upon the financial position of Australia. In their report on this matter submitted in 1929, they said—

“Our final conclusion in regard to Australia's finance is that her creditors have no cause whatever for present anxiety, because she is still borrowing well within her actual and potential resources, but we are of opinion that she has not in past years always borrowed wisely, and that she has pledged to too great an extent those future resources, and mortgaged too deeply that future prosperity upon which she can reasonably reckon, thus throwing the burden of her borrowings upon future generations who will have their own needs to meet.”

That comment was made by the commission in 1929; and six or eight months later Australia was engaged upon an unexpected Federal election campaign following the defeat of the Nationalist Government on a proposal to amend the industrial laws of Australia in a most important particular. The then Prime Minister—Mr. Bruce—went to the country, and met his political Waterloo. Strange to say, there followed what appeared to be a general slump in Australian stocks. The reason for that slump is hard to understand, in view of the fact that six or eight months prior to that date the British Economic Commission representatives of the largest financial and commercial interests in Great Britain, after thoroughly investigating the financial position in Australia, declared that there was no cause for anxiety in that regard. I say to-day, and I say it deliberately, that I believe that the financial interests in England—in other words, the great money power—deliberately depressed Australian stocks because of the fact that the policy adopted by the National Parliament of Australia was not to their liking.

Mr. W. A. RUSSELL: Did they also depress American stocks?

Mr. KERR: And New Zealand stocks?

The TREASURER: I think that is a very regrettable statement to be made by a responsible member of Parliament.

Mr. KIRWAN: I just wanted the “bite” that I got. The hon. gentleman has bitten; and I propose later to quote remarks in which he condemned the very same thing, and in which he particularly condemned the misrepresentation of a leading British financial journal concerning the financial position

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in Australia. For the moment I propose to quote from the “Trade and Finance” column of the “Brisbane Courier.”

The gentleman who writes that column in the “Courier” is well known to most of us. He is certainly known to the occupants of the front Government bench and the late Treasurer. He is an authority on financial matters, and is recognised as such in his writings in this press. He is fair and impartial in his comments. The writer is Major-General Spencer Browne. In the “Courier” of 6th March last he wrote this very important and enlightened paragraph, and, from what I know of that gentleman and the journal he writes for, he would not make the statement contained in this paragraph unless he had some authentic and authoritative source of information. He says—

“Private as well as public advices indicate that very large sums were lost and made over the recent slump in Australian securities on the London Stock Exchange and the rather sensational revival. It is said that when the drop had taken the stocks to a sufficiently attractive level there was heavy buying by insurance and trust companies and other big investors, and that quite a considerable amount of investment on American and Dutch account took place. The rise, when it came, after the assurance of the Prime Minister and the Federal Treasurer that Australia would meet her interest payments promptly, and would not have to ask for overseas help in her conversions of internal loans, was of from £2 to £10 on the various stocks, and those who had the wisdom to buy on the low quotations made very large profits. Some few sold at the peak price of the recovery, but the majority held and are enjoying a return better than is obtainable on any equal quality stock on the market. In some quarters in London it is considered that the drop in Australians was very cleverly engineered for speculative purposes, and that unwarrantably pessimistic statements made in this country formed the chief propaganda in the scheme. One statement which was effectively used to ‘bear’ the market was from the ‘Times’—a statement reproduced in this column—to the effect that unless conditions in Australia improved—that is, conditions of finance—it might be found necessary to arrange oversea for part of the maturing loans. It is said that even the London invitation or challenge to the Prime Minister to make a statement as to the prospect of interest payments and internal loan conversions was carefully plotted and timed. It is no new thing in big financial centres to find speculative elements swift to take advantage of any suggestion of a country's financial difficulties. The practice is as old as the hills.”

That statement is not my statement. It is a statement appearing in a responsible journal in the city of Brisbane, written by a gentleman who is recognised as one of the financial authorities in Brisbane. This peculiar condition and state of affairs brought about in London appears all the more strange when considered in the light of statements made at the end of February, when Sir Robert Gibson, chairman of directors of the Commonwealth Bank, shipped

7,000,000 sovereigns to the other side of the world in an endeavour to balance the position. The London "Daily Telegraph," which is evidently one of those papers which possess little regard for Australia, is ever unmindful of the part Australia played in the war. Reference has been made during this debate by an hon. member on this side of the Chamber to the fact that during the war Australia supplied foodstuffs and war material to Britain, and did not profiteering on those supplies. Among other articles we supplied sugar and meat. I was in this Chamber when the Denham Administration, of which the Treasurer was a member, put a Bill, which had been cabled by the Imperial Government to the Government of Queensland, through all its stages in one day. That Bill had for its effect the commandeering of the meat supplies in Queensland for Britain and her allies.

That meat was sold to the British Government at 6d. or 7d. per lb., whereas Argentina was selling meat at the time on the London market at 1s. 3d. per lb. We know the prices at which our wool was sold; and, if my recollection is correct, there was

[11 a.m.] a statement recently in the Australian press that it was reputed that during the war over £200,000,000 had been made by the British Government or by those controlling the wool market in Great Britain, representing the difference in the price paid to Australia and the price at which the wool was sold to the manufacturers.

There is no need for me to refer to the rally of the Australian manhood during the war; and, when we remember all the things that were done by Australia—done cheerfully and willingly during the most trying period of British history—surely we in Australia have the right to expect fair play; we do not ask for concessions. Sixty thousand of our men lie buried on foreign soil; they gave their lives to protect the financial interests of those gentlemen whom to-day we ask to play the game with Australia.

It is interesting to recall the following extract from the Brisbane "Courier" of 28th February last:—

"LONDON VIEWS.

"NEW TARIFF A PRIMARY FACTOR.

"London, 27th February.

"The 'Daily Telegraph' in another article headed 'Finance Crisis in Australia' cites the opinion of an unnamed director of one of the principal commercial associations that the news should be a warning to exporters and shippers to Australia to go warily. 'Australia's difficulties have become worse,' states the article, 'but these are not entirely due to the fall in wool and wheat prices. One of the primary factors was Mr. Scullin's new tariff, the effect of which was to make it more difficult for Australia to obtain, as in the past, financial means for her development. Until the Commonwealth Government realised that by restricting imports they were seriously depleting the Customs revenue previously enjoyed, there was little likelihood of an improvement in the financial position.'"

There we have the "nigger in the woodpile." That is why these people are using the money power to-day in a deliberate attempt

to dictate our policy as a self-governing Dominion. These people are anxious that we should have in the Commonwealth a tariff that will allow them to flood this country with their manufactures. Their troubles as to whether we are able to start secondary industries!

Mr. MAXWELL: You want to kill them, and then you want them to help you!

Mr. KIRWAN: I do not want to kill them; and I resent the hon. member for Toowoong attempting to misrepresent any statements I have made. I have stated deliberately and as clearly as I can that all Australia wants to-day is fair play. I hope to show that, judging by the treatment meted out by British capitalists to foreign countries, we have not received fair play.

The attention of the Treasurer was drawn to the newspaper extract from the article in the "Daily Telegraph," which I have quoted, and in the "Brisbane Courier" of 28th February last the hon. gentleman is reported as saying—

"This morning I read with feelings of regret the statement made by one of the leading London journals in regard to Australia's financial position. It will be remembered that, on my return from the last two or three meetings of the Australian Loan Council, I have taken the public into my confidence by stating that I believed that, as a result of the knowledge obtained at those conferences, the financial position was serious."

The Brisbane "Daily Mail" of the same date published the following statement in regard to the matter:—

"'It is a revival of calamity-howling on news that is stale in financial circles,' was how one Brisbane banker yesterday characterised the recent publicity given to British criticism of the position in Australia. 'Everybody knows,' continued this authority, whose view was supported by two other bankers, 'that credits are heavily depleted in London, that the banks are short of money, and that importers have been subjected to a system of rationing that has hit them very hard indeed; but to talk about credit being unobtainable is as foolish as it is untrue.

"The banks of Australia believed that, with the co-operation of the Federal and State Governments, the financial position could be restored to a sound and satisfactory footing. The situation was by no means as hopeless as the British critic would have the world believe.'"

It is rather strange that certain English newspapers, including certain leading journals, as the Treasurer terms them, should take particular delight in saying things about Australian credit which are not true, especially when they had as evidence this statement issued by Sir Robert Gibson as long ago as 8th February last—twenty days before the paragraph I have already quoted appeared in the "Courier"—

"The chairman of the Commonwealth Bank, Sir Robert Gibson, announcing to-day the bank's decision to ship £7,000,000 in gold to London, expressed the confident opinion of his board that

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Australia is sound at heart, will overcome her present difficulties, and will meet her obligations.

"The bank board has no hesitation in saying that, despite all the difficulties which at present face Australia, she is sound at the kernel, and will surmount her difficulties and meet her obligations. Without in any way reflecting upon the position of other Dominions, the great disparity on the London stock market between Australian securities and those of other Dominions is not justified on the actual facts, and those who have the perspicacity and courage to purchase Australian securities on market values of to-day probably will have reason to congratulate themselves later on having secured very profitable investments."

That all seems to indicate that there is something behind this campaign.

Mr. MAXWELL: What is your opinion?

Mr. KIRWAN: My opinion is that the moneyed powers in Great Britain, which control the newspapers which give expression to this class of criticism which is not justified, are dissatisfied with the Australian tariff. The "Daily Telegraph" says so, and that is the journal which led this attack on Australian credit. If this country were prepared to lower its tariff in order to allow these people to dispose of their manufactured goods here, no doubt everything would be all right.

When I was referring to the slump in Australian stocks, the hon. member for Dalby interjected, "What about other stocks?" It is rather strange that just about the same time there seemed to be a financial crisis in Canada. They have no Labour Party in Canada. They have no Arbitration Court there, and no restrictions on industry. Canada is run by a solid, true-blue Conservative Government. Individualism has full range there in all its phases, and everything in the garden is lovely. Under those circumstances, one could not reasonably believe that such a thing as a financial crisis would occur in Canada. It is not a place like Australia, where the standard of living is so high that we are told the production of the country cannot support that standard. Dealing with the slump in Canadian investments, the "Worker" of 19th March, 1930, published this—

"Canadian stocks and shares, listed and unlisted, dropped last year more than £1,000,000,000 (says a message from Vancouver). In leading industrial issues the decline was from £540,000,000 to £360,000,000, while among mining investments 118 of the largest companies showed a total share depreciation of £125,000,000."

Nothing like that has happened in Australia; yet we have no criticisms in the leading London journals regarding the position in Canada. In my remarks I mentioned that we were not getting fair treatment from the British capitalist, and, in order to prove this, I intend to quote a list of investments as published in the "Economist," a leading financial journal in Great Britain. Those who have read this morning's papers know that there is a revolution in full blast in Brazil, and the latest news seems to indicate that the rebels are going to meet with success. Ministers opposite should be thankful that they do not live over there, as South

American Republics have rather a summary way of dealing with ex-Ministers, ex-Governors, and ex-Presidents. (Laughter.)

Mr. MAHER: That system ought to be introduced here. (Laughter.)

Mr. KIRWAN: For the life of me, I cannot understand the facetious remark of the hon. member for Rosewood. I venture the opinion that, if ever that system is introduced into Queensland, the Government behind which hon. members opposite are sitting may be the first to suffer under it. But, thank Heaven, the British people have more up-to-date and saner methods of dealing with Ministers who are recreant to their trust, and that is by hurling them from power and putting a new Government in their place.

GOVERNMENT MEMBERS: Hear, hear! and laughter.

Mr. KIRWAN: It is a much less costly method than that adopted by the Latin Republics in South America. It also gives us ex-Ministers a chance of getting back to the front Treasury benches again; whereas, if we went to the scaffold, in years to come there might be some little niche in Queensland's history about what we did or did not do.

Mr. CLAYTON: You used to dodge unemployed deputations pretty often, you know. (Laughter.)

Mr. KIRWAN: The hon. member was elected to solve the unemployed problem; but it is still awaiting a solution.

I was speaking of investments by various British capitalists in various parts of the world, and I will quote from the "Australian Worker" of 13th August last—

"In the matter of investments, other than loans to Australian Governments, the same preference to foreign countries is shown. According to the London 'Economist' of last March, the capital invested abroad by British capitalists amounted to—

	£
In the Argentine	287,000,000
In Brazil	40,700,000
In other South American countries	93,800,000
In Central America	67,300,000
In non-British countries in Asia	76,000,000
Total	£564,800,000

The magnificent sum which came to Australia was £35,500,000, compared with £564,800,000 which went to foreign countries. Surely there ought to be some recognition of the part which Australia played in assisting Great Britain! If Great Britain is desirous of relieving her over-populated isles and taking advantage of immigration, then it might reasonably be expected that there is no country more acceptable to send the people to than the British Dominions, whether to Canada, Australia, or any other British Dominion. It seems rather strange that this tremendous amount of capital of over £564,000,000 in one year has been invested in foreign countries not one of which flies the British flag. Here in Australia, where the call was answered for the protection of British interests, involving personal sacrifices, surely we might expect to get our share of British capital! We ask

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fer no more than our share; but that we are entitled to.

We have been told by one or two hon. members opposite that the difficulties to-day confronting the Treasurer and the Government are due to fourteen years of Labour government. If that were so, we might look with a certain degree of hope and a prospect of learning something from the administration of the Bruce-Page Government in the Federal arena; but we know that their administration contributed very largely to the present position.

I want to call attention here to what appears to me to be the most extraordinary silence of Mr. Bruce, the ex-Prime Minister of Australia, who was in Britain the whole time these statements reflecting adversely on Australian credit and on the possibility that Australia would not pay her obligations or meet her interest payments were being made. The ex-Prime Minister never once opened his mouth on the subject. He should be proud of his country; and it should be his duty, as it is of every Australian, to defend his country, as any man will do when it is attacked; yet, during the whole of this campaign of malicious representation in the financial circles of Britain, this man was on the spot and never opened his mouth. Not one word did he say to reassure the investing public of Britain that all was well with Australia; that he had only recently left her shores; that he knew his own country, and was perfectly satisfied that she would stand up to her obligations and meet her liabilities. It is most significant that the ex-Prime Minister of Australia remained silent the whole period he was in Britain, and never uttered one word in defence of Australia. Evidently he was very sore not only at the defeat of his Government but also on account of his own personal defeat, so that he did not seem to care whether Australia went to the dogs or not.

What was the position when the Scullin Government took over the reins of power at Canberra? Contrast the position of our Treasurer, walking into his office in George street, in which he found about £5,000,000 of loan money awaiting him, with that of Mr. Scullin and Mr. Theodore walking into the Federal Treasury in Canberra. What did they find? Let us not forget the essential fact that, when Mr. Bruce came into office and Dr. Earle Page was appointed his Treasurer, they found a surplus of £7,000,000 left them by the previous Hughes Administration. Let us not forget also that they dissipated it and squandered it extravagantly, amongst other things appointing Royal Commissions which cost £150,000, and leaving as a monument to their wonderful financial administration a deficit of over £5,000,000. The "Commercial News and Shipping List," which is not a Labour paper, published a very interesting article on the position in its issue of 16th July last—

"When the Scullin-Theodore Ministry arrived it found that the financial obligations of Australia had been increased from £284,000,000, or £50 0s. 8d. per head in 1918 to the colossal sum of £494,000,000, or £78 12s. 7d. per head. The mess was so colossal that the Ministry almost regretted that it had won the election. The interest bill had increased from £12,500,000 sterling in 1918 to £25,750,000 sterling in 1928, whilst the population had increased by approximately a shade

over 1,000,000 souls. These figures refer to only the Commonwealth liabilities, and the position is infinitely more ghastly if the liabilities of the States are taken into consideration. In fact, the total liabilities are now over £1,200,000,000—a sum altogether beyond the capacity of the population of 6,250,000 people.

"To make matters worse, Australia was failing to pay her way. Our exports of all commodities were insufficient to pay the interest on loans or the cost of the commodities imported from overseas. The deficit on trade with the United States ranged from £22,000,000 to £28,000,000 per annum for over fifteen years. When interest bills fell due and loans had to be redeemed, Treasurers got rid of the liabilities by the process of floating a new loan to pay off old liabilities."

That reminds me of one of the characters in Dickens who, when he gave an I O U, said, "Thank God that's paid."

Mr. MAHER: Micawber.

Mr. KIRWAN: That's the gentleman who was always waiting for something to turn up. I would not like to say that the Treasurer is in that predicament just now. But let me finish the article—

"The last days of the Bruce-Page Ministry heralded the coming crash. Australia began to find herself hard up. Her exports dwindled in volume and value. When Scullin and Theodore ambled into the marble halls of authority at Canberra, they met face to face the hideous spectre of national bankruptcy."

That was the result of six years of administration by Mr. Bruce—that gentleman with great commercial training—and Dr. Earle Page. I cannot say what commercial training he had; but that Government had a large number of supporters who were presumed to be very well versed in financial matters and to have had considerable experience in commercial affairs. The result of six years of administration of the Federal Government does not support the supposition. The Sydney "Bulletin," which by no stretch of imagination can be considered to be a supporter of the Labour Party, said on 10th July, 1929—

"In 1925-26 the Bruce-Page crowd had a smaller revenue and a surplus. The present large deficit indicates the Government's capacity for constructing a big hole at short notice, and falling into it head first."

Sir Edward Lucas, a well-known South Australian and prominent Nationalist, who, if my memory serves me aright, was once Agent-General for South Australia—I mention these facts to indicate that he is a person of some importance and weight—wrote a letter to the "Adelaide Advertiser," the leading journal in that city, of 16th July last, in which he said—

"The Bruce-Page Administration, after six years of abounding revenue and squandermania, was defeated at the polls in November last, a fitting retribution on the most prodigal Government the British Empire has ever known, and it is sincerely to be hoped that neither of these politicians will ever be permitted to hold office again in Australia."

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Those are some tributes or testimonies—not from Labour critics, but from authorities of the Nationalist persuasion, who are well qualified to express opinions as to the financial administration of the Commonwealth during those six years.

The "Commercial News and Shipping List," in commenting upon the Budget presented to the House of Representatives by Mr. Scullin, said—

"The position of the Government is desperate. It has no alternative but to increase taxation. It can float no more loans if it wished to. Its sole resources now are what it can collect from Australian pockets in the form of taxation, loans, and forced contributions."

That was the position in the Federal sphere after six years' administration by a Nationalist Government.

Hon. members opposite are prone to rise in their places and to talk of the terrible conditions that existed in Queensland as a result of fourteen years of Labour government; but it would be well for them to consider the results of administration by their own parties. I want to say—and to say deliberately, and to challenge contradiction—that the position in Queensland to-day is not nearly as serious or as bad financially as the position in any other State or in the Commonwealth where Nationalist Governments have held sway. If Nationalist Governments possessed all that wisdom and all that statesmanlike outlook that are presumed to abide in such Administrations, then surely there would not be the financial mess discovered in the Commonwealth sphere, and which confronted Mr. Hill upon his arrival at the Treasury in South Australia, and which Mr. Lang will meet if he is so fortunate as to arrive at the Treasury in New South Wales! I often listened—as you doubtless did, Mr. Roberts—to the condemnation by the present Treasurer of the financial administration of the Labour Government in Queensland. These remarks by the hon. gentleman are contained in the "Courier" dated 28th February, 1930—

"I hope to be able to show, before I stop speaking to-day, that, in many matters, Queensland, as a State, is right in the very front. It is certainly very encouraging to know that to-day Queensland is in a very strong financial position."

The Treasurer said that after fourteen years of Labour administration Queensland was in the very front, and was in a very strong financial position. Most extraordinary! This testimony from the present Treasurer would indicate that the predictions and the remarks that he was wont to make from his place on the Opposition side of this Chamber were entirely without justification. According to his statements, Queensland was fast approaching a financial crash, and was on the edge of a precipice; but his remarks that I have just quoted do not bear out such an opinion. If his remarks when in opposition had been correct, Queensland would have landed in a mess long ago, and would have gone over the precipice with a financial crash.

I propose now to quote the remarks of a gentleman who is regarded in this city as one of the shrewdest business men in the community; but, to his credit be it said, he has at no time been a calamity howler. He

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has always shown the greatest confidence in the State of Queensland, and has shown it to no greater extent than by his act of association with his large business situated in the Valley. I refer to Mr. T. C. Beirne, who is also local chairman of directors of the Australian Mutual Provident Society, an assurance and financial institution whose ramifications extend beyond the confines of this city and beyond the confines of Toowoomba—in fact, throughout the length and breadth of this Commonwealth and almost to the frontiers of civilisation. Speaking at the annual meeting of the Australian Mutual Provident Society in Sydney, whither he went as the representative of the Queensland board of directors of that society, Mr. Beirne said—

"It gives me very much pleasure to be present to-day, as representative of the board of the Queensland branch, and to have the privilege of supporting the motion for the adoption of the report which has been moved by Sir Alfred Meeks. It is universally admitted that the Commonwealth, as a whole, has been going through a somewhat trying time during the period under review, and the end of this lean period is not yet in sight. In common with the other States Queensland has had her troubles to contend with, the chief of which have been drought and financial stringency, with consequent unemployment and stagnation in industry. With regard to the firstnamed, the clouds have broken during the last few months, and the drought, which for so long has been holding a large portion of the State in its grip, has given place to abundant rains, which have covered nine-tenths of Queensland. As a result the prospects for the cattle, sheep, and wool industries, as well as agriculture in its many branches, are bright, and the outlook is much more encouraging from this point of view than for some time past."

Then this paragraph is headed "Optimistic Outlook"—

"As a Queenslander I may, perhaps, be pardoned for hazarding the opinion that my State will emerge from the present economic depression sooner than some others of the Australian group."

In the expression of that opinion this gentleman joins with the Treasurer, and a man of his business outlook is to be commended in making that statement, because there are quite a number of people in this State who pay a great deal of attention to what is said by the Hon. T. C. Beirne. He is doubtless one of our most successful business men. I remember when he started in a humble way in Stanley street in the early 'nineties, and now he is the owner of one of the largest emporiums in Queensland. He continued—

"We are less dependent on secondary industries than some, and have in consequence fewer industrial troubles. Our wealth arises mainly from the products of the soil, and, in view of the favourable meteorological experience during the past few months already referred to, and a not unreasonable expectation of a series of good years following the many years of drought from which much of the State has suffered, we are inclined to a modest and reasonable optimism. This optimistic attitude is further

justified by the fact that the balance of overseas trade in so far as Queensland is concerned has in recent years been immensely in her favour."

Just here it is interesting to note that Mr. Beirne does not agree with the statement so frequently put forward in this Chamber by the hon. member for Toombul. This is what Mr. Beirne said in dealing with the overseas trade in our favour—

"It may surprise you to know that for the two years and seven months ending with January last our overseas exports exceeded our imports by £24,250,000, while for the single year ended June, 1929, the excess was over £11,500,000. I do not overlook the fact that many goods landed from overseas at Sydney and Melbourne, and included in the import figures for New South Wales and Victoria, as well as goods manufactured in those and other States, are consumed in Queensland, and must be included in her imports. These extra imports into Queensland seem to be fully set off, however, by the £6,000,000 worth of sugar which we supply annually to the rest of Australia, and by the 700 tons of fresh fruit which we send across the border every week, on the average."

The statement made by that gentleman in connection with the prosperity of our agricultural industries is borne out by a statement which I have here. I was never tired of listening to members of the Country Party when they sat on this side of the Chamber telling us how the legislation of the Labour Party had ruined the farming industry, and how the farmers were gathering up their few little household belongings, putting them on their little traps, and leaving the old homestead where they and their forefathers had lived for generations under the beneficent rule of anti-Labour Governments. That statement is not true, which opinion is borne out by the following statement printed in the "Queensland Producer" of 16th April last:—

"QUEENSLAND EXCELS.

"The importance of the dairying industry to the State may be gauged by the undermentioned facts:—

The total quantity of butter manufactured for the year 1929 was 74,386,663 lb.—a record for the State.

The factory output of cheese for the year was 14,390,787 lb.—an increase of 269,958 lb. on previous year's production.

The capital invested in the industry in Queensland represents £35,000,000, and the value of the output in 1929 was £7,600,000.

Butter production in Queensland has more than doubled since 1913.

There are fifty-two butter factories, seventy-three cheese factories, and one condensed milk factory. They are supplied by 22,500 dairy farms.

Queensland's dairying industry is an ever-increasing factor in our national wealth."

That is the position of the dairying industry of Queensland after fourteen years of Labour administration.

Mr. GRIMSTONE: In spite of Labour administration.

Mr. KIRWAN: That is a foolish statement to make, because before the hon. member entered this Parliament it was frequently stated that the industry was ruined and that farmers were [11.30 a.m.] on the verge of starvation as the result of Labour policy. Yet all these cheese and butter factories have been built; and it cannot be denied that the standard of living in the farming community is in marked contrast to what it was twenty years ago—and the farming community are entitled to the highest standard of living that they can obtain.

I desire to make particular reference to the repeated advocacy for a reduction of wages. The workers of Queensland, and indeed of Australia, are doing more than their part in this financial crisis. Indeed, it is undoubtedly true that, whether in peace or in war, the burden mainly falls upon the workers. In my opinion, there are other avenues that might be explored in order to meet our difficulties—as, for example, in the direction indicated by the following extract from the "Brisbane Courier" of 13th March last, when referring to the Commonwealth Auditor-General's report on the Federal Treasurer's statement of receipts and expenditure for the year ended 30th June, 1929:—

"'WILD CAT' COMPANY PROMOTERS.

"The financial resources of the community are also seriously affected by the diversion of capital for new companies having no solid foundations or prospects. The amount of money absorbed in this manner annually, frequently on plausible representations of persons who are parasites in the sense that their only service is an endeavour to 'float' a company successfully, but who have no concern for the intrinsic merits of the venture, must be very large. If practicable some protection should be given to the public against 'wild cat' company promoters."

It might be opportune for me to quote the following paragraph in connection with the report for August last of the Tariff Board, which is composed of gentlemen who do a considerable amount of investigation work in connection with Australian industry:—

"After pointing out that 'there were many cases in which labour costs formed a very small percentage of the factory selling price,' the Tariff Board's report went on to say that the cost of production had been materially increased because of the high site values, huge managerial expenses, and costs of distribution—the latter being, in many cases, particularly excessive. As regards the wages cost in production, the report stated that, in many cases, the protection afforded by the 1921-23 tariff covered the whole cost of direct wages paid, and, in some instances, it was more than double the direct wages.

"Regarding the profits of manufacturing concerns, the board reported that, in some instances where the profits distributed in dividends had not been unreasonably high, large reserves of undistributed profits had been accumulated. An examination of the balance-sheets and trading accounts of certain manufacturers disclosed that profits made by them were sufficient to enable them

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to reduce prices and still enjoy a reasonable margin of profit.

"Another important factor disclosed in the Tariff Board's report was that in some cases the plant available was 90 per cent. more extensive than was warranted by the Australian demand for some years to come. This is a serious matter, since it means that the consumers are called upon to pay prices based on the cost of maintaining unnecessary and expensive plant and machinery."

Those are directions in which something might be done to reduce the cost of production. I notice that a deputation of various employers' organisations waited upon the Premier recently, and asked, amongst other things, for the abolition of all awards. It does not strike me as strange that such an application should be made, because I can recall that, after the war started, the profiteers were considerably worried by reason of the fact that they were not getting a large enough "cut." While other men were giving their lives, these people were profiteering, and they asked that all awards should be abolished so that they might have an "open go." Fortunately their request was refused. This idea that by reducing wages we are going to get back upon an even keel is discovered not to be a fact when the position is analysed. Only the other week a statement appeared in the press that the rubber planters in Java were making arrangements to return 5,000 indentured labourers to China and 4,000 indentured labourers to India because they found that they were unable to employ those men at 1s. per day—and out of that 1s. the men had to keep themselves! Surely to goodness that is low enough even for a blackfellow or a Chinaman! Yet the rubber planters in Java—where there are no Labour Government, no awards, no agitators, no restriction on industry, and where indentured labour can be obtained for 1s. per day without keep—were making arrangements to return 9,000 of their indentured labourers! It all goes to show that this idea that a reduction of wages will re-establish the position of any country cannot be sustained.

They reduced wages in England, they reduced wages in Germany, and they reduced them in India, in Japan, and in America; and those countries still have the same difficulties with which to contend, which goes to show that a reduction of the purchasing power of the people by reducing their consuming power is not the right way to attack this problem.

I trust that there will be no further attacks on wages in Australia. The present Government have gone about as far as it is possible to go in that direction. Only yesterday afternoon I heard that their latest economy scheme is to cut down the rum ration to the poor, old unfortunates in Dunwich by half.

A GOVERNMENT MEMBER: Who told you that?

Mr. KIRWAN: I say it is true. What has the hon. member to say in regard to the reduction in the allowance to widows and State children? Surely the Treasurer can adopt some other means to balance the Budget! Actions such as these show that

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the members of the Government are not statesmen.

Mr. MULLAN: Surely the Treasurer would not cut down the rum ration! (Laughter.)

Mr. KIRWAN: I understand that the Treasurer is strictly temperate, and I would not be at all surprised at the hon. gentleman doing that; but that hon. gentleman is not in charge of that department. I say that the statement is correct. We also know that the old men at Dunwich who were paid 5s. to 8s. a month for doing odd jobs have to contribute their pennies and threepences to the unemployment relief tax. All these schemes seem to indicate that the Treasurer is out to collect revenue wherever possible.

The TREASURER: Hon. members should contribute more.

Mr. KIRWAN: Hon. members have contributed a fair thing. We have been reduced by 33½ per cent. Will the hon. gentleman suggest to the editor of the "Courier" that he should suffer a reduction of 33½ per cent. in his salary and give the balance to the Treasury? The hon. gentleman should also make that suggestion to the editor of the "Telegraph," after what he has said about the Government in the way of criticism. (Laughter.) It would put these people to the test. The editor of the "Telegraph" is very good at advising the Treasurer what economies he should put into operation. Let these men suffer some of the economies that they suggest should apply to the public servants and hon. members of this House.

In conclusion, I want to say that I hope the Treasurer will be able to balance his Budget. Certainly it is a remarkable Budget coming from a Government and from a party that declared on every political platform at the last elections that they would reduce taxation. Now we have the Treasurer coming along and, with the assistance of the Secretary for Labour and Industry, putting an additional £1,500,000 of taxation on to this State. That from a Government who were going to straighten things up! That is the result.

Mr. BOYD (*Burnett*): I have listened with considerable interest to hon. members opposite criticising the Budget for the current year. I will not say that I am disappointed, because I did not expect to hear anything else from those hon. members. Unfortunately, the position as it appears to me is that one and all, from the Leader of the Opposition down to the last speaker, have criticised the Budget from beginning to end without offering any remedies or any constructive suggestions.

Apparently they recognise that it is a hard job to carry on. It is a hard job to carry on, but we propose to do it, and I say emphatically that we have not fallen down on our job yet; there will be plenty of time for hon. members opposite to bring their batteries to bear when we have definitely fallen down. During the fourteen years the Labour Party were in office, they were in the happy position that, when the revenue was not sufficient to carry on the various public services and keep governmental activities in operation, they were able to go on the loan market and borrow freely, as we know to our cost to-day. They spent the money to a large extent injudiciously; and the result is that to-day we have many millions of money borrowed by

the late Government the interest on which we have to find from revenue or by direct taxation. They contributed very largely to the present unfortunate position by their mismanagement. I venture to say that, if they had been faced with the position the present Government have to deal with to-day without any recourse to the loan market, they would have collapsed badly years before they did. The people of the country were absolutely "fed up" with the Labour Administration. That was the reason why they were defeated at the last election. It was not because of promises made by this Government, but simply through the reaction caused by their maladministration in past years. The people turned out hon. members opposite, and elected the Moore Government to carry on the affairs of the State. They elected us for the definite purpose of cleaning up the mess the Labour Government had got the country into during the last fourteen years. Unfortunately for the present Government, overseas prices for our products were on the decline when they took office. They have declined 50 per cent.—in some cases more than that—since that date. This unhappy combination of circumstances is making it very difficult indeed for the Treasurer to carry on.

Mr. O'KEEFE: You are making excuses.

Mr. BOYD: I am not making excuses, but am simply stating plain facts. Hon. members opposite have made excuses, but have not offered any constructive criticism on the financial situation. While I am behind the Government, I certainly reserve the right to make any comment in connection with the Financial Statement that I may think fit, and the Premier welcomes our criticism. I am supporting the Government, but I certainly reserve that right to myself. It is unfortunate at the present time that loan money is not available to a greater degree than it is. I say "unfortunate" because it is very hard, as one hon. member pointed out some time ago, when a man who has been addicted to drink or to drugs has his ration cut right off at a moment's notice. It involves severe trouble; and it is the same with a Government which has been accustomed to spending loan money so freely as the previous Labour Government did. The reaction on the community at large is going to be very much more severe than it would otherwise be. I hold that loan money expended in a proper manner for developmental purposes when the work will be reproductive to the extent of paying the interest is perfectly legitimate expenditure; but, unfortunately, in many instances the late Government regarded loan money purely as revenue, as in some cases they borrowed further money to pay the interest due instead of paying it out of revenue.

In the last ten years the increase in interest payments which the people of this State have to make is over £2,000,000 annually. That has to be found by taxation; and in that fact lies one of the causes of the unfortunate position in which we now find ourselves. Hon. members opposite continually increased taxation from year to year until we got to the saturation point, and, in fact, beyond that limit. That has had a very serious effect on industry, not only primary but also secondary, and in a State like Queensland—a young State and a wonderfully productive State with first-class possibilities—it has had a greater effect than it would have had elsewhere.

I am not going to compare Queensland with New South Wales, where practically half the population is huddled up in one centre, whereas in Queensland the conditions are fortunately different, to the extent that two-thirds of our population are outside the metropolitan area. Even so, I consider that the legislation passed by hon. members opposite has been largely responsible for the enormous influx into the cities of people who would otherwise be in the country producing. I know scores of them, including original farmers and settlers, who got absolutely tired of the continually harassing tactics of the past Government, and who simply sold out when the opportunity occurred and came into the cities, where conditions were infinitely better than in the country. But many of those people are to-day out of jobs—they cannot even secure a subsistence. Every opportunity is being given, and every opportunity is going to be given, by this Government to enable such people to get back on the land and make a living there—back to the land they should never have left, and which they never would have left but for the tactics of the past Government. The legislation and administration of this Government will shortly have their effect, and are going to be of very great assistance in giving many of these men an opportunity of using their personal knowledge of the rural industries in the interests of themselves and of the State, which they will be only too glad to do after their experiences in the city. That will be of very great assistance to the future development of Queensland.

A point that has struck me very forcibly in connection with the continual cry of Opposition members about reducing wages and the cry that we are a wage-reducing Government and other parrot cries of that nature is that I do not think a single hon. member on the other side has seen fit to mention the fact that the cost of living has dropped over 10 per cent. during the last few months. Some hon. members have referred to the cut in the salaries of Government servants of 10 per cent. in the lower grades and to the drop in the earnings of workers in arenas outside as a result of awards of the Industrial Court; but they have not mentioned the fact that the cost of living has decreased during the past few months by considerably more than 10 per cent. We see in this morning's press that the Commonwealth basic wage in Brisbane—which is based on the Commonwealth cost of living figures—has been reduced to £3 10s. 6d. That goes to show that the purchasing power of the people to whom hon. members opposite refer has not been reduced one atom; in fact, the purchasing power of wages is greater to-day than it was twelve months ago. This is one point that hon. members opposite appear to lose sight of, or, at any rate, think it convenient to forget.

While I am on the point, I want to point out that some hon. members opposite have spoken of the dairying industry, and claimed that wonderful prosperity exists in it and some of the other primary industries, and contended that the full credit for the great development that has taken place should be given to the Labour Government.

This wonderful dairying industry we hear so much about from hon. members opposite is a great industry to Queensland, and whilst I have no desire to cry "stinking fish" against the industry that provides me with my living, and has done so for many

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years, I do say very definitely that the industry as a whole is not the prosperous industry that hon. members opposite would have it to be. The people in the dairying industry unfortunately are suffering a very much greater loss in income due to the decline in oversea prices than the wage-earner has been asked to suffer. I would like that to sink into the brains of hon. members opposite; I would like them to chew that over and remember that point. I shall have something more to say regarding the dairying industry at a later stage. Whilst wages have been reduced, the purchasing power of the people has not been reduced.

There is one portion of the Budget upon which I do not agree with the Treasurer, and that is the unfortunate proposal to increase taxation. I think other steps should have been taken, and I would strongly support other steps; and I recommend the Government to give due consideration to the proposal I am about to make. It has been sufficiently demonstrated, not only during the current session but during past years, that the people are already overtaxed, and to such an extent that the taxation from the wool industry is approximately—speaking from memory—£500,000 less during the past financial year than for the year 1924-25, going to show that, on account of the enormous reduction in prices, these men are not getting the usual income. The same thing applies right through the primary industries, and to a large extent to the secondary industries. I am of the opinion that further taxation is not justified at the present time, and I have no hesitation in saying so from my place in this House.

I am quite in accord with the proposed increased taxation on betting tickets. I am not a "wowsler," but at the same time I say that, if a man has a few pounds to throw about by way of betting, then he is certainly in a position to contribute towards the revenue to a greater extent than he is being asked to do now. I am in favour of even a greater tax on betting tickets.

It is also proposed to increase succession duties. Possibly, under happier circumstances, it would have been better to leave existing conditions alone, but, as circumstances demand that the statutory income tax exemption be reduced, and as substantial exemptions will be provided, the Government are perfectly justified in adopting those means of raising revenue.

The Government could economise to a still greater extent. I know that hon. members opposite will not agree with the proposal that I have in mind. The Government should economise further to a very considerable extent. If necessary, there should be a further reduction in the salaries of public servants by 10 per cent. All sections of the community should make sacrifices, and I have pointed out that the primary producers have made sacrifices; they are making them every day, and will be called upon to make further sacrifices. It must be borne in mind that the people of Australia are depending upon the primary producers to get Australia out of the difficult position that it is in to-day. Every member of the community should make a sacrifice. Hon. members opposite may say that they have done so, but I say that they have not done so, because the cost of living figures that I have quoted this morning show that they have made no sacrifice whatever.

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There have been many cries from the Opposition, not only here but in the South and in other parts, that the public service should be consulted with respect to their salaries being reduced. I do not hold with that at all. I say definitely that the public servants are in the employ of the Government; the Government were put here by the people to clean up the mess by the Labour Administration, and it is the job of the Government to come in to do what they think fit and what they consider to be necessary. If the employees were removed from the public service at the present time, it might be difficult for them to secure other work.

I would give them an opportunity of saying whether they would accept a reduction in salaries and wages, or whether they would prefer dismissal, or, in other words, retrenchment. I would give them the preference of the one thing or the other. It would be very easy for the Government to obtain the opinion of the service in the matter. This could be done by taking a vote. There is no particular reason why it should not be done. The members of the public service could be informed that it was absolutely essential for the Government further to curtail expenditure by 10 per cent., which would result in a saving of £900,000 a year. That would cover the estimated shortage in the Budget without the increased taxation from incomes. I do not think any lesser percentage would do at the present time. Every individual member of the public service would be given the opportunity of saying whether he or she would accept a further reduction in salary or wages in order to bring about that saving, or, in the alternative, retrenchment throughout the whole of the service from the top to the bottom irrespective of length of service or otherwise. The public service would know the position exactly, and would have the option of selecting the alternative it preferred. The members of the service would not know whom it was intended to retrench, and could take a sporting chance. I say definitely that the time has come when public servants, as well as other people, should make sacrifices. I have pointed out by the figures I have quoted that they have as yet not commenced to make sacrifices.

I will go further than that and say that industry generally should be relieved of its many restrictions. We said in the past, and on the election platform, that we would remove the rural workers from the ambit of the Industrial Court. We did so, and by so doing gave a great impetus to and stimulated employment in the country districts. It is far better for men to be engaged at from £1 to £2 and £3 per week and keep than be on the breadline and drawing the dole. The Government have seen fit to suspend the station hands' award as affecting the pastoral industry. That was found necessary to give that industry a reasonable chance to recover from the effects of drought and make some progress towards increasing productivity. The time has arrived when we should extend that principle still further, and I would suggest that we should suspend the operation of all awards for twelve months. I would not say that all awards should be suspended permanently, but, for a start, they might be suspended for twelve months. We could retain the 48-hour week provision; but there are many restrictive conditions in awards

which retard and hamper industry in every way. I would not advocate a reversion to low wages or improper conditions, but my suggestion could be given a trial so that it might be seen if it were an advantage to industry. If industry does progress, the position could be reviewed again at the end of twelve months. What we want to-day is a Government which will give industry a chance, and not repress it on every hand with hampering restrictions. I would leave the 48-hour week as it is, because that is all right in industry generally, but I would not restrict the hours of labour. If, say, butchers and bakers considered it advisable to work early and late, instead of in the middle of the day, in order to supply the public with those necessary essentials, and probably at a cheaper cost, they should be permitted to do so.

At 12 noon,

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

Mr. BOYD: I sincerely hope that the matter will be taken into consideration by the Government, as it will possibly be of considerable assistance in getting us out of our present difficulties. In view of that suggestion, I ask the Government to reconsider the matter of eliminating the income tax proposals in the Budget because, in my opinion, these will have a boomerang effect and will stifle rather than assist the Government.

Regarding the public service, I have no axe to grind; and I know that there are a great many officers in the public service who are first-class men, and who are doing excellent work for the State. I would like them to know that. I do not say the whole staff; but I do refer to a great number of responsible officers.

In connection with the economies that are proposed on the votes for education and some of the other public services, it would be a great pity if the Government could not find another way out of their difficulties than in those directions. I know that it is a matter of economy that the Government have not the money with which to carry on—but I hope that ways will be found whereby economies will not be effected at the expense of these services. Above everything else we must consider the children of this State in every possible way. Bear in mind, too, that the children are in no way responsible for the present unhappy position. The grown-ups of to-day, through the Governments which they have elected in the past, are responsible for the position; and the sacrifices should be made by the parents—not by the children. If there is any other way out of the difficulty, then it should be borne in mind, and the children should not be placed on the altar of sacrifice.

I referred earlier to the dairying industry and to the comment which has been made by hon. members opposite as to the wonderful prosperity which exists in this industry due to the sympathetic legislation passed by the late Government. One fact which has probably been overlooked by these hon. members is that the dairying industry came into being definitely after the 1902 drought, since when it has gone ahead very rapidly. I can safely say that every co-operative dairy company of any consequence that is in operation to-day was established prior to the advent of the Labour Government.

Mr. O'KEEFE: You are wrong.

Mr. BOYD: The great bulk of them were established prior to the advent of the Labour Government. The dairying industry has been built up over many years by the energetic efforts of the men, women, and children engaged in that industry, in spite of, and not with, the assistance to any great extent of the Labour Government. I know perfectly well the assistance which the Labour Government gave to the dairying industry in 1915. They stole our butter. They said they acquired it for certain purposes of their own; but there were very large losses accruing to the dairying industry as a result.

In 1921 the dairymen got something like a decent price for their products, but the Queensland Government again stepped in and commandeered butter for local use. The dairymen suffered an enormous loss through that butter being commandeered; and, unfortunately for the producers of butter in this State, a few months after these high prices prevailed the bottom dropped out of the London market, and suppliers were paid only 7d. per lb. for their butter. It was found on inquiry by the Department of Agriculture at the time that it cost 1s. 7d. per lb. to produce butter; yet the dairymen of this State were forced to accept 7d. per lb., which was London parity. The Government never came to the assistance of these people and said, "Because we robbed you—inadvertently perhaps, because we made a mistake last year—we are going to give you assistance now that you are suffering from difficult times and are getting a mere pittance for your butter." Instead of doing that, the Government let the dairymen stew in their own gravy. I was a dairyma. at the time, and I know the position exactly. What happened then would happen again if hon. members opposite got back on the Government benches and the opportunity arose. I do not think they learned wisdom in their fourteen years of power. In fact, I do not think many hon. members opposite are likely to learn wisdom in the whole of their lives. The dairying industry has been built up by the men, women, and children engaged in the industry. That is one point that hon. members opposite do not seem to consider when they talk about cheap butter.

The hon. member for Ithaca last night and the hon. member for Bremer a few nights ago made reference to the fact that the dairymen were getting a higher price for their butter than they should get on account of the decreased spending power of the community. That is a misstatement, because the spending power of the community has not decreased. It must be remembered, too, that very often children have to get up early in the morning and milk the cows before going to school, and they have to milk the cows again when they return home in the evening. They should not be obliged to do that; but, unfortunately, in many cases they are obliged to do it on account of the unsympathetic treatment by the Labour Government in the past. Unfortunately, the men on the land, and the dairymen in particular, have a good deal more to put up with than unsympathetic legislation. They have the seasons to contend with. Anybody who has experienced a drought knows that in the course of a year or two the whole savings of a man's lifetime may be dissipated. The result is that the man on the land gets into debt, and it may take him ten years to

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recover his position. Again, sometimes in a night the savings of a lifetime have been wiped out by a flood. Not only has property been destroyed, but stock also. These men on the land are not growlers. They are not shirkers. They come again, if it is possible to come again; but, seeing that there are circumstances over which no Government have control—I refer to the seasons and to the overseas market—the Government of a country like this should be as sympathetic as possible to those engaged in the dairying industry and in general farming.

I think it was the hon. member for Ithaca who referred last night to the large profits made by dairymen in this State. I will admit that some dairymen who have put in a lifetime of work and invested their life savings in the industry, and through a certain amount of good luck—I mean with regard to seasons—have done very well; but in 99 cases out of 100 they have not got one penny more than what they have earned. They have, in fact, earned a good deal more than they have ever received. I find from the report of the Commissioner for Taxes last year that out of 22,750 dairymen engaged in the industry in this State there were only 575 who paid income tax, and that is a very small percentage. In addition to that many dairymen have fairly large families and are granted certain exemptions on that account, and that goes to show that dairymen as a body are not fleecing the public of money they are not entitled to for their products. Personally, I would like to see a very much greater number of dairymen earning incomes large enough to pay income tax than are now doing so. The average tax paid by these 575 dairymen amounted only to £6 10s. a head, and that is only a small amount. The fact that there are only 575 out of 22,750 dairymen paying an average income tax of £6 10s. shows that the industry is not charging the public too much for its products; otherwise, the report of the Commissioner of Taxes would have told a very different tale last year.

Mr. JAMIESON: The reason is that they averaged 1s. 3d. per lb. last year for butter when the cost of production was 1s. 7d.

Mr. BOYD: I would like to see an extension of the dairying industry, as men who are unemployed and have had experience of dairying would be only too willing to go on the land if they had an opportunity of making a living. They could earn a living in the dairying industry, although it is a pretty hard living, as those in it have to work very hard for what they get. If a very large increase is made in dairy production in this State and the rest of the Commonwealth, the effect of the Paterson scheme is going to be nullified to a greater or lesser extent. I think the present wholesale price of butter in London is 110s. per cwt., which is less than 1s. per lb. After we have shipped it over there and paid all expenses that price leaves about 7d. per lb. for the farmer, and he will be lucky to get that.

An OPPOSITION MEMBER: What is the price in Australia?

Mr. BOYD: The price in Australia is somewhat higher under the Paterson scheme. To-day butter is being retailed in Brisbane at 1s. 9d. per lb., so that the dairy producer is not being overpaid. He never has

been overpaid, and I am very much afraid that, if we have to look for the assistance of hon. members opposite, he never will be overpaid. The wholesale price in Queensland to-day is 1s. 7d., and the price in London is 11½d. per lb. That will show that the Queensland dairymen is not in the happy position which hon. members opposite would like the consuming public and others to believe he is in. I challenge hon. members opposite to go and select a block of land in the northern Burnett in the next section, which will be opened in two or three months' time, and go in for dairying, and see how they get on, and whether they can make a profit?

I do not think the hon. member for Brisbane, for instance, would find the dairying industry as profitable as other things. If hon. members would only do what I suggest and would get first-hand knowledge of the industry, rather than gain their information from discussing it with some of their neighbours or officers of the Government, they would be in a very much better position to speak with authority regarding it; and I am sure they would not be so keen on trying to deprive the dairymen and his family of the pittance—for it is that more or less—which they get for their labour.

Unfortunately the dairymen has to depend to a very large extent on the London market; and it is more than likely that the price there will go lower than it is to-day. In fact, we can say that the price of butter is not likely to be so high in the future as it has been in the past, and that is one reason why the cost of butter production must be brought down. (Opposition interjections.) I would say to the hon. members who interject that, as I pointed out in the earlier part of my speech, the spending power of the people has not decreased. The figures of the Commonwealth Statistician prove that; and the Government are using every endeavour to secure work for those people who are unable to get it, and they intend to leave no stone unturned to relieve the position as time goes on. Does the hon. member for Kennedy, for instance, say that money will not purchase as much as it did last year? Apparently he does not realise the fact that it will purchase more. The cost of living has been reduced by 10 per cent., as I have already said.

I would also like to point out that one of the principal side lines in the dairying industry is the rearing of pigs. I suppose that 95 per cent. of the pigs that are disposed of in the market are produced by dairymen; and it is a well-known fact that the market for pigs is in a very similar position to that of butter. The price is lower than for very many years, and we can produce more bacon and ham than we can dispose of in this State. We, therefore, have to depend to a large extent on the exportations to the South. We were informed the other evening that a contract had been taken by Swifts for the export of Australian pigs overseas. That may lend us some assistance and help in the solution of the trouble; but the fact remains that at the present price for bacon pigs—the highest price that can be got by the farmer—there is mighty little in it. In fact, even though the dairymen uses his excess products to feed his pigs, it hardly pays him to rear them and sell them at the low prices ruling to-day. The average consumer is getting his bacon at nearly half the price he was paying twelve months ago.

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and at a price lower than it has been for many years, although, as I have pointed out more than once, his spending power has not been reduced, as hon. members opposite say.

I am glad that other hon. members have already spoken on this question, and I do not intend to take up very much more time. I would, however, like to say a word or two about the cotton industry, which has been discussed freely by many people, and is regarded by some as the "white hope" of Australia.

There is no doubt that the prospects of the cotton industry are considerably brighter to-day than they have been for many years past. The Federal Government have extended some assistance to the industry through the Tariff Board, and we hope that they will continue to extend assistance. The State Government have also been of wonderful assistance. This year they have guaranteed the cotton crop to the extent of £30,000, and thereby induced growers who were actually losing faith in the industry to embark in the industry again. During the past cotton season many growers had an unfortunate experience from insect pests and weather conditions, but the cotton-grower is always up against these conditions, which I term forces of Nature. Still, he is ready in most cases to try again, and I am sure that many others could be induced to enter this industry for the purpose of producing cotton. It is admitted that it is impossible to grow cotton to export overseas on a payable basis, but we must remember that we are importing about £13,000,000 worth of cotton goods annually into Australia, a great deal of which could be manufactured in this country if sufficient encouragement was offered, not only to the grower but to outside capital to be utilised in the establishment of mills. I am informed that out of approximately 11,000 bales, which is estimated to be the present cotton crop, about 10,000 bales will be taken over by two firms in the Southern States, and there is not the slightest doubt that the balance of 1,000 will be absorbed by local spinners to supply local requirements. It has been estimated on reliable authority that from £7,000,000 to £8,000,000 worth of cotton goods now imported could be manufactured in Australia out of locally grown cotton, and this would mean a tremendous expansion in the cotton industry. I feel quite sure that the Queensland Government will continue to extend to the cotton industry the valuable assistance that they have extended in the past, and that they will concentrate in the direction of raising the industry to the productive capacity of which it is capable. We have available hundreds of thousands of acres of suitable land, and although it is not possible to expect a full crop every season, it is possible in most cases to get some sort of a crop at least every second year. Very often it is possible to obtain a payable crop every year, but, as the industry is better understood, and when the experiments that are now being carried out by the Department of Agriculture in connection with new varieties imported from the United States and other places are known, and these varieties are tried out to a greater extent under local conditions, there is not the slightest doubt that surer results will ensue. One cannot be sure of securing a crop of any produce every year, but I am hoping that the cotton industry will be so encouraged

that in the near future we shall be producing sufficient raw cotton to meet the whole of our requirements, or at least the bulk of our requirements. I am sure that the Queensland Government will extend every encouragement in the direction of inducing outside capital to be used in this country with a view to establishing cotton-mills to absorb the bulk of our cotton, thereby creating further employment for our own people, instead of the raw material being sent to the South to give employment there. If the raw material is manufactured into the finished article in Australia it will prove of great service to the grower and a saving to the Commonwealth, because any article manufactured in Australia for use in the country is like so much gold dug out of the ground.

The Government have given very great assistance to the cotton-growers in financing the cotton ginneries. In the past growers were paying a definite fixed amount to the British Australian Cotton Association for ginning their cotton. They are in the happy position to-day of possessing their own ginneries and of being able to gin their own cotton, thus retaining within the State money which otherwise would have been paid to the British Australian Cotton Association. The Government are responsible for putting the growers in that happy position. The Government need not fear at any time of being called upon to meet the obligations under their guarantee. I am informed that sufficient seed to plant an area of at least 50,000 acres has been distributed for the current season; and, with the improvement in the seasons which has been fairly general over a large area of the cotton belt—much of the ground is ready for planting and growers are only awaiting further showers—we can look with great hope to the coming cotton crop. I do not know whether hon. members realise that 50,000 acres of cotton will give a large amount of employment during February, March, April, and perhaps later months next year. An enormous number of people—men, women, and children, for a child can pick cotton without detriment to its health—will be engaged in picking cotton. That will be responsible for the absorption of a large number of unemployed. I am very hopeful—largely because of the assistance rendered by the Government to the Cotton Board, which has enabled growers to handle the crop co-operatively—that in the coming years the Cotton Board will very largely assist this State to regain prosperity.

I hope that before the end of the current session the Government will find it possible to fulfil that part of their election programme regarding the hospital tax. That tax has been a very severe strain on the landowner. Some local authorities in the country have been paying as much as £2,000 a year for the support of hospitals, while individuals have been paying a hospital tax of 2d. to 2½d. in the £1 toward the maintenance of the local hospitals. I have claimed before, and still claim—and I believe hon. members on this side of the Chamber claim also—that the hospital tax imposed by local authorities is an unfair tax, because it only hits one section of the community. Generally speaking, that is the section which finds it most difficult to carry on. I sincerely hope that the hospital tax will be distributed over every section of the community. It might be practicable to use

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the machinery provided for the collection of the unemployment relief tax for the collection of the hospital tax. I have not gone into the figures showing the cost of collecting the hospital tax, but it would be only a small amount. By that means land-owners will be relieved of what has been to them an incubus. Every farmer and settler—in fact, every landowner—has felt the effect of that tax. I am aware that the Hospitals Commission has not yet finalised its report; but I have no doubt that its presentation to the Government will not be much longer delayed.

My idea of the whole situation is that we should not endeavour to regain an even keel by further increasing taxation. What we should do is to eliminate expenditure in the directions I have indicated and pursue a general policy of stringent [12.30 p.m.] economy, so long as it will not affect the coming generation, who, after all, are in no way responsible for the present state of affairs. I am satisfied that the Government will continue their policy of fostering industries, both primary and secondary. I am sure that the land policy which the Minister concerned will expound at an early date will be received with open arms, even by hon. members opposite. It will certainly be received by the public as filling a long-felt want by removing the position which has existed in the past when men were eager and willing to select land but could not get it because it was not available. Such a position of affairs will be remedied at an early date, and will, I feel certain, increase the prosperity of Queensland.

Mr. A. J. JONES (*Paddington*): In my contribution to the debate I intend to be very brief, because voluminous speeches have been delivered and pages of figures have been quoted for and against the Budget proposals of the Treasurer. There are, however, one or two phases to which I particularly wish to direct attention. All Governments, whether they be Labour, Liberal, Nationalist, or Conservative, have alternating periods of prosperity and depression; and these periods are reflected in the finances of the country concerned. I cannot recall any previous year in which a Treasurer of Queensland has been so far out in his estimates. Whether the Treasurer estimates a deficit or a surplus is beside the question; the hon. gentleman was certainly far astray in making the estimate he did last year.

To my mind the immediate trouble in Australia to-day is due to the reduced prices of our exportable commodities, particularly wool, and, to a lesser degree, metals. We all know, as Australians, that wool is our chief exportable product—that we have been living on the wool off the sheep's back. Metal prices are all declining, and that fact must be reflected in the financial position of the Commonwealth. Yesterday we read in the daily press that tin was at a price equal to that ruling in 1914. To-day it is £2 per ton lower. I think it was the Secretary for Mines who said a few days ago that the price of silver was lower than it has been for 200 years. Admittedly metal prices are somewhat of a barometer regarding the prosperity of any country. The low prices now being received for our metals and wool exported overseas must affect very seriously the financial stability of our country.

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It has been said by hon. members opposite that we have had too many borrowing authorities in the past. Since federation we have had too many borrowing authorities. The hon. member for Fassifern blames the establishment of the Loan Council for the present position of the Commonwealth and States. We all admit, no matter on which side of the House we may sit, that we have borrowed very freely, and probably have had too many borrowing authorities. But would it not be better to say that probably the Loan Council was brought into being too late, and that it would have been wise to have established that council immediately after federation and to have had only one borrowing authority in Australia?

At 12.37 p.m.,

The CHAIRMAN resumed the chair.

Mr. A. J. JONES: The hon. member for Fassifern is hardly consistent on this subject when we take into consideration his views on the question of parliamentary reform. If we admit that it is wise to set up one borrowing authority in Australia—one authority to control the finances of the Commonwealth—that is one step, and a pretty big step, towards unification. Therefore, I fail to see the consistency of the hon. member in advocating one borrowing authority and a multiplicity of Parliaments.

We have heard a good deal in this debate about parliamentary reform as a remedy for the present depression—the extension of the life of Parliament to five years, a reduction in the salaries of members, and a reduction of the number of members. If the opinion of the press regarding parliamentary reform is of any value, then the Premier is in this difficulty—that he finds it more difficult to please his friends than to perplex his opponents. Probably the Treasurer is in that difficulty also. Can anybody with any imagination suggest that a reduction of members of Parliament from seventy-two to fifty is going to remedy the present financial stringency of this State or the Commonwealth? The saving in salaries by reducing the number of members in this Parliament to fifty would be infinitesimal; and no doubt those fifty members would be just as extravagant and spend just as much as the seventy-two members now spend. A saving of the infinitesimal amount paid in salaries to hon. members is not going to restore the financial stability of this country. Neither would the extension of the duration of Parliament restore the financial position. If we are sincere in regard to parliamentary reform, we should admit that Australia is suffering from over-government; and, expressing my own personal view on the matter, the proper thing to do would be to reduce the cost of government by the abolition of all State Parliaments. By that I do not mean that we should set up a lot of small authorities such as the Greater Brisbane authority with more members than are necessary at high salaries; but in a young country like Australia, which is sparsely populated and with some parts far from the seat of government, I do not advocate parliamentary reform in that direction merely to save parliamentary salaries. I know that the total cost of the Governments of Australia, including Governors' salaries, is somewhere about £1,227,000, and, with Australia's population, that means

only a few shillings per head. I attack the present system from the point of view of conflict in regard to legislation and administration. In a country like Australia we should not have seven Parliaments, and I expressed this view when I held the position of Leader of the Government in the Legislative Council many years ago. We have three forms of land taxation, for instance, when there should be only one. We should not have two forms of income tax; and it is unwise for industrial and manufacturing concerns in Australia to have five sets of State industrial laws and also the Commonwealth law.

A GOVERNMENT MEMBER: The cost of government is only 4s. 6d. per head in the Commonwealth.

Mr. A. J. JONES: I do not attack the present system of government, and the cost of government may be infinitesimal; but I am one who advocates the alteration of the system of government by having only one Parliament for Australia. The natural corollary of federation is unification—one people, one Parliament, one Government, one flag, one destiny. One does not need to be very long in office as a Minister of the Crown to know that there is very much conflict in administration with the Commonwealth Government at the present time.

We have also heard in this debate that it would be wise for us to co-operate on this occasion to overcome the present financial depression. We all admit that there is a depression, although I do not think it is quite as bad as some politicians, pressmen, and others make out; I think there is a good deal of panic about it—but I believe our country is rich enough to overcome any present difficulty. I am one of those who believe that a country is not judged so much on its power to borrow as on its power to produce and manufacture and pay back. I believe we have sufficient wealth in Australia to meet our obligations. As I have often stated in this Chamber, we can trace all our financial difficulties to the one source—that we are over-producers and are under-populated. We can trace all our difficulties to under-population.

Mr. KELSO: Do you say the seriousness of the present financial situation is exaggerated?

Mr. A. J. JONES: I think it is.

Mr. KELSO: Did you see what the Treasurer of New South Wales, Mr. Stevens, said in this morning's paper?

Mr. A. J. JONES: I did not.

Mr. KELSO: It is worth reading.

Mr. A. J. JONES: The hon. member had the opportunity of making his own speech. We have heard during this debate that it would be a wise thing at the present time to sink all party differences, that we should all pull together, that we should bury the hatchet. We know that statements of that kind are mere platitudes, because it is not possible under any system of parliamentary government in which we have two distinct parties for them to be able to pull together. We on this side have principles, ideals, and aspirations which are diametrically opposed to those of hon. members who constitute the Government. For instance, I am one of those who regret very much that during this and the previous session of Parliament hon. members opposite have destroyed one

of the fundamental principles of the Land Act as passed by the party to which I belong. I refer to the attitude of hon. members opposite in selling the land, the birth-right of the people.

Mr. EDWARDS: You own freehold land.

Mr. A. J. JONES: Of course I do, and so does the hon. member.

Mr. DANIEL: Then why do you object to anyone else owning it?

Mr. A. J. JONES: I do not. I am attacking the system of selling land, and I am backed up by very high authority. When the hon. member has been longer in Parliament, he will know that every hon. member is the victim of the system that is in operation. If I want to establish my home and I cannot get a leasehold tenure, I have to take a freehold.

Mr. CLAYTON: You can get a leasehold at Enoggera.

Mr. A. J. JONES: I do not feel inclined to remove my home to Enoggera.

Mr. CLAYTON: Can you not convert to a leasehold?

Mr. A. J. JONES: The hon. member knows that I cannot convert. On this question I am backed up by some very high authorities, whom I propose to quote. The late Right Hon. W. E. Gladstone said in 1870—

“Personalty does not impose limitations on the action and industry of man and the well-being of the community as the possession of land does, and therefore I freely own that compulsory appropriation (of land) is a thing which is admissible, and even sound in principle.”

J. A. Froude says—

“Land, properly speaking, cannot be owned by any man; it belongs to all the human race.”

Frederic Harrison says—

“We must be ready to act on the ancient principle of English law, that the nation is the ultimate owner of the soil.”

John Ruskin says—

“Bodies of men, land, water, and air, are the principal of those things which are not, and which it is criminal to consider as, personal or exchangeable property.”

R. W. Emerson says—

“While another man has no land, my title to mine, your title to yours, is at once vitiated.”

John Stuart Mill says—

“The land of every country belongs to the people of that country.”

Getting nearer home, a former Secretary for Public Lands, the late Hon. J. T. Bell, whom everybody recognised as a very capable man and a student of such matters, once said that, if Queensland were starting over again, he would not be in favour of selling one acre of land. What was known as the Bell Land Act provided for both leasehold and freehold tenures for country land. It was he who introduced the system of giving to a selector the option to take either freehold or leasehold.

A great many people who believe in the freehold tenure take the leasehold tenure when it suits them. When the Mount Morgan

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gold mine was discovered, the freehold system operated in this State, and the law provided that a certain percentage of the gold won—I think 1s. per oz.—should be paid to the Crown by way of royalty; and the amount paid by the Mount Morgan Company in royalties between 1894 and 1910 was £95,000. The Labour Government instituted the perpetual leasehold system under the mining legislation. A gold-mining lease has a term of only twenty-one years; but the Mount Morgan Company converted its freehold tenure to the leasehold tenure by means of an enabling Act passed through this Chamber in 1909. I was not in the House, but I know that the law enabled the company to take up a twenty-years lease in preference to its freehold tenure. Does that indicate that that company regarded its leasehold tenure as an insecure tenure?

Mr. CLAYTON: If you had an opportunity of securing a farm at a similar price under the leasehold system and one under the freehold system, which would you take?

Mr. A. J. JONES: I would take the leasehold.

Mr. CLAYTON: No wonder ex-Justice Campbell said what he did about you.

Mr. A. J. JONES: I am as much concerned about the opinion of the hon. member for Wide Bay concerning my character as I am about the gentleman to whom he refers.

Mr. CLAYTON: I did not say anything about your character. It is all right.

Mr. A. J. JONES: The Mount Morgan Company converted from a freehold tenure to a leasehold tenure to avoid the payment of a royalty to the State, which had been imposed, not by a Labour Government, but by a Nationalist Government, which compelled the company to contribute £95,000 in royalties during the good days of Mount Morgan. Under the leasehold tenure the company was relieved of this liability for the future. I am sure that the present Secretary for Mines would be pleased if the Mount Morgan mine was producing to-day the quantity of gold produced in 1909, and was paying to the department a royalty on gold production on the basis provided by the original freehold tenure of the company.

Mr. KELSO: You know that a gold mine is a wasting asset.

Mr. A. J. JONES: I do know that at the present time.

Mr. KELSO: It always is.

Mr. A. J. JONES: We are hoping for a revival in the goldmining industry. I propose to show how gold production has declined in this State.

The SECRETARY FOR RAILWAYS: You are still a super-optimist.

Mr. A. J. JONES: I am very optimistic about increasing the gold production in Queensland; but, in my opinion, that will not be done by discovering new Mount Morgans, Charters Towers, or Gympies. In my opinion, gold production will be increased only by exploiting the mines already discovered. When I was a Minister of the Crown, I held the opinion, and still hold the opinion, that it is not so much a question of new discoveries as it is a question of treating the ore-bodies, particularly gold, that have already been discovered. That is the prob-

lem that faces Queensland to-day. The remedy is to do something to encourage the gold-mining industry to enable that to be done. I am going to suggest a way later on.

The decline in the gold yield has been quoted. The best year of gold production in this State was 1900. In that year Queensland produced 676,027 fine ounces of gold. One has to multiply those figures by £4 4s. 11d. per ounce to get the production value. Last year—1929—showed the lowest gold yield on record. We produced only 9,476 fine ounces of gold. This great reduction must be reflected in the financial position of this State also. The best year enjoyed by Gympie was 1903, when the yield was 147,622 fine ounces, while in 1929 that field produced only 1,417 fine ounces.

The SECRETARY FOR RAILWAYS: That applies to all goldfields. They peter out everywhere.

Mr. A. J. JONES: Fortunately for Gympie, the surrounding country consisted of most valuable dairying and agricultural land; and the hon. gentleman knows that the value of butter production in Gympie to-day, or in any year during the last six or seven years, is greater than the value of gold production on the field.

The SECRETARY FOR RAILWAYS: It is a more healthy industry for the worker, too.

Mr. A. J. JONES: The best year of gold production for Charters Towers was 1899, when the yield was 319,572 fine ounces, whereas last year only 219 fine ounces were produced. In 1917, the first year of my office as Secretary for Mines, the gold production of Queensland was 179,305 fine ounces, as against 249,711 fine ounces when the Labour Government were first elected to office. Last year it was only 9,476 fine ounces. No one is to blame for the decline in our mineral wealth or gold production. The blame cannot be attached to any Minister. As the Secretary for Railways said, goldfields decline and give out. The gold yield for Queensland declined from 249,711 fine ounces in 1915, when Labour assumed office, to 9,472 fine ounces when I left office. Therefore, anything we can do legislatively to encourage gold production or relieve the goldmining industry of taxation should be done. It is unwise for the Government to imagine for one moment that they can assist the goldmining industry by increasing the hours of the men engaged in the industry or by a reduction in wages.

[2 p.m.]

In neither the goldmining industry nor the metalliferous mining industry generally is a reduction of wages and an increase of hours likely to afford the remedy that hon. members opposite have in mind. I am firmly of opinion that it will have the opposite effect. I believe—and I think the hon. member for Gympie will agree with me in this—that it will bring about a state of inefficiency, which frequently is the case when wages are reduced and hours are increased—and more particularly in the mining industry than any other. It is not a proper method for assisting the goldmining industry or any other industry. There are methods for reducing costs of production other than by reducing wages and increasing hours. For many years the weekly hours of labour in mining throughout Queensland have not exceeded forty-four. Surely it is a retrogressive step to exclude the mining industry from the jurisdiction of the Industrial Court

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in order that the hours of labour may be increased to forty-eight! No employer or employee ever anticipated that the day would arrive in Queensland when we would revert to the 48-hour week for metalliferous mining. There is some talk of reopening the Mount Morgan mine under the 48-hour week system; but I hope that, if the mine is reopened, the usual hours will be worked. Everyone who knows anything of the conditions in Mount Morgan knows that, unless the worker there is killed by accident, he must invariably die from one cause—miners' phthisis. Everyone who goes to work in the Mount Morgan mine knows what his fate is going to be. The remedy for combating the disease is the use of up-to-date drilling, water-spraying, etc.

The **TREASURER**: That is a very strong argument for doing no mining at all.

Mr. A. J. JONES: It is certainly a very strong argument for a reduction in the working hours of miners; and undoubtedly metalliferous mining should be carried on under a shorter working week than is the case in any other industry. Hon. members opposite twitted us when we increased the hours of public servants to thirty-nine and a-half per week; but picture the public servants' conditions as against those of metalliferous miners working forty-eight hours per week! Undoubtedly a shorter working week should be worked in the metalliferous mining industry, which is quite different from the coalmining industry, except, of course, that accidents may happen in the latter industry. Still, coalmining is a much healthier occupation than metalliferous mining; indeed, in some of the coalmines in Scotland, I understand that people suffering from chest complaints are frequently taken down mines in the hope that the air there may have beneficial effects. Quite the reverse position exists with regard to metalliferous mining, as the hon. member for Mount Morgan has stressed not only in this Chamber but outside.

The remedy suggested by hon. members opposite for the present depression in industry is an increase of hours to forty-eight and a reduction of wages. If wages are reduced it will bring about a state of inefficiency in the mining industry which will be detrimental to that industry. Wages represent an infinitesimal proportion of the total expenses. No doubt a relief from the burden of taxation and improved methods in mining and the treatment of ore will assist the goldmining and the metalliferous mining industries. Obsolete plants should be scrapped, as several companies are doing at the present time. Those who are engaging in goldmining are introducing up-to-date machinery. When on the other side of the Chamber, I stated that Chillagoe should be carried on as first-class works or as third-class works, meaning that we should be up to date in our treatment of the ore supplied to the smelters, or that we should have a third-class plant concentrating the ore and sending the concentrates overseas for treatment. One of the things that the Government had to contend with when they purchased Chillagoe was that certain ores came into the smelters containing 10 per cent. lead, 10 per cent. zinc, and small values of silver and gold.

The **SECRETARY FOR RAILWAYS**: A lot of rubbish went into the smelters.

Mr. A. J. JONES: A lot of rubbish goes into all smelters. We paid 1s. per ton royalty on the ore—not on the production—to drive off the zinc by a process of roasting so that the lead could be recovered. In Germany and other countries they save the gold and silver, and they save the zinc also; but, because of obsolete plant and obsolete methods, we were driving off one value to save something of equal value. As a matter of fact, spelter at that time was £2 per ton higher in price than lead. The mining industry is not going to be assisted by a reduction of wages to a good type of men who face death as few men do, nor by an increase in hours. The industry will be improved by carrying on mining as an industry rather than by engaging in it in a haphazard fashion, as, unfortunately, we are forced to do at the present time. We can be assured that we shall have no more rich Gympies or Charters Towers; therefore, it behoves us to help the mining industry in every way by a reduction of taxation—and other industries can be helped in the same manner—and by up-to-date methods of treatment.

I made some reference to Chillagoe. I understand there was a loss on Chillagoe last year, and that there will also be a loss this year. I am not going to adopt the attitude which hon. members opposite adopted towards me when they were on this side of the Chamber. We know that there has been a large amount of money lost on Chillagoe; but we must remember that, when the Chillagoe works were purchased, we took over 249 miles of railway, and the interest on the capital cost of that railway had to be met all along. We took over the mines and smelting works. For the last five years the losses on Mount Morgan have been greater than the losses on the Chillagoe smelters; and nobody can say that Mount Morgan was suffering from incompetent management in any part of its operations.

The present Secretary for Mines is faced with the same difficulty that I experienced. There was a loss on Chillagoe last year, and there will be one this year; and metal prices are one of the causes of the loss. I sympathise with the Minister, because he has to carry on with an obsolete plant at Chillagoe. He is carrying on in a lesser degree, perhaps, than we were; and it will be very interesting to know what the loss is. When we purchased Chillagoe, I used the argument in the Legislative Council that no Government smelters should be run unless those who own the smelters also own the mines. Men who supply ore to the smelters for treatment will not do so unless they can get a fair price for their ore. When prices decline, suppliers refuse to send their own ore to the smelters. We purchased the Mungana mines, as hon. members know. I find on page 82 of the report of the Department of Mines the following statement by Mr. Rutledge, the present general manager at Chillagoe:—

"A fact well known in customs smelters is that ore supply is always erratic where the smelter does not operate a mine of its own. Whilst the metals are at a payable price the supplies of ore are generally ample, but once the metal prices descend to a price which only proves payable to the easily worked mines, the ore supplies become very restricted."

That proves right up to the hilt my contention that it is necessary for Government or any other smelters to have their own mines

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in order to provide an adequate supply of ore.

We shall have a better opportunity on the Mines Estimates of dealing more in detail with some of those mining problems. This morning I gave the Committee some figures showing the decline in gold production; and during the luncheon adjournment I looked up the figures with regard to the decline in mineral production. I find that in 1917 the value of minerals produced in Queensland was £3,200,000; in 1929 the value was only £100,000. The value of copper produced in 1913—which was the best production in Queensland during its history—was 23,655 tons, valued at £1,660,178. In 1917, which was a war year, the tonnage produced was 19,062 tons of a value of £2,265,422. Last year—1929—we only produced 3,747 tons of copper, of the value of £294,188. The only mineral which has increased in production in later years is coal. Our coal production has considerably increased, because we use the commodity in Australia—it is not an exportable commodity.

That proves again my contention that it is a wise thing to build up our home market in Australia so that we can use here what we produce here. It will be a good day for Australia when we take into consideration the problem not only of producing by-products from some of our minerals and metals which to-day we waste, but also the problem of using them. We waste too many of the by-products of metal production in Australia; but we need to use them as well as save them. I hope to have something further to say on that subject when the Estimates of the Department of Mines are being considered.

Again I say that it is all so much political claptrap—if I may use that vulgarism—to say that we should sink all party politics, and that we should pull together and bury the hatchet. I repeat that our differences are so great, our principles and aspirations so widely separated, that it is not possible for the party opposite and this party to maintain any political friendship. How can this party be friendly with a party that believes in selling land? We hold the principle of refusing to sell Crown land to be a fundamental principle of the Labour movement. Can there be any friendship between us and the party that believes in reducing the wages of the workers; between us and the party that believes in balancing the Budget by taking 1s. from the poor woman with the orphan child?

Hon. members opposite have reduced the educational vote. This party stands for the spending of large sums of money on education, because we believe that the hope of the Labour movement is a well-educated democracy. We are not afraid of a well-educated people. We believe that our movement depends on education. The policy of hon. members opposite in the past—the old Conservative Party—has been to keep the people uneducated so that they would vote for them.

The SECRETARY FOR RAILWAYS: You have two voices—one for the city and one for the country.

Mr. A. J. JONES: I have not. In my time I have represented a country electorate and a city electorate.

The SECRETARY FOR RAILWAYS: I have heard you speak differently in my electorate when you addressed farmers.

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Mr. A. J. JONES: It may surprise the hon. gentleman to hear me say that I agree with one of the statements of the hon. member who preceded me, and who now represents a district which I once represented—I believe that the only respect in which I do agree with him is that more people should go on the land and that we should encourage them to do so. This party will do that. I believe we can produce more; but I do not believe in the reduction of wages or the rationing of work. If there is a shortage, let hon. members opposite take the responsibility of providing work and paying for it. It is better for a country to have a few well-employed people than to have many on half wages and bad conditions. Half wages and the rationing of work at low wages will always lead to inefficiency; and in the battle to populate Australia with white people it is better to have a few unemployed white persons than a lot of well-employed "niggers." On the same principle I believe that it is better to have men on high wages which will create work for other men rather than to reduce wages and ration work.

At 2.20 p.m.,

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

Mr. TEDMAN (*Maree*): A debate on the Financial Statement affords an opportunity to hon. members to offer criticism, helpful suggestions, and to ventilate any grievances; it also offers an opportunity of indulging in political propaganda, which has been thoroughly seized upon by hon. members opposite. A speech delivered on this subject would not be a speech at all if one did not endeavour to deal with the financial position of Australia, and if one did not deal with the matters contained in the Financial Statement and express an opinion, to some extent at least, as to the cause of the generally admitted financial depression in this country. When introducing the Budget in this Chamber last week, the Treasurer pointed out that the Queensland Government, in common with all the Australian Governments, found themselves face to face with a most critical financial problem; and I have heard no statement during this debate up to the present time differing from that assertion. The Commonwealth Prime Minister, Mr. Scullin, when introducing his Budget into the Federal Parliament on 9th July last, said—

"In formulating the Budget for 1930-31, the Government was faced with a financial depression without parallel in the thirty years' life of the Commonwealth."

It is quite evident that the Treasurer for the State of Queensland and the Treasurer of the Commonwealth of Australia are thinking along common lines to-day, recognising the difficulties with which they are faced, and recognising the great task confronting them in the handling of the financial problems of Australia. The statement by Mr. Scullin is of comparatively recent date, but since his utterance the position has developed. It has become more acute, and it is more difficult than it appeared to be at the time he made his statement—on 9th July last. Although that statement was made only three months ago, the Treasurer of this Government had knowledge in his possession, and had the advantage of knowing certain happenings that had taken place which Mr.

Scullin did not have at the time he introduced his Budget into the Federal Parliament, although Mr. Scullin admitted at the time that the position confronting him was the most difficult in the thirty years' history of the Australian Parliament. When I say that the Queensland Treasurer was in possession of the knowledge of happenings that were not available to Mr. Scullin when he introduced his Budget, I refer to a financial conference which took place on a date subsequent to that on which Mr. Scullin made his Budget Speech. What happened at that conference in Melbourne between 18th and 21st August, when the Premiers and Treasurers of the respective States, together with the leaders of the Federal Government, met is common knowledge throughout Australia. The resolutions arrived at that conference are generally known throughout Australia, although there is some difference of opinion as to whether the resolutions arrived at were the wisest that could be arrived at.

There is some difference of opinion as to whether that conference was justified in agreeing to those resolutions; but this one fact remains—that representatives of all the Parliaments of Australia concurred in the carrying of those resolutions, and subscribed their signatures to an agreement. Since that date this State has honourably abided by the decision then arrived at. These conclusions were arrived at far apart from any personal interests, far apart from any self-interest, but wholly and entirely in the interests of the future of Australia and the Australian States and people. At the time of coming to that decision the Treasurer was in possession of certain knowledge; and subsequent happenings in relation to the activities of the Federal Government bear out my statement that even Mr. Scullin was not in possession of sufficient knowledge at the time of submitting his Budget to the Federal Parliament to enable him to submit a Budget that could be given effect to, or a Budget that could be considered satisfactory to the Commonwealth of Australia. That statement is proved by the fact that to-day the Commonwealth Government are considering ways and means for bringing about alterations of the proposals in that Budget, and the adoption of some means whereby the saving provided for in the Budget can be altered. There are facts in connection with the conference held that emphasise the gravity of the situation; and I have no knowledge of any conference having been held previously in the history of Australia which was strictly on all-fours with it. The fact that the financial experts from London were present, after they had spent some time with the highest Treasury officials in investigating the financial position of Australia, makes that statement indisputable. At that conference there also was present the chairman of the board of directors of the Commonwealth Bank, Sir Robert Gibson. As a matter of fact, one might be justified in referring to that conference as Australia at the cross roads. The financial depression existing throughout Australia to-day has not arisen overnight, but is the outcome of many years' operations. It is the outcome of years of over-spending; it is the outcome of years of living beyond our means. The Treasurer, when presenting his Budget Speech twelve months ago, pointed to the difficulties ahead. We all recognise that that hon. gentleman realised

that there were difficult times confronting him during the year just concluded. Queensland is participating with all other Australian States in a very difficult period of financial and trade depression.

At 2.30 p.m.,

Mr. GRIMSTONE (*Stanley*), one of the panel of Temporary Chairmen, relieved Mr. Maxwell in the chair.

Mr. TEDMAN: In order to meet the situation in Queensland and to give effect to the recognition that the Treasurer had of that situation twelve months ago, certain economies had to be practised in various Government departments. The fact that economy has been practised is proved by the statement that expenditure was reduced below the estimate for the year just concluded by £314,822. Unfortunately, during that period there was a serious decline in revenue to the extent of £861,865, which made the task of balancing the Budget practically an impossibility. Although the deficit of £723,185 is considerably more than the estimated deficit of £176,142, and has been a source of much adverse criticism by hon. members opposite, I contend that no man can peer into the future and say to-day with certainty what may eventuate next year. Neither could the Treasurer twelve months ago reasonably forecast the income that would be received by the State in the ensuing twelve months, and the hon. gentleman cannot certainly be blamed for a decline in revenue. Falling revenue presents one of the most difficult problems confronting all Governments in Australia. It is to some extent responsible for the fact that it was necessary that a decision should be arrived at to balance our Budget. Falling revenue is wholly and solely responsible for the curtailment of many Government departments, and is to some extent responsible for the unfortunate reduction in wages which has had to be made in many cases. Falling revenue does not merely affect the States; it is a serious question for the Commonwealth. The Commonwealth Government, when presenting their Budget, fully recognised the effect of a falling revenue, which was due mainly to the prohibition and the limitation of imports into this country.

Although hon. members opposite are prone to say that this is the most disastrous deficit ever created in Queensland, a close analysis of the position will disclose that included in that deficit is a sum of £313,535 which was provided towards interest and redemption on our public debt, so that, after all, the deficit is not so bad as at a first glance it may appear to be.

There were other reasons why it became impossible to balance the accounts of the State. One of the most important reasons is that income tax receipts for the year decreased to the extent of £273,092. That all sections of the community are sharing in the loss of income is proved by that fact. There was a serious decline in other forms of taxation receipts.

At 2.34 p.m.,

Mr. MAXWELL (*Toowong*), one of the panel of Temporary Chairmen, relieved Mr. Grimstone in the chair.

Mr. TEDMAN: That decline in income tax receipts last year clearly shows that industry bore its part in the losses throughout the community, and I particularly want to emphasise that fact.

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There has been a good deal of criticism in regard to the action of the Government in loaning to the Loan Council certain sums of money during the past year, but that action has been amply justified by the fact that it brought an income of £58,770 to this State by way of interest on the amount loaned.

There are various phases of the problems confronting us. One of the greatest problems—probably the greatest of all—is the formidable task placed on the shoulders of the people of Australia to meet the £55,000,000 that has to be paid each year in interest; and there is a no lesser task placed on the shoulders of the people of Queensland by the fact that last year we had to meet an interest bill of £5,842,415. The Australian States, together with the Commonwealth, are confronted with the problem of increasing their revenue, and it is a difficult problem to decide where that revenue is to come from. Declining revenue during the last financial year presented a very difficult proposition. We all know that a decline in revenue is the order of the day throughout all the States of Australia. This, together with a seriously diminished Loan Fund, inevitably means more unemployment. The Governments of the various States cannot find the same amount of employment out of the loan money allotted this year as they could out of the amount allotted in the past years. That is bound to have a very bad effect upon employment throughout Australia.

The loan expenditure in Australia for the current year has been limited to £15,000,000. Now let us take into consideration the amount of loan money that has been spent. I know that the hon. member for Fassifern will say, "Not wisely spent." But the fact remains that money has been borrowed in the past to develop the resources of this State, and it is regrettable that the money so borrowed has not been invested in such a way that it would not be a burden upon the people of the State. It is regrettable that the loan money spent throughout Australia has not been invested in such a way that at least it would return interest on the amount borrowed. Were that so, we would not be perturbed about the amount of money owing overseas and to the people within Australia. In view of what has happened, we have to view this matter in an entirely different light. The expenditure of loan money has a very important bearing on the unemployment figures for Australia, which I shall quote later on. According to the official statistics for the Commonwealth, in the last six years the Commonwealth Government expended from general loan account a sum of £66,684,434.

The aggregate loan expenditure for all the States in the same period was £194,310,421, or a total loan expenditure in six years by the States and the Commonwealth Governments of more than £260,000,000. The figures show that the average expenditure of the Commonwealth and States over a period of six years was £45,165,809.

OPPOSITION MEMBERS being engaged in conversation.

The TEMPORARY CHAIRMAN: Order! I would ask hon. members on my left to refrain from conversation, as I can scarcely hear the hon. member for Maree.

Mr. TEDMAN: No sane person would contend that this rate of expenditure could

continue, or that the day had not arrived in Australia when we should take into consideration ways and means for governing Australia on an entirely different basis.

There are other serious phases of the financial conditions of Australia; and one of the most serious is the decline in the value of exports from Australia overseas—not so much the quantity of goods exported as the value received for those goods. I think it has wisely been realised that it is only reasonable that we should live within our means. The only sane conclusion that can be arrived at is that Budgets must be balanced for a period of years to come, and not merely for the present year; but the balancing of Budgets does not entirely solve the financial problem. It will help to a considerable extent; but there are factors operating which have a greater influence on the financial depression existing to-day than the balancing of the Budget, and one of them, as I have said, is the question of our exports overseas. I shall be able to show the tremendous fall in prices of our exports overseas as I proceed.

The serious aspect of the export depreciation and the consequent fall in revenue render necessary increased taxation, which, unfortunately, has a rebounding effect on the people. I can only repeat what has been stated in this Chamber on many occasions—that the increase of taxation upon industry is only going to add to our perils by the fact that, as has been admitted, increased taxation eventually rebounds on the consumer. Having agreed generally that the reorganisation period has arrived, and that Governments will be compelled to handle the position no matter how unpopular it may be—and it is generally agreed on this side of the Chamber that it is an unpopular and unpleasant duty—we have to do what is necessary to place the business of this State on a sound basis. I shall show that this task is equally unpleasant to other Governments in Australia which are not National Governments.

There are Governments in Australia to-day—I refer to South Australia and Victoria—which are facing exactly the same problem, and handling it in very much the same manner as we are in this State. They are handling it in the only way open at the present time.

It is almost impossible to increase taxation to any extent; and, with a falling revenue and the necessity for balancing Budgets, the only possible way to do it is by a reduction of expenditure. The greater part of the expenditure of a State is the amount paid for the services of the State. As much as 48 per cent. of the revenue of the State goes in the payment of services rendered, and the difficulty is such that no State in Australia can continue to pay the same amount of money for the services rendered as in the past. There is no method open to any Government, no matter what their political opinions may be, of bringing about a reduction in expenditure for services rendered other than a reduction in the salaries and wages of the public servants. I do not for one moment blame either the Victorian or the South Australian Government for facing the issue and reducing the wages of their public servants; but I say that our Government are equally entitled to be absolved from any responsibility in the matter. We all know that great advantage

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is being taken by hon. members opposite of the opportunity for political propaganda which the actions of the Government have placed in their hands, and there is no doubt that that advantage will continue to be taken of it.

Mr. PEASE: You are taking the advantage. The hon. member for Burnett wanted another 10 per cent. cut.

Mr. TEDMAN: I want to take no advantage of the present situation; neither do I want to offer any apology for what we are doing. I say that the correctness of the course taken by the Government is unquestionable. If members of the Opposition realise their responsibilities to their State, they will offer no criticism on the score of the reduction of wages. I say they are doing nothing more than taking a mean political advantage; but I believe the people of Australia are so seized of the position that by the time the trouble passes the people generally will give Governments in general the credit to which they are entitled. There is only one course open to any Government—to face the issue and do that which they know is absolutely right, irrespective of gaining any political favours or losing anything politically. (Opposition interruption.)

The TEMPORARY CHAIRMAN: Order!

Mr. TEDMAN: It is their duty; and the Government that will not do so cannot hope to remain in control of the affairs of the State. (Renewed Opposition interruption.)

The TEMPORARY CHAIRMAN: Order! I would like hon. members on my left to obey my call. I would remind them that, while I am in the chair, I expect to be obeyed. I shall not remind them again.

Mr. TEDMAN: I was only desirous of dealing with the case as I see it; and, if I hurt the feelings of hon. members opposite, I cannot help it.

Mr. PEASE: The hon. member for Burnett has said that there should be another 10 per cent. reduction in the wages of public servants.

Mr. TEDMAN: The position is here, and it must be faced. I repeat, not only is it unpleasant for the Government to do the things they have had to do, but it is equally unpleasant for Mr. Hogan, the Premier of Victoria, Mr. Hill, the Premier of South Australia, and Mr. Fenton, Acting Prime Minister, to have to come to earth and get down to a basis upon which Governments can be carried on by reducing wages in the way that these Governments have done and propose to do.

Repeated attacks have been made upon this Government for removing certain employees from the ambit of the Industrial Court; but what has happened in other spheres in Australia?

Mr. PEASE: They did not do that.

Mr. TEDMAN: Recently the full bench of the Federal Arbitration Court considered an application presented by four Governments of Australia, two of which are Labour Governments.

Mr. PEASE: They trust the court.

Mr. TEDMAN: The judges of the court, in their wisdom, decided that it was in the interests of the people of Australia and in the interests of the maintenance of good govern-

ment that certain governmental instrumentalities should be removed from the Federal Arbitration Court, and they have been so removed. Why have they been removed? Why was the application made? Was it in support of an increase in wages or a reduction of hours? No. The application was made so that the respective Governments might have the power to deal with their own domestic instrumentalities in their own way, which is only right and proper.

Mr. PEASE: Your Government forced the public servants to the Industrial Court, and then gave them the "axe."

Mr. TEDMAN: The judges of the Federal Arbitration Court considered that it was only reasonable that the States should exercise the rights given to them by law—rights that should never have been taken from them. These States are now in a position to deal with their own financial position in a way contemplated by their various Constitutions.

Mr. EDWARDS interjected.

Mr. PEASE: I never stole my mate's seat in Parliament. I never took a man down.

The TEMPORARY CHAIRMAN: Order! I appeal to hon. member on my left, and particularly to the Deputy Leader of the Opposition, to obey my call to order.

Mr. PEASE: Hon. members opposite are annoying me.

The TEMPORARY CHAIRMAN: Order! I remind the hon. member that he must obey the direction of the Chair.

Mr. PEASE: Don't forget the other side.

The TEMPORARY CHAIRMAN: Order! I would remind hon. members on both sides that they must obey my call to order, otherwise I will deal with them.

Mr. TEDMAN: I was proceeding to say that the respective Governments have been given the right to control their own affairs. Why was the application made to the Federal Arbitration Court? Was it because the industries concerned were being controlled successfully? Was it because there had been an increase in revenue? Or was it because the industries had reached such a stage that it was absolutely essential that some relief should be given to the respective Governments? We have it on record that Mr. Hogan, the Premier of Victoria, in reply to a deputation, said that the only thing that he could see to do was to continue to pay the employees their wages until there was no money left. In connection with this application it is only right that I should quote my authority. I refer to an article in the "Daily Mail" of 3rd September, 1930—

"URGENT NEED.

"SEE ASIDE AWARDS.

"Case for Railways."

We have to bear in mind the fact that in this case the Government did not approach the Arbitration Court, and did not appear in court. They had their representative there, and that representative would not be there unless he was authorised and given power by the Government. Here is a statement I have taken from the paper^r referred to—

"In an affidavit on behalf of the Victorian Commissioners, Mr. Donald Cameron, chairman of the staff board

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of the Victorian railways, stated that, owing to the general slackness of business, the staff employed in the Victorian railways at 30th June, 1930, was 2,900 less than at 30th June, 1929."

I do not know what would have been said if that principle of deflation in the railway service had been practised in Queensland. He goes on to say—

"Since July last a further reduction in the staff of approximately 600 had been made, and 500 additional employees were due to be dispensed with soon. It was anticipated that the last 200 would have to be dispensed with before the end of the present financial year. The financial position of the department demanded urgent action. A drastic curtailment of expenditure was imperative in the public interest. There was no alternative but to ask the court to set aside all existing awards subject to such undertakings as the court might require."

The removal of the railway employees from the court gave the Government the right to control their own affairs. That is only a reasonable solution of their problems. Just to show that this Government is not the only Government under which a reduction of wages has taken place, let me take the position under the South Australian Labour Government. We find the following news item in the "Telegraph" of 6th October:—

"Adelaide, 6th October.

"The Government will save £70,000 a year as a result of a cut in the salaries of public servants which will operate from 18th October. Approximately 2,000 persons will be affected. On salaries up to £1,000 a year the cut averages 10 per cent., and on salaries above that figure it is higher, reaching a maximum of 16 per cent. on £1,250.

"It is provided in the Public Service Act that any reductions in salaries must take effect fourteen days after their publication in the 'Government Gazette,' and to give the State immediate relief a special 'Gazette' was published. State officers on salaries of £1,000 and more will lose from £100 to £200 a year."

Let me proceed further and deal with Victoria. I am not doing this for the purpose of condemning the Victorian Government for doing it. I do not agree with the hon. member for Paddington that there is such a difference of opinion, or such a difference in the action which must be taken irrespective of whatever Government is in power, that there can be no political friendship between parties.

Mr. W. FORGAN SMITH: The difference between this party and the Government is as wide as the ocean is deep.

Mr. TEDMAN: What is being done in Queensland by the Nationalist Government is being done to the same extent by Labour Governments in other parts of Australia; and no man knows better than the Leader of the Opposition that, were he placed on the Treasury benches to-day, similar action would have to be taken, otherwise a financial crash would take place. No Government can continue to spend money when there is no money to be spent. In addition to the wage cut in Victoria, a reduction of from 5 per

cent to 20 per cent. is to be made by the State Government in the salaries and wages of their employees. (Opposition interjections.)

[3 p.m.]

I am endeavouring to deal with the position in Victoria, but it is most difficult to do so when there is so much harassing inter-ruption coming from the other side.

The TEMPORARY CHAIRMAN: Order!

Mr. TEDMAN: The newspaper article dealing with the position in Victoria reads—

"CUT SALARIES.

"5 TO 20 PER CENT.

"Plan for Victoria.

"Melbourne, Saturday.—The State Cabinet decided to-day to seek Parliamentary authority to reduce the salaries of Ministers and members of Parliament, public servants, and other persons drawing emoluments by rates varying from 5 per cent. to 20 per cent.

"The 5 per cent. deduction will begin above the basic wage (£226) and rise by $\frac{1}{2}$ per cent. for every £50 until the maximum of 20 per cent. is reached. Details are being worked out, but apparently the maximum of 20 per cent. will be reached in salaries of £1,750 or £1,800 a year."

There is ample evidence of what is being done in other States which are under Labour domination.

Earlier in my speech I said that no one could reasonably argue that the amount of employment offered by the expenditure of £45,000,000 could be maintained from the £15,000,000 loan money which has been allotted this year. Reference has been made by the Leader of the Opposition as to the extent of unemployment in Queensland, and the statement has been made that the present Government are responsible for a considerable increase. The following figures supplied by the Government Statistician in relation to the growth of unemployment throughout Australia in the last twelve months are illuminating:—

Quarter ended—	Percentage of Unemployment.
	Per cent.
September, 1929	12.1
December, 1929	13.1
March, 1930	14.6
June, 1930	18.5

Those figures show a very rapid growth in the number of unemployed workers throughout Australia, and, in my opinion, we cannot possibly hope for any improvement whilst the present conditions continue whereby expenditure is curtailed and money is withdrawn from industry.

I desire also to deal with the trend of the cost of living. Wages are being reduced, and, if there is one solution to the troubles of the workers, it is that some means should be devised to establish an effective wage. It is not merely the actual wage that counts. If we as a Government can maintain an effective wage on a reduced figure, then we at least justify our efforts. Quite recently we had placed before us the annual report of Mr. T. A. Ferry, the Price-Fixing Commissioner, in which he showed the value of the sovereign in Queensland as compared with its effective value in other parts of the Commonwealth.

[Mr. Tedman.

He points out that to-day £4 in Brisbane will go as far as—

£4 10s. 5d. in Perth;
£4 10s. 7d. in Adelaide;
£4 12s. 3d. in Hobart;
£4 14s. 4d. in Melbourne;
£5 0s. 6d. in Sydney.

He also points out that, while the cost of living has been materially reduced in Queensland, the prices paid for primary products have been maintained at a much higher standard than is the case in the other States.

Dealing with the basic wage, it has been a recognised principle over a period of years that the basic wage shall be governed by the cost of living in the State. The Commonwealth basic wage is affected by either a rise or a fall in the cost of living. Let me quote the Federal basic wage for the first quarter of 1929—that is about the time the present Queensland Government came into power, and had nothing whatever to do with the basic wage and could not affect it in any shape or form. The Federal basic wage for 1929 was—

	Per week.	
	£	s. d.
First quarter	4	1 5
Second quarter	4	0 3
Third quarter	4	0 6
Fourth quarter	4	0 11

showing that there was practically no alteration during the year 1929. A reduction in the cost of living is bound to affect the basic wage; and, as the cost of living has undoubtedly been reduced, the basic wage consequently has had to follow. For the year 1930 the Federal basic wage has been—

	Per week.	
	£	s. d.
First quarter	4	15 7
Second quarter	3	13 0

The Federal basic wage at the present time stands at £3 13s. per week. We are advised that for the quarter just ended there has been a further fall of 3.8 per cent. in the cost of living; consequently, the Federal basic wage will fall to £3 10s. 6d. There has been a reduction in the Federal basic wage by 10s. 11d. per week between March, 1929, and the present date, while the reduction in the basic wage for the State has been reduced by 6 per cent. only. If we can take figures for anything at all, on those figures the basic wage earners in Queensland have benefited by an increased purchasing power to the extent of 7 per cent. That is the argument in favour of a reduction of wages.

Mr. PEASE: You get a housewife and ask her to accept that argument!

Mr. TEDMAN: I know it is very hard to get anyone to follow the events of to-day, purely and simply because ordinary people have not tried to delve into matters as members of Parliament do. There is one thing I do regret, and that is that the public do not acquaint themselves of what is taking place, not only in regard to this Government but in regard to other Governments. What is the exact financial position of Australia to-day? If people did realise it, they would be perfectly satisfied with what is being done, and they would have a full recognition of the fact that not only this Government but Labour Governments are doing what they believe to be the best in the interests of the people, realising that in this time of crisis they are the trustees of the public estate.

Mr. WINSTANLEY (*Queenton*): I listened carefully to the Financial Statement of the Treasurer, and I have paid great attention to most of the speeches which have been delivered by hon. members. The hon. member for Maree, in the first part of his speech, made a very fine apology for the Budget, but his apology cannot be accepted to any great extent. He also had something to say about the responsibilities of hon. members on this side. I would say in reply that hon. members of the Opposition are fully conscious of their responsibilities, and are quite prepared to accept them. The difficulty is that at the present time Government members are feeling their responsibilities rather keenly, and are trying to evade them as far as they possibly can.

Mr. EDWARDS: You know that is not true. We are facing the position, irrespective of the unpopularity incurred thereby.

Mr. WINSTANLEY: The last Budget Speech contained this statement:—

“It must be realised that so far as the transactions of the last financial year are concerned very little, if any, responsibility rests on the shoulders of the present Government, as we were not sufficiently long in control of matters prior to 30th June last to afford any opportunity of effecting any appreciable influence on the finances of the year.”

That was quite true; and the inference to be taken from that was that, had the Government been in control for the full length of time—had they had an opportunity of effecting any improvement or control of the finances—the conditions would have been better than they were. As a matter of fact, the deficit for that year was £165,957. It cannot be said at the present time that they have not had control; nor can it be said they have not had sufficient opportunity to do something in connection with the finances of the State, because they have had full control for a further twelve months, and, as a result of that full control, the deficit, instead of being £165,957, is now £723,185—certainly a record so far as deficits in Queensland are concerned. It is all very well for hon. members opposite to say that no one could foresee what was going to take place. The Treasurer and those behind him were quite confident of dealing with any situation which was likely to arise. The press has pointed out, to the detriment of the Labour Party, that the accumulated deficits of the late Labour Governments for twelve years were £1,852,863; but, judging by appearances, in about three years the present Government are going to equal the deficits of the twelve years quoted. Certainly there is no getting away from the fact that the present deficit is a record, and one that is appalling.

I have noticed that hon. members opposite have found it easier and less difficult to ramble around the Commonwealth and talk about anything and everything under the sun but the subject before the Committee at the present time. There were one or two notable exceptions to that, and one was the speech of the hon. member for Burnett. One of the most remarkable things he told us was that the public servants could look forward to another reduction of 10 per cent.

Mr. W. FORGAN SMITH: He let the cat out of the bag.

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Mr. WINSTANLEY: Yes, foreshadowing what will happen. It is a matter of little concern to people who live in Queensland—particularly the men who are only working half time or those who are not working at all—what the conditions in South Australia or Victoria may be. I am afraid the people who are in financial difficulties owing to lack of work—those who live in Maree as well as other places—will find very little comfort or consolation in the fact that other people are also in the same difficult position. Had the last elections taken place under average normal conditions, the results would have been different.

There have been some rather pathetic appeals to hon. members on this side to co-operate with the Government, and the hon. member for Maree said that, if we realised our responsibilities, there would be no criticism from this side. We fully realise our responsibilities, and one of them is to criticise, and to show where the Budget is not the best that could be brought down at this time for this State. If hon. members had not been so confident, both as regards their foresight and their ability to do what they thought ought to be done, they certainly would not or should not have made quite a number of the statements and the promises that they did make before the last election. Some hon. members who were responsible for making some of those statements and promises in the first instance backed them up by saying that, if they were not carried out, they would be the first to cross the floor of this Chamber and vote against the Government. What is the good of asking the Opposition to sink their differences with the Government and stand behind them under these circumstances? I repeat that the members of the Opposition have a proper sense of their responsibility, and too great a respect for their integrity to do anything of the sort. Hon. members opposite ask members on this side to support their Budget, when they were quite satisfied at election time as to what they would do and how they would do it when they got into power; and how they can have the audacity under the circumstances to expect support from the Opposition is beyond the bounds of my comprehension. It seems remarkable that they are not prepared to shoulder their bundle themselves and accept their own responsibilities.

The Premier, in that celebrated letter which he sent out to the electors, amongst other things said—

“I can hardly imagine that you are satisfied with the present position in Queensland. The number of unemployed lately published discloses a state of affairs that is appalling in a huge and only partially developed State such as this.”

If it was appalling nearly two years ago, how much more appalling is it at the present time? Certainly the figures have not improved; on the other hand, they have become very much worse since the present Government took office. Surely we can say on this point that we are justified in asking the Government to stand up to their responsibilities and carry out their promises! It is no use for them to say they cannot, and to talk about the falling revenue and financial depression. They were prepared to rectify the position then; and they said they could

deal with it as no one else was able to deal with it. The Premier also said—

“That industries will revive under our policy of development I have no manner of doubt. Development can unlock the door of capital. That streams of fresh capital will flow into Queensland in increasing quantities I am equally certain.”

“Further, the money that is now locked up in Queensland—and there is plenty of it, because investors are afraid to venture their capital—will, in the run of confidence born of a new Administration, be unlocked and turned to its proper use of developing our resources. Speaking for myself and my party, it is both our desire and our determination to secure for Queensland more industry; for Queensland people, more employment; for Queensland homes, more happiness; for Queensland boys and girls, more opportunities; for Queensland men and women, that healthy self-respect and self-reliance which are, and must continue to be, the basis of every noble national aspiration.”

Very fine sentiments! No one for one moment will quarrel with them; but we ask, “What has become of the actions that should follow them?” It is all very well to have these high aspirations; but that should not be the end of them. We are asking the Government to stand up to the statements they made, and put into operation the promises they held before the people, and bring about a condition of prosperity and happiness for everybody in the State.

In this connection there is the possibility, and sometimes the probability, of even politicians talking too much, and it would not do any harm if I were to quote these words which are appropriate on this occasion—

“A wise old owl lived in an oak,
The more he saw the less he spoke;
The less he spoke the more he heard,
Why can't you be like that old
bird?”

If hon. members opposite had said less about what they could do—had they been less definite in their promises and less confident about their accomplishments—their task would have been very much less difficult than it is at the present time.

Whatever may be said here in extenuation of the rotten position that the State finds itself in at the present time, financially and industrially, I am quite satisfied that hon. members opposite are not satisfied with the position, and the people who sent them here are certainly not satisfied. The people who sent them here certainly get the greatest shock of their lives when they contrast the promises of the Government with their performances. If the things that the Government are doing were in any way likely to ease or improve the situation, they would be entitled to some consideration, but I am very much afraid that quite a number of the things that they are doing will not only not do that but will have a reverse effect. Some of those things will increase unemployment. How is the proposed taxation to which the hon. member for Burnett is so strongly opposed going to relieve the burden upon industry? It is difficult to see how the proposed increase in taxation is going to make it easier for the employers to expand their businesses or to provide more work. The

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taxation proposals of the Government are having and will have a reverse effect. If the Treasurer is going to search the pockets of the taxpayers to the very bottom, how will those people have any money to invest in loans when they become due for conversion? It is just as difficult to see how anybody will be helped by the proposals of the Government, how employment will be increased, or how the position of the rank and file will be improved.

A great deal has been said about the financial ability of Labour Governments and about Budget Speeches delivered by Labour Governments, and, in contrast with those remarks, I should like to place on record the opinion of the "Brisbane Courier" of the financial ability of Labour as expressed in its issue of 3rd July, 1928. No one can accuse the "Courier" of being a Labour paper or saying anything in favour of Labour to which the party was not entitled or which was not the due of the Government. This is the report—

"In their thirteen years of administration in Queensland the Labour Governments have piled up annual deficits that amount to £1,852,863. For the financial year that ended on 30th June, 1927, Mr. McCormack failed to balance his books by £343,166. When he delivered his Budget Speech eight months ago Mr. McCormack estimated that the deficits on the year's accounts, that closed last Saturday, would be £123,695. In the circumstances it is highly gratifying to know that the Treasurer, instead of that deficit, has been able to pay his way for the year and show a surplus of £10,505."

The TREASURER: In those days the Budget was balanced by transferring funds from the Loan Account to the Revenue Account.

Mr. W. FORGAN SMITH: What about the £100,000 that you transferred from Trust Funds to revenue? That requires some explanation.

Mr. WINSTANLEY: The report continues—

"The figures are certainly a tribute to the taxable capacity of the people of Queensland, because Mr. McCormack secured a revenue of £16,718,070, or £51,635 more than his estimate, which he himself admitted last November was an optimistic forecast. But he cut down expenditure by £82,566, compared with his estimate. With this increased revenue, and considerably reduced expenditure, he changed the estimated deficit of £123,695 into a surplus of £10,505. Compared with the financing of previous years, and compared with the financing of most of the other States for the financial year that has just ended, Mr. McCormack has achieved a distinctly gratifying record."

The actions of the Government, administratively and legislatively, are not in the best interests of the people of the State, but it is just possible that the leaders may have some explanation for it. I do not know what explanation hon. members opposite will make to the electors for the purchase of Swifts' meatworks. No one can imagine that that action will do aught but dislocate industry and displace 300 or 400 men, in addition to placing burdens on the community to the extent of three-quarters of a million or a million of

money. The enterprise will provide practically little, if any, extra work. There has been much talk about centralisation, but it seems to me that the standard example of centralisation which promised so much and performed so little is the Greater Brisbane scheme. We were told that marvellous transformations would take place on the inauguration of the Greater Brisbane Council. We know what has resulted. I am very much inclined to think that the abolition of private slaughteryards around Brisbane, whilst perhaps not up to date, will not be followed by all the advantages set forth by various hon. members on the creation of a centralised slaughtering authority, which, I am afraid, will also have some disadvantages. The consumers in the metropolitan area will find that there are disadvantages. It will be good-bye to cheap meat. I just use that illustration as showing that the first thing the Government have done in the interests of providing employment will have an effect just the reverse. All the talk about Swifts' works not being a State enterprise, or of the money found for the purchase not being a State loan, is all so much bunkum.

Another question looming very largely on the political horizon is that of unemployment. The Government came into office on a promise to solve the unemployment problem. It certainly is a problem needing solution more than any other problem. When one sees 10,000 or 12,000 men in Queensland whose labour power is lost to the State, and when one realises that with each day passing that day's work is gone for ever, he is forced to the conclusion that the problem is certainly a grave one. The value of that lost labour power is very considerable indeed, especially when that loss goes on day after day and week after week. Certainly, as the Premier said during the last election, it is an appalling problem, only it is much more appalling now than then. The problem of unemployment is much worse now, and no nearer a solution than eighteen months ago. The problem has not been solved, and it needs much more radical methods before we find a solution. The monetary aspect of the problem is serious in itself, but the loss of manhood is much more serious and important. There is also the loss to the State of the self-reliance and integrity of these men as week after week and month after month they fail to find employment. To my mind, that is one of the saddest aspects of the unemployment question. It must be remembered that the community has to carry the burden of feeding these people. That is not a very light or easy task. Every one in the community is not working full time or receiving full wages, otherwise it would not be a difficult task to perform. We all know that work is being rationed, and there are quite a number of other disabilities which the people who are in work are suffering, and they are by no means in the best position to carry on that philanthropic work.

[3.30 p.m.]

One of the most deplorable features of the present position is the unproductive work on which men are being engaged under the unemployment relief scheme. I fail to see why some very large scheme should not be embarked upon which would not cost very much more than the scheme in operation, and would enable these men to produce

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something that would be worth while. The essential requirements of these men are food, clothing, and shelter. Surely if they were producing food it would be something worth while. At the present time, after the work is done and the men have been paid, there is very little return to the State. A grave mistake has been made by not putting these men to better use than at present.

The causes of unemployment have been discussed on innumerable occasions. Undoubtedly one of the main causes of unemployment is the inequitable division of wealth which creates a position that men who have produced the necessities of life are not paid sufficiently high wages to enable them to purchase their requirements. Some people talk glibly about over-production when a glut takes place, quite forgetting that under-consumption is the trouble. Whatever may be said on such matters as interest payments, etc., it is becoming recognised more clearly every day that the real difficulty is that the worker who does the work and produces the goods gets such a small share in the division of wealth that he is unable to buy anything like the quantity he requires so that there is a glut in the market. That seems to have been the position all along the ages, as will be seen from the following extract from "Work and Wages," by Thorold Rodgers—

"I do not indeed myself doubt that the comfort of all but the most destitute of dwellers in cities has been increased by the growth of society, and the diffusion of knowledge that the continuity of comfort is more secure, and that the workmen have shared in the advantages of economic progress. But the landowner, the capitalist, and the trader have done infinitely better than the worker, and for a longer period."

I do not think that statement can be gain said. In that connection the Government have the responsibility of devising means whereby men who are at present simply wasting their time will be put to work that will be profitable.

In regard to railways, the financial position is becoming a nightmare not only to the Government and to the Commissioner for Railways, but to other people in the community. The latest proposal of the Secretary for Railways to improve the position is to wipe off £25,000,000 of the capitalisation of the railways and put it on one side. So far as I can see, there is only one other department which could take it—that is, the Treasury; but whether the Treasurer would be prepared to accept a further responsibility of £25,000,000 I do not know. What advantage can accrue from transferring this debt from one department to another? I am afraid that, if the amount is transferred, there will be very little better chance of paying interest on it than is the case at present.

The question also arises: What are the Government doing for the railway workers? Certainly these men have had to bear more than their fair share of the sacrifice that has been called for. Much has been said about equality of sacrifice; but my belief is that the rank and file have had to bear the burden. For example, the railway workers have been subjected to reduced wages, rationing of work, and compulsory superannuation; so that their position is that they have very little money, if any, to spare under the present system.

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In some directions the Railway Department has helped to bring about unemployment. For the past twenty years there has been a railway sawmill at Homestead, in my electorate, to provide sleepers for the Railway Department. I believe that sawmill provided sleepers at a price that has been unequalled anywhere else in the State; but, notwithstanding that, the Railway Department called tenders and let that mill on contract to an outsider who employed his own workmen. The result is that twenty families in that locality are left without any prospect of getting work and no prospect of getting to where there is work. Instead of doing something to help men who have been out of work since Christmas, the Department has given the work to somebody else on contract.

There is no doubt that the present financial situation is rather a difficult one; and, whether or not the Treasurer is devising the best possible means of getting over the difficulty is very largely a matter of opinion. Certainly quite a number of papers—not Labour papers—which, as a general rule, support the Government, do not see eye to eye with the Treasurer in what he is doing. I am very much inclined to think that increased taxation is not going to help, but is rather going to injure. I have lived in Queensland long enough to experience quite a number of bad times—perhaps not so bad as the present—when money was tight and work was scarce. One of the most remarkable things in regard to Queensland is its ability to recover from its difficulties. At the present time it is not only the duty of the Government to try to get us out of the present financial position, but it is the duty of individuals as well. I am not a pessimist, and I believe the problems will be solved; but it may take a long time for the present Government to solve them. Notwithstanding that the present Government are in power, the financial position will again improve with good seasons. It is marvellous how quickly Queensland recovers with good seasons. It is to be hoped the prices of primary products will not remain at the present low level. I believe we shall have a return to good prices for wheat, wool, and other primary products. I want to look on the optimistic side and, for that reason, I would like to quote the remarks of Mr. Webb, speaking in Melbourne at the annual meeting of the Commercial Banking Company of Australia, as reported in the "Telegraph" of 8th August—

"Speaking at the annual meeting yesterday, Mr. Webb said that there should be a decided improvement in the position of Australia, and a return to more normal conditions, provided satisfactory prices prevailed for wheat and wool during the ensuing season. Australia was passing through trying times, but he saw no reason for pessimism. They had a good country, with immense possibilities of production and expansion.

"The withdrawal of borrowing facilities, while causing hardship, would force the nation to check extravagance and establish a sound economic condition, Mr. Webb continued. The present position could be met only by rigid economy in Government and private expenditure, and an adjustment of costs in all activities. As soon as production became

profitable the problem of unemployment would present less difficulty, and the trade balance would be restored."

I realise that unemployment is not a temporary difficulty, but a problem which will become more severe as the years go by; and it seems to me that one of the means of solving the problem is to make land available for people to take up and become producers themselves. I do not know what the Government policy will be in this respect; but, if it makes provision for men with small capital to go on the land and produce for themselves—and in this connection I want to say that there is a great deal more in going on the land than producing merely with a view to the monetary return—I think a solution will come by and by.

Mr. W. A. RUSSELL (*Dalby*): It is not my intention to criticise the Treasurer with regard to the Financial Statement. I do not think that any other Queensland Treasurer has ever been faced with a Budget such as has to be brought down at the present time. Not only is the preparation of a Budget most difficult, but it is also a work which causes an immense amount of anxiety, not only to the Treasurer himself, but also to the members of the Government. As the old saying is, "Needs must when the devil drives"; and I really believe the position is one along those lines. No one could have anticipated the crisis which faces us at the present time, and which involves the cutting down of expenditure to such a great extent. Not only is the revenue of the State very seriously affected, but it is very doubtful whether the amount of revenue anticipated can be obtained. In times like these Estimates cannot count to any great extent; and the result of this year's operations will be watched by everyone who has the welfare of Queensland at heart. It may be that the Budget will not be balanced within £1,000,000. The great pastoral industry, which has contributed in the past over 66 per cent. of the income tax to the Government, will not be able to give anything like this amount if this financial debacle continues.

It is not my intention particularly to criticise the Estimates or the Financial Statement—I desire to deal with the serious position in which the great pastoral industry finds itself to-day; and it will be my endeavour to show hon. members in what way this great industry can be saved or assisted in any way.

At 3.44 p.m.,

Mr. FRY (*Kurilpa*), one of the panel of Temporary Chairmen, relieved Mr. Maxwell in the chair.

Mr. W. A. RUSSELL: It appears to me that the period we are passing through, when low prices are ruling, with the industry at such a low ebb, must last a considerable time. There is no doubt that at present we are experiencing a crisis in the pastoral industry, and also in the financial history of this State and of the whole world. The continuous downward trend of wool values during the last few years, coming after a period of high prices, has caused such a slump in value in regard to pastoral properties, as well as wool and stock, that the people engaged in the industry do not know what to do. Not only do these difficulties present themselves to those engaged in the industry, but they are causing great concern to the Government and to all the people in Queensland. My

contention is that the only way out of the difficulty is by means of the most careful conduct of business, and by the cutting of production costs as much as possible. The question at once arises as to what control we have over the various costs that govern the pastoral industry. I do not think I can do better than quote from the annual report of the Department of Public Lands showing the costs under various headings—

- "1. Running costs.
- "2. Interest on overdrafts.
- "3. Shearing costs.
- "4. Railway freights.
- "5. Crown rents."

Taking them in that order, I would like to say that under the heading of general running costs we have labour, overhead expenses, and taxation. The only item under that heading over which we have any control is the first, now that the rural workers have been removed from the Industrial Court, although even before that took place we still had a certain control over the labour we employed. I am sorry to say that during the past two or three years things have been so bad in the pastoral industry, owing to drought and the financial depression, that we have had to cut labour more than we otherwise would have done; and I do not think that at any time in the history of the pastoral industry in Queensland, or in any other State, were improvements on pastoral properties at such a low ebb. That is due principally to the fact that they represent the only portion of the industry that the owner of the land can control, as I shall show later on.

As to overhead expenses, they are not very easily altered, and we have no control over taxation. In the Budget Speech it is forecast that there will be further taxation, although at the present time the taxation of pastoral properties and the people engaged in the pastoral industry is as much as they can bear, if not more than they can bear. It has only been by great effort and the favourable periods through which the industry has passed that the men engaged in it have been able to keep going and meet the great demands made upon them by the Treasury.

Under the heading of interest on overdrafts, as everyone knows, interest rates fluctuate according to the demand for money, and whether there is sufficient supply available or not. As hon. members are aware, arrangements have to be made with financial people and others who specially cater for station business in the capital cities and for clients who wish to arrange overdrafts in order to get money to carry on their properties. We also have insurance companies, which, I am sorry to say, do not lend as much as they might for the assistance of the people who conduct this great industry. There are certainly some who, when they are satisfied that the security is good, will lend money on pastoral properties; there are others who demand that a person who obtains a loan shall also insure his life for a certain sum of money so that they will be doubly secured. Not only do they demand the full rate of interest on the loan, but they also require the premium on the life assurance policy, which they regard as collateral security. The companies to which I refer which do not take both forms of security

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will not lend money except up to 55 per cent. of a conservative value of freehold land.

Mr. KIRWAN: They are not doing anything to develop the country.

Mr. W. A. RUSSELL: They are not; and I think we should get a little more assistance financially from companies such as those.

Shearing costs have been very high of late years. It has been pointed out that the shearing industry is a seasonal occupation; that the shearers are expert employees, and must incur a considerable outlay in travelling from property to property in order to maintain continuity of employment. They have only a limited period of the year within which to earn their living. The high rates for shearing were awarded to this industry at a time—

Mr. BRASSINGTON: What about the statement by Mr. Hughes that the shearers' wages to-day are lower than they were in 1914?

Mr. W. A. RUSSELL: That statement is absolutely incorrect. One has only to look at the figures showing the earnings of the shearers. To-day a fairly good shearer can comfortably earn from £3 to £4 a day.

Mr. A. JONES: Now, now!

Mr. W. A. RUSSELL: I have men shearing for me from the beginning of July until December, who have been shearing for me for many years, and they average £16 a week.

Mr. BRASSINGTON: You are discussing the position of favoured men. You should discuss the average.

Mr. W. A. RUSSELL: I am referring to the ordinary expert man. These men are good men who have shorn for me for years; still I could get men who could shear faster. These men are satisfied with their conditions notwithstanding the remarks made by some hon. members opposite that the "tucker" supplied is not fit to eat.

Mr. BRASSINGTON: Who said that?

Mr. W. A. RUSSELL: These shearers can have whatever food they like to pay for. They can either have a separate mess, or they can have a joint mess with the shed hands.

Mr. A. JONES: We refer to the ration schedule provided for station hands.

Mr. W. A. RUSSELL: In the early days a number of the sheds employed from fifty to sixty shearers, but hon. members opposite will admit that to-day it is very rare that the number exceeds twenty or twenty-five. One can still see the old sheds with thirty, forty, or fifty stands, but only half that number is used, and very often not that many. Personally, I never shear with more than six shearers. I give them a shearing of 70,000 sheep, which is a very attractive run.

Mr. BRASSINGTON: That is not a fair average.

Mr. W. A. RUSSELL: I am not saying that it is. I am merely pointing out the possible earning capacity in the industry to-day, and I wish it to be understood that, with the present high rates operating, many of the properties are not able to break level. The position in the pastoral industry is such that in not one case are those engaged able

to break level. Small men are going out one after the other, as I will show later on.

Mr. A. JONES: The station hands are going out one after another at £1 a week.

Mr. W. A. RUSSELL: No. That is a temporary arrangement, and, in reply to the hon. member, I would point out that the wages have been reduced only with the object of keeping men employed rather than that the pay-roll should be curtailed.

Mr. BUTCOCK: Following the abolition of the provision relating to hours, one big shed in my electorate got rid of six men.

Mr. W. A. RUSSELL: That might be so, but one does not know the true financial position of all those engaged in the pastoral industry in an electorate like that represented by the hon. member for Barcoo. These men have been through a severe drought; they have been able to save their sheep at a time when their value was 20s. to 25s. per head; but they have been able to do that only by expenditure of £1 per head upon artificial feed; and, in addition, these sheep were worth only 3s. to 5s. per head at the break of the drought. They can be bought at that price in the electorate of the hon. member for Barcoo.

When any company or individual has emerged from a drought and has saved a number of stock at that high value and finds that, instead of the sheep being twice the value—as they have been when previous droughts have broken—they have fallen to that low price, it is most difficult to get going again. The great obstacle which has taken place in the drop in price of both wool and sheep and the capital value of properties is unprecedented. The capital value of properties has gone down below the price of the security, and there is no margin for those who advance money to the owners of the properties to keep them going through the drought. The hon. member for Balonne said that the shearers were feeding the men who were on the road seeking employment. To a certain extent he was quite right; but the employer also contributes his quota towards the food. Most of the sheds run joint messes.

Mr. BRASSINGTON: I made that quite clear.

Mr. W. A. RUSSELL: The shearers invite these men to the mess during shearing operations, and the station-owners give them a feed at other times. Hon. members who represent western constituencies know that is the position. They also know that there is a much better feeling between employer and employees than existed in olden times.

Mr. BRASSINGTON: The employers and employees in the West have to shoulder the responsibilities of the Government, who refuse rations to these men.

Mr. W. A. RUSSELL: They are not refusing rations. The Government have done everything they can for the men. They have not curtailed their rations. The Government have provided relief work in addition to sustenance and rations for unemployed. Hon. members opposite know full well that the Government have done all they can to relieve the distressing state of affairs existing not only in Queensland but the other States of Australia. The condition in the cities is worse than in the country. In the country the workless walk along to a station and get a feed from the shearers, who give liberally, the same as employers do in the joint messes.

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I now come to deal with the question of railway freights. We in the pastoral industry have no control over railway freights. We have to pay whatever freight is put on our produce. High freights were put on wool when it was fetching a high price, but those freights have not been materially altered since wool has fallen in price. It hardly pays some owners now to send the wool in. I make bold to say that in some instances nearly 10 per cent. of the clip is not being sent to the wool sales, simply because it is low-grade wool and the high railway freights make it economically impossible to do so. That wool is being held until there is a reduction in freights. We are told that we must send our wool by the railways, and must not accept the cheaper carriage of motor transport. That might be all right for the railways, but it is not all right for the industry. The Government want to survive, but must not the pastoral industry survive just the same as the Government? If the wool industry goes out, the whole of Queensland practically crashes. There is no doubt about that. We know from figures supplied in years gone by that Queensland is carried on the sheep's back. That has never been so fully realised as at the present time, when we see the serious results accruing from the low price of wool.

At 4 p.m.,

Mr. MAXWELL (*Toowong*), one of the panel of Temporary Chairmen, relieved Mr. Fry in the chair.

Mr. W. A. RUSSELL: I know a pastoralist who was selling wool, and, when he sent his wool by motor lorry—on which, by the way, the heavy vehicles tax is about £70 per annum—he was told that, if he transported his wool by motor transport, he would not be permitted to use the railways for the transport of his stock. That man was very hard pushed, and could hardly make ends meet.

Mr. O'KEEFE: When was he told that?

Mr. W. A. RUSSELL: Quite recently.

Mr. O'KEEFE: By the present Government?

Mr. W. A. RUSSELL: Yes. When the Government and the country generally are calling upon wool producers to reduce their costs of production, we must not be thrown only on the labour market in order to effect reduced costs.

I have recently been perusing the annual report of the Department of Public Lands, with reference principally to Crown rents. It is very often said that rent is no factor in the position of the woolgrower. I say quite definitely that rent is a very serious factor—so serious that, if I could only make the rent clear on my operations, I would be quite well off. The report says that the rents that are being paid by sheep graziers throughout the State average less than 7d. per sheep. We know that we are paying up to 2s. 6d. per sheep.

Mr. KIRWAN: That is a very high rental.

Mr. W. A. RUSSELL: It is; but those rents were fixed at a period of great prosperity in the industry.

Mr. BULCOCK: Is not the position largely caused by the purchase of leasehold?

Mr. W. A. RUSSELL: I am only taking the rent charged by the Crown. Generally

speaking, those rents were considerably increased during the regime of the Labour Government, although the industry was in a most prosperous position then, and could possibly afford to pay the increased rentals. But there has been no readjustment in the rentals, despite the altered circumstances now prevailing. When we applied for a readjustment some time ago, we were told that the time was not opportune to alter the entire renting system of the lands in Queensland.

Mr. BULCOCK: Did you get the 10 per cent. penalty waived?

Mr. W. A. RUSSELL: We are charged 7 per cent., the same as most people are.

Mr. PEASE: Put the Labour Party back, and we will right the position. (Laughter.)

Mr. W. A. RUSSELL: Even if you offered that, I do not know that you would get back.

Of course, average rentals are most difficult to understand. It is all very well to talk of an average rental of 7d. per sheep; but there is a considerable difference between the rental in the closely settled districts, where the rainfall is assured, and the rentals in, say, the Boulia district, with its limited rainfall. I know that in my own case I pay 2s. 3d. per sheep rental for land in the Cunnamulla district, and that, by the way, is some of the dearest land in Queensland.

We have to pay 3½d. an acre for land which requires 6 acres to carry a sheep; and, in many instances, 8 to 9 acres are required per sheep. In addition, we have heavy losses now and then through want of rain, and heavy losses in transport in taking the sheep into more favoured districts where rain has fallen. I am pointing out the difficulties in this industry; and I hope the Government will see their way clear to meet us in some way. I know very well that at the present time the Treasurer has no margin at all. It is taking him all his time to show a balance. As I said earlier in my speech, I do not believe he will be within £1,000,000 of balancing his Budget when he finishes up the year. (Opposition laughter.) That is only my opinion. For some of my land which is practically no good I pay ¼d. per acre. I practically never use it except to run a few cattle. For a large area of land that I hold I pay from 3d. to 3½d. an acre, and my average works out at a good deal over 7d. per sheep. I am not using the low-quality land, and people away out Boulia way are not using their land. Nobody would go out there at the present time and buy. It is beautiful country, but, owing to the lack of rain, the land cannot be used. They had not had serviceable rain for seven years until the present rains fell; and it may be another seven years before they get good rains again. It will take a very wet season indeed to restore that country to a good condition. In addition to the rents charged by the Government, we have to pay shire rates, rabbit and dingo board taxes, marsupial taxes, and the diseases in stock assessment, which are not taken into consideration at all by the Crown when they estimate the rent at 7d. per sheep. If the rents of these leases are assessed fairly from the Government point of view and fairly from the settlers' point of view, the rent should only be high enough to allow some equity in the property;

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but that equity is absolutely destroyed by the imposition of these other taxes which I have mentioned.

The Secretary for Public Lands says that he does not think rents are much of a factor; and I remember that Mr. McCormack on one occasion said that the rent is no factor at all. Mr. Payne also says that rent is no factor at all—it is only 7d. per sheep. But I can assure hon. members that the rent is a big factor; and, if I could only break level and make the rent out of my properties, I would be quite satisfied to get away with the amount of money I am making on my undertakings. I cannot even get that. Therefore, rent is a big factor.

They also tell us that the railway charge is no factor. None of these items separately is much of a factor; but each and every one of them would be sufficient to show a profit on the undertaking, and would put the undertaking in a position that would be of some assistance in helping the country and giving some return to the Treasury.

As I said before, the costs of production must be reduced; and I have specified the headings under which it is most difficult to alter the costs of production. I say that we have no control over the alteration of these costs of production, and we have, therefore, either to tax somebody else or cut down the public servants in order to make ends meet.

With regard to the railway service, the railways, as we all know, are a very heavy drain on Queensland. I say definitely that at the present time there are 5,000,000 wethers in Queensland that could be sold for at least 10s. a head and exported if brought to the seaboard, which would represent at least £2,500,000. We could sell them on the world's market, and that would help to pay our debts. Under the present condition of railway freights we cannot bring those wethers down to the coast unless some special arrangement is made for their transit. If something is not done in this way, those sheep will never be sold; they will die as soon as the season turns dry again. Those sheep have outlived their usefulness. We are experiencing at the present time a season which is unprecedented for thirty years. The good season has come at a time when these sheep can be fattened. Those 5,000,000 wethers represent a quarter of the 20,000,000 sheep that we have to-day in Queensland—and I base my statement on estimates which were prepared by the authorities in New South Wales in order to find out how many fat wethers there would be this season in New South Wales, which has practically double the number of sheep that Queensland has. Anyone who is acquainted with the pastoral industry knows that we could not only sell the full number of wethers which have outlived their usefulness, but also a lot of younger wethers that will be fit for sale in seasons such as we are now going through. If we can only bring these wethers down to the coast, the business will show a profit if the freight is reduced. Even if there is not much profit to the Railway Department, a lot of men will have to be employed in bringing these sheep down, and men will also be required to kill the sheep.

Mr. PEASE: What concession are you asking for?

Mr. W. A. RUSSELL: I am not asking for any specified concession; but, if we were

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to send those sheep down to market at the present rate of freight, we would probably get a debit note on account of the transaction.

Mr. O'KEEFE: Which is the cheaper—droving or railing them?

Mr. W. A. RUSSELL: The hon. member knows that we cannot drove fat sheep down to market, because they would lose condition coming so far, and it would result in an economic loss. They would also be so tough and muscular that they would not be worth killing for consumption. We must carry them by rail or by some other means. In addition to those sheep being available at the present time, notwithstanding the greatest drought we have gone through in Queensland, there are as many sheep in Queensland at present as we have had for some years. According to the Government Statistician's figures, we have over 20,000,000 sheep in Queensland. I say that with this wonderful season we are having throughout the length and breadth of Queensland we shall have a greater number of sheep this year than we have ever had before. What will happen if the season becomes bad? Those sheep will die. The hon. member for Balonne knows that, although his district has had a good season and the whole place is like a wheatfield, and we may be able to carry one sheep to two acres; on the other hand in six weeks or two months we shall only be able to carry our ordinary flocks or much reduced flocks. Is it not much better, therefore, while the sheep are fat, to turn them into mutton, using the railways for that purpose, even at a low rate of freight?

HONOURABLE MEMBERS: Hear, hear!

Mr. W. A. RUSSELL: There is no question about the answer to that question; and, now that the Government have arranged to take over Swifts' meatworks, there can be no objection on the ground that arrangements cannot be made to treat them. Anybody who reads the fat stock market reports knows that 20,000 sheep are sold every week in Brisbane; and of those I think about 15,000 are purchased for export purposes. That alone shows that there is a demand. But the man out back who grows the sheep finds that so much of their value is taken by the railways, and so much by the people who sell and treat them, with the result that over one-third of the value of his sheep goes in the last week of his ownership. I believe that in New South Wales they are going to make some move in the direction I suggest, because their situation is the same as ours.

I have said that the solution of the problem does not lie in the reduction of wages. (Hear, hear!) There is only one section of costs over which we have any control, as I have already pointed out. We cannot alter anything else. We do not want charity. I am not standing up here asking for charity for this great industry. I say that it is a matter of importance to everybody, whether on this side or on the other side, to see that this industry is saved, and to see that the profits arising from the industry are utilised for the benefit of the State. Unless there is some alteration, the industry must go to the wall. It is true that others may rise up in place of the present owners. No doubt when this generation of graziers passes away—and they must pass away unless something is

done—when the present owners perish financially, others may rise from the wreck or the ashes and start on a lower basis of capitalisation by reason of a reduction in their costs, just as in New York or the United States of America securities have vanished into thin air. The value of securities on the stock exchange there has dropped by from 60 per cent. to 25 per cent., although what may be described as the very gilt-edged ones may not have receded to quite such a degree. If our properties have been reduced in value by 50 per cent., then people who have capital to buy these properties will be on a much more favourable footing. The industry must come back. Do hon. members think that it can be allowed to perish altogether? There is no chance of that; and it must be saved at whatever cost. Hon. members may see that some people are buying properties at lower prices, thus bringing down their capitalisation. That is one way in which they can control their costs. It shows that some have failed, however; and they are all going to fail one after the other if the position does not alter. The capital cost would then probably be written off in the same way as is suggested in connection with the railways, and a satisfactory balance shown.

Mr. O'KEEFE: In what way do you suggest costs could be reduced apart from a reduction in wages?

Mr. W. A. RUSSELL: The Government should review the whole question of rents in pastoral areas with a view to a reduction; but I could not make that request in the face of the difficulties of the Treasurer, who has balanced the Budget merely on paper and hopes that his anticipations will be realised. I could not suggest that the Government should forgo £500,000 in pastoral rents. Of course, the Government will not be able to secure the rents, because the people have not the money.

One has only to realise the prevailing price for wool. The hon. member for Fassifern stated that he did not propose to reduce the wages of his employees; and, whilst I am very pleased to hear that statement, it is interesting to point out that, on the other hand, he stated that he was sure that the cancellation of the station hands' award would prevent a good deal of unemployment. The hon. member is prepared to stand pat in his case and not reduce the wages; but others engaged in the industry will have to do so, otherwise unemployment will increase. The station hands' award has been suspended for only one year so as to prevent wholesale dismissals. Anyone with experience of the West will know how people beg and implore for work at the present time, or to be given sufficient upon which to live. There are not the same temptations for spending in the country as in the city; nor are there so many items of expenditure incurred, in the way of tram fares, etc.

Mr. BRASSINGTON: The Government are trying to balance the Budget by starving the workers in the country.

Mr. W. A. RUSSELL: That is not so. If the Treasurer had decided to show a bigger surplus, he would have found it necessary to inflict greater hardship upon the people of this State in other directions.

Mr. BRASSINGTON: Your motto is to kick the weakest section.

Mr. W. A. RUSSELL: No. This section was legislated for at a rate that could not be paid. I feel quite sure that the wages of the first-class experienced man will not be reduced. These men are always worth their money. Under the station hands' award the good men were paid far less than other employees engaged under that award. These good men are still drawing the same amount of money.

Mr. A. JONES: Don't talk rubbish! It is not true.

Mr. W. A. RUSSELL: Anybody who lives in the country must know that some men are useless at mustering, but expert at erecting a fence, and vice versa. If we can prevent the drift of the unemployed Western people to the city and retain them in the country, even if they earn only £60 to £70 a year and are able to live during a period of depression, much good will be done. I make bold to say that there is not one industry in the State at the present time that is maintaining its profits. Every pastoral company listed on the stock exchange is reducing its rate of dividends.

Take rubber plantations. They are all shutting up. Never in the history of the trade has the price of rubber been so low. Take coffee or cocoa. There was a scheme the other day to take out to sea and dump 70,000 tons of this commodity in order to keep up the price. Touching again on the question of reduction of wages, and the withdrawal from the court of the station hands' award, I feel sure that experienced men will not suffer any, or, if any, only a small reduction, because of the fact that the purchasing power of money has increased. The station owners are in the same position as the Treasurer, who does not desire to do the unpleasant things he is called upon to do. We do not want him to reduce wages. Hon. members opposite think that the Government are out to reduce wages. Do they not know that it is only with the greatest reluctance that the Government are depriving people of their purchasing power?

Mr. HANLON: You are doing it well.

Mr. W. A. RUSSELL: We have to reduce salaries and wages; otherwise one in ten in the public service will be dismissed. It is all very well to say that the pastoralists should have reserves. Many people who set out to develop the country cannot have reserves. The fact that even people long established in business have not much in the way of reserves can be well understood when it is remembered that, when the late Government were in power, the Land Act was altered in many respects which prevented people from building up reserves. They had to resort to all sorts of devious devices in order that they might hold their land.

Then there were the high rentals. I was forced, by increased rents and limitation of areas, to transfer my properties, as I could not sell them, and I had to go into another State at a time when I could not sell in order to continue my activities.

Mr. BRASSINGTON: Do you mean to tell us that at a time when you could not make your stations pay in Queensland you bought 50,000 sheep from another station?

Mr. W. A. RUSSELL: If everybody goes around the city and country saying that everything is bad and doing nothing, then the position will become stalemate. I did

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not buy the sheep referred to by the hon. member on the advice of any expert. I simply bought those that were offering, and those sheep to-day are worth 2s. per head less than when I purchased them.

Mr. BRASSINGTON: We give you all credit for what you have done.

Mr. W. A. RUSSELL: Let me show hon. members the exact position of the wool market. The costs of producing wool were carefully examined by the Land Settlement Board, which fixed the cost at 1s. 2d. per lb. Allowing that those costs have come down a little—they have not come down much and any reductions have only been recent—we can take the production costs at 1s. The average price in 1929-30 was 10.24d. per lb., with prices showing a downward trend. The wool sales held in Brisbane last week disclosed that the average price per lb for all greasy wool sold during the series was 8.68d., or £11 15s. 5d. per bale, against 10.24d. per lb. and £13 17s. 8d. per bale, which was the average for the whole of last year. Since those sales took place last week, a cablegram appeared in the "Telegraph" advising that greasy wool in London had shown a further decline of from

10 per cent. to 25 per cent. [4.30 p.m.] Where is it going to end? Are sheep worth anything, notwithstanding what the hon. member for Balonne says that my purchase was a good one? The hon. member forgets that I spent £2,000 on rail freights, and that I bought those sheep in Queensland.

Mr. BRASSINGTON: The industry cannot be in a bad way when you purchase 50,000 sheep.

Mr. W. A. RUSSELL: Surely the hon. member must realise that I have to try to average my position! Ten per cent. of the low-grade wool of our clip is not being sent into the market, so that the average price of the wool sold in Brisbane is exclusive of this wool that has not been sent in. In my own case, I have 10 per cent. of my wool still on the station. Goodness knows when I will send it in. There is any amount of wool that will not come in unless some alteration is made in the arrangements for the transport of that wool.

With regard to the selections which were taken up by smaller men in the Central division. I hope the Government will deal leniently with those men, who find that, in the present financial position of the country, they are unable to carry on under the stocking and improvement conditions which were prescribed when the land was originally taken up. It is unnecessary for me to state the reasons why finance cannot be arranged; they are too obvious. The fact remains that these men are not able to comply with the conditions, and I trust that the Government will not forfeit the selections. I am in no way interested in these selections, but, looking at the matter from the point of view of the necessity of developing our country, I urge the Government to treat these men leniently, even to the extent of allowing them to take in a partner or partners. Occupation and development of the country is essential. Nothing else matters. We cannot take the land away when we die. Let these men develop the land to the fullest extent while prices are so low, because we must do something to help the position along. I am blamed for buying sheep, but my action gives heart to other people. To-day's press tells

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us that the hon. member for Fassifern has bought a property. He is able to do it, and does not think he will lose his money. Hon. members know that the rate of income tax on certain incomes is as high as 10s. in the £1, and, if a profit is made, the State benefits greatly. In order to enable the Government to reduce costs, such as freights and rentals, they must reduce governmental expenditure. I have not gone into the figures, but I imagine that to bring the rentals down to a figure which the industry can afford to pay would amount to £500,000. If the Government did that, the Treasurer would no doubt say, "Where is the money to come from?" We have promised to balance our Budget." Of course, we must balance our Budget, just as every other Government which promised to do so must honour the agreement.

Mr. BRASSINGTON: Can you give us an estimate of the amount that would be saved to the industry?

Mr. W. A. RUSSELL: £500,000.

Mr. BRASSINGTON: That would assist the industry.

Mr. W. A. RUSSELL: Yes; but what would the Government do? But the position of the industry is as important to this country as is the position of the Government. Everybody knows the value of the pastoral industry to the State.

I would like to say something in regard to the financial position, because our financial position is wrapped up in the development of the State and the prosperity of the pastoral industry. At the present time I do not think anything is more vital or more important to this State than land settlement. I have touched on the pastoral areas, and I should like now to touch on the agricultural areas nearer the coast. We have a large area of land ready for development, and it is the intention of the Government to develop that land. I have submitted to the Government a scheme for the development of a very large area of land close to our railway lines, where public and private utilities such as butter factories and roads already exist. That land is now available because of the great work done by the cactoblastis. People are ready to take up this land; and, if it is cut up into small areas, a great future is in store for this State.

Mr. KIRWAN: What would you suggest as a living area?

Mr. W. A. RUSSELL: I would suggest that the scrub lands should be cut up into areas of from 320 acres to 640 acres; but, where you get to the open wire-grass and forest country, the areas should be from 4,000 to 5,000 acres. A very large area of that land can be subdivided, and would be willingly taken up in areas of 640 acres. The sons of settlers are there, and the country requires to be settled straight away. The wealth that will be produced from that land as well as from the pastoral areas is equal to gold. We have no gold at present, as all our gold has gone to pay for the development of this country and the carrying out of the Great War. We made those payments honourably, and will not repudiate them in any way. But, when we have no gold left, the only thing is to redouble our efforts and get from this land of ours which is so prolific such an amount of wealth that we shall be able to meet expenses that cannot be met in any other way. Our currency is practically

valueless outside the boundaries of the Commonwealth. The exchange is against us, and we cannot export many of our primary products. But from our pastoral industry we can export a wonderful amount of wealth; and the wealth we can send forth from Queensland will be sufficient to pay all our debts. The season is with us at the present time. Wherever you go throughout Queensland the season is unprecedented for many years. To say that this country can "go broke" is all moonshine.

Mr. KIRWAN: Hear, hear! That is the way to talk.

The TEMPORARY CHAIRMAN indicated that the time allowed the hon. member under the Standing Orders had expired.

Mr. MULLAN (*Flinders*): The gloomy Financial Statement of the Treasurer and the still more gloomy speeches of members of the Government will make very sad reading indeed.

Mr. EDWARDS: Moonshine!

Mr. MULLAN: Anyone reading the Financial Statement or the speeches of hon. members opposite would really think that Queensland and Australia were down and out.

Mr. EDWARDS: No one ever said that.

Mr. MULLAN: That is the inference to be drawn from the speeches of hon. members opposite. They helped to create this position, they raised this Frankenstein themselves, and the question is how they can lay him. They helped to create the depression complex in Queensland and in Australia; and now they have been caught up in the vortex of their own propaganda, and they really believe it is true. This is very well illustrated by the Premier's own statement when he recently met a deputation from the public servants of this State. He said:—

"The whole of Australia may become bankrupt. The position is ten times worse than most people think."

Will that statement help to restore confidence? No public man with a sense of responsibility would make a statement like that at a time when what was more important than anything else, as the Treasurer must admit, was the necessity for inspiring confidence.

Mr. MAHER: Should he delude the people?

Mr. MULLAN: Certainly not. I propose to devote some of my time to denying the accusation that Queensland and Australia are down and out.

Mr. CLAYTON: Who said that?

Mr. MULLAN: The hon. member's party has been saying it for months; and it is time that somebody said a word on behalf of Queensland and Australia.

Mr. W. A. RUSSELL: Did I say it?

Mr. MULLAN: The hon. member was one of the few exceptions, and I give him credit for backing up his courage by his cash; but there are not many who have the courage to do as the hon. member has done. It is most regrettable to hear the things that have been said about this country, which has illimitable resources, developed and undeveloped. We are not down and out; and we can well stand the strain in spite of the Treasurer's vapourings to the contrary.

The TREASURER: You are putting up "Aunt Sallies" for the purpose of knocking them down.

Mr. MULLAN: That is what the hon. gentleman has been a champion at all his life—putting up "Aunt Sallies" and attacking them. If I were guilty of such a charge, I would only have to reply that I had copied it from the Treasurer during my twenty-five years of parliamentary experience. But I am not putting up "Aunt Sallies"; there is no need to do so, because the hon. gentleman makes an excellent substitute for an "Aunt Sally."

Mr. KELSO: One hon. member opposite said yesterday that the Treasurer was smiling like a Cheshire cat.

Mr. MULLAN: Let us compare the condition of Australia with that of other countries to see where we stand. The United States of America is one of the richest countries in the world. In 1912—just before the war—that country had £38,577,000,000 of wealth with a population of 95,410,000, showing a per capita wealth of £404. France was always recognised as an immensely rich country. In 1912—two years before the war—when she was at her best—her total wealth was £12,000,000,000 with 40,000,000 people, equal to £300 per capita.

Take the United Kingdom in 1908—six years before the war—when she was the financial centre of the world; she had a wealth value of £13,762,000,000, equal, with a population of 44,000,000 people, to £313 per capita. Then let us take Australia, but not before the war. Let us take Australia under the worst possible conditions after the war—in 1925, when everybody will admit that we had suffered through the losses of the war.

Mr. NIMMO: With the biggest price we ever had for wool.

Mr. MULLAN: Of course, the hon. member, like other members of his party, will decry Australia! There is nothing in Australia good enough for him! I expected him to decry his country. In Australia in 1925 the wealth value was £2,836,902,000, which, with a population of 5,934,941, gives us a per capita wealth of £478—greater than any of these rich countries of the world—£178 richer than France, richer than America, richer than England.

Mr. KELSO: What about the debt?

Mr. MULLAN: I shall come to that later. I have not included in that figure £550,000,000 of the municipal and State and Commonwealth securities, bonds, and inscribed stock. I have not included £311,000,000 worth of railways, or public buildings, or irrigation works, to say nothing of the illimitable wealth contained in the unalienated Crown lands. I have not included those, because in my estimate of Australian wealth I am concerned only with the private wealth. What is wrong with those figures—£478 per capita? Yet we have our calamity-howler, the Treasurer, decrying the country, instead of writing it up! Why not write up your country? Why not puff up your own country? Why not advertise your own country? A Government that is not capable of standing up for its own country in the face of Sir Otto Niemeyer or anybody else should not be on the Treasury benches.

Mr. Mullan.

A tremendous lot has been made of the debt of Australia—£1,100,000,000—for a huge continent which, as I stated earlier, has illimitable resources. Let us compare England and Australia as regard debts.

Mr. KELSO: And don't forget America.

Mr. MULLAN: I am not going to deal with America, because I have not got the figures with me. I am going to make my own speech in my own way.

Mr. KELSO: Don't leave anything out.

Mr. MULLAN: I am not leaving anything out. When I say a thing in this Chamber, I bring my facts with me, and I am prepared to substantiate them. Let us make a comparison between England, one of the great rich countries of the world, and Australia. Last year England had a debt of £7,451,000,000. Australia had a debt of £1,100,000,000.

The per capita debt in England last year was £162, and in Australia—which is supposed to be down and out—it was only £9 more per head—£171. What is that in face of the resources that we have? Mr. E. A. Caird, managing director of the Mercantile, Land and Finance Company—his remarks have already been quoted by the hon. member for Warrego—made this remarkable statement in London the other day:—

“As a business proposition it would appear that Australia offers a far better security for a debt of £1,100,000,000 than does the United Kingdom for a debt of £7,400,000,000.”

The exact figure in relation to the United Kingdom is £7,451,000,000. I mention that to show that there is nothing wrong with Australia at heart. We are sound, we have wonderful resources, and, if we only had a Government capable of developing them, there would not be very much to be afraid of.

Mr. NIMMO: Who said that there was anything wrong?

Mr. MULLAN: Ever since I came into this Chamber this session there has been a wail from Government members that everything was wrong. I want to show that everything is right, that there is nothing to be afraid of, and that Australia will stand up to her obligations.

Mr. KELSO: We merely show the true position.

Mr. MULLAN: Although Australia is at the present time suffering a temporary financial disability, it is wholly and solely the result of the war, which hon. members opposite are not prepared to admit. Why will not hon. members opposite be frank about the position, and admit that our difficulties are because we paid enormous sums of money during the war period? According to the Australian Budget up to 30th June last the cost of the war to Australia was £744,000,000. We have a national debt to-day of £1,100,000,000, of which £744,000,000 is the result of the war. Just imagine if we had not to meet that obligation! Here is the remarkable thing: Of the £744,000,000, the sum of £371,000,000 odd was paid out of revenue by the Commonwealth Government, and still more remarkable is the fact that, whilst £371,000,000 was paid out of revenue between 1914 and 1930, we borrowed overseas and in Australia the sum of £353,000,000 during that same period, showing plainly that, except for the £18,000,000—the differ-

ence between the sums that I have stated—the whole of the money paid from revenue was really indirectly paid from borrowed money. If that £371,000,000 which was paid from revenue—it was practically loan money—had to carry an interest rate at 5 per cent., with the additional legitimate war cost, there would have been another £130,000,000.

Mr. KELSO: You are making very heavy weather of it.

Mr. MULLAN: I am quoting figures that the hon. member does not like. The figures show that the cost of war to this country was over £874,000,000.

In addition to that, take the fact that there are 73,000 Australians incapacitated and drawing pensions, and that over 60,000 died, and hon. members can truly compute what the war cost Australia. I claim that, but for the war, the whole of the national debt of Australia would have been extinguished, as Australia paid almost as much for war services out of revenue and loan money as would cover it. In spite of these figures, we have the Tory Government here telling us that the standard of living is too high; that social services must be reduced; that we are paying too much for old-age pensions; that we are paying too much for invalid pensions; and that we are paying too much for maternity allowances and State children.

Mr. KELSO: Old-age pensions? Where did you see that?

Mr. MULLAN: I would refer the hon. member to the statement of the Treasurer on social services.

Mr. KELSO: You are sidestepping now.

Mr. MULLAN: I will not sidestep the hon. member, because I will give him a slab from the Treasurer's Financial Statement. In this the Treasurer stated—

“The heavy expansion in the cost of providing for what are known as social services, such as charitable institutions, insanity, child welfare, education, etc., is a source of grave concern to the Government.”

I hope that the hon. member is satisfied. If he is not, I can quote him some more.

Mr. KELSO: That is quite right; but there is nothing there about old-age pensions.

Mr. MULLAN: The Treasurer looks ashamed, anyhow.

Mr. PEASE: He ought to be ashamed.

Mr. MULLAN: He further says—

“The cost of these services during the past fifteen years has grown out of all proportion to the State's capacity to carry them.”

That is tantamount to saying that we cannot pay for our own social services. Then he says—

“Owing to the greatly increased cost of these services, it would appear that we have reached a stage when it might be desirable to review the position from the taxpayer's point of view.”

Does not that prove up to the hilt that the Treasurer considers that the cost of living is too high, and that we are paying too much for our social services? The slogan of the Treasurer and the Government is that we must work harder and get less—long hours and less pay.

Mr. KELSO: Who said that?

{Mr. Mullan.

Mr. MULLAN: Hon. members opposite have all been saying that, and they have been acting up to that statement by their administration in reducing the wages of everybody.

Mr. KELSO: That is another "Aunt Sally."

Mr. MULLAN: We can afford to pay the standard of living which Australia has set up and is proud of. That is not the cause of our trouble. The real cause of our trouble has been the enormous non-producing, colossal expenditure which Australia incurred as a result of the war. If there is one man more than another who brought Australia to the verge of trouble—nay, near to the verge of disaster—it was Mr. Bruce. For a long time he was the champion and almost the god of hon. members opposite. What did this man do for the country? Whilst he had the opportunity, he preached that production costs were too high. In effect, he said wages were too high. That is what he meant. Then he brought the "Big Four" from England. What did the "Big Four" tell us? They told us, of course, what Mr. Bruce had been telling us—that the cost of production was too high—or, in other words, that we must have lower wages. The "Big Four" also said that arbitration was obsolete, in other words, that we must get back to the law of the jungle. That is, get back to individual bargaining as against collective bargaining, where, of course, the weaker goes to the wall.

[5 p.m.]

Following on the report of the British Economic Mission, Mr. Bruce tried to put into operation his ideas concerning arbitration. He tried to destroy arbitration knowing that, if the Commonwealth vacated the field of arbitration, the Tory-governed States would deal with the matter in their own way. We have had the spectacle of how arbitration has been treated by the Tories in Queensland. Of course, the people of Australia gave Mr. Bruce what he rightly deserved, and in the place where the chicken got the axe—in the neck.

Another apostle has come to Australia to tell us how to solve our difficulties—Sir Otto Niemeyer. He told Australia how to manage its own affairs, and he has issued a remarkable statement at the behest of certain gentlemen in the South. If the Treasurer were in a reminiscent mood, if the hon. gentleman wished to become very interesting, he might tell us some of the things which do not appear in the report of the conference of Commonwealth and State Ministers, which was held in Melbourne this year. If the Treasurer could only tell us what Sir Otto said—could tell us all those things which are not reported—it would stagger some of the hon. members sitting behind him. As a matter of fact, amongst the things which have not been published and of which the Treasurer has not told us—those things that were stated by Sir Otto Niemeyer at the conference are these: He said that arbitration must go by the board.

The TREASURER: Where have you been getting that kind of rubbish from?

Mr. MULLAN: I can tell the Treasurer something else. Did not Sir Otto Niemeyer tell the hon. gentleman that pools must go?

The TREASURER: All I can say is that the statement of the hon. member is absolutely incorrect.

Mr. MULLAN: Of course, in his usual diplomatic way, the Treasurer says that the statement is incorrect; but in what particular is it incorrect?

The TREASURER: In every detail.

Mr. MULLAN: As a matter of fact, Sir Otto said clearly at that conference that the arbitration system must go, and—I commend this particularly to those hon. members who represent farming constituencies—that pools must go.

The TREASURER (Hon. W. H. Barnes, *Wynnum*): Mr. Maxwell, I rise to a point of order. The statement which the hon. member for Flinders has made is absolutely incorrect, and I ask that he withdraw it.

Mr. MULLAN: Rubbish!

The TEMPORARY CHAIRMAN: Order! I ask the hon. member for Flinders to accept the denial of the Treasurer.

Mr. MULLAN: I will do nothing of the kind, Mr. Maxwell.

The TEMPORARY CHAIRMAN: Order! It is customary for an hon. member to withdraw a statement to which exception is taken by another hon. member, and in respect of which a denial has been given.

Mr. MULLAN: Mr. Maxwell, it does not concern the Treasurer at all. I am now referring to statements made by Sir Otto Niemeyer at the historic conference. I have as much right to give my opinion of what Sir Otto said there as anyone else.

The PREMIER: He did not say that at all.

Mr. MULLAN: I said that Sir Otto stated at that conference that arbitration and pools had to go.

The PREMIER: He did not.

Mr. MULLAN: If the Premier and Treasurer will throw their minds back and try to be fair, they will remember Sir Otto's reference to the law of supply and demand. Sir Otto said that all artificial interference with trade, commerce, and finance must go.

The PREMIER: No.

Mr. MULLAN: He said, "If Australia is to get back to Budget equilibrium, gentlemen, you must abolish your arbitration systems; you must abolish your pools; and allow the law of supply and demand to apply."

The PREMIER: Will you read what he said if I get it for you?

Mr. MULLAN: Yes.

The PREMIER (leaving the Chamber): I shall get it for you.

Mr. MULLAN: I would allow the Premier to read it, but I claim that I am in as good a position to state what took place at that conference as the Premier.

Mr. KELSO: Were you listening at the keyhole? (Laughter.)

Mr. MULLAN: I was not listening at the keyhole. We have our own views regarding what was published in the press. I know what I am talking about, and the Treasurer, "if he could only tell us," could be just as frank as I am. I am not accepting the Treasurer's word at all in the matter.

Mr. KELSO: You will get blown out in a minute.

Mr. Mullan.]

Mr. MULLAN: When it is the Premier's turn to speak, he can say what he likes. I am augmenting and emphasising the statement which appeared in the press.

The SECRETARY FOR MINES: What press?

Mr. MULLAN: Every paper in Australia.

The SECRETARY FOR MINES: Name one.

Mr. MULLAN: The "Courier," the "Daily Mail."

The SECRETARY FOR MINES: What date? (Opposition laughter.)

Mr. MULLAN: Surely the hon. gentleman must be dreaming! Did the hon. gentleman not read Sir Otto Niemeyer's statement as published in the press?

The SECRETARY FOR MINES: I did; but I did not read what you said.

Mr. MULLAN: That is the trouble. That is what I am pointing out. I read Sir Otto Niemeyer's statement. What was stated in the press was a totally different version from what Sir Otto Niemeyer told us. So that there may be no mistake about it, I will now repeat what Sir Otto Niemeyer said at the conference. He pointed out clearly to the delegates that "If Australia is to get back to Budget equilibrium you will have to dispense with arbitration and abolish pools."

Getting back to this arch-enemy of Australia, Mr. Bruce, who did more to bring this country into discredit than anyone else—

Dr. KERWIN: What about Mr. Theodore?

Mr. MULLAN: In reply to that interjection, which is not a creditable one, seeing that the case is sub judice—

The TEMPORARY CHAIRMAN: Order!

Mr. MULLAN: I should not have referred to it if the hon. member had not had the indecency to bring the matter up. I had to make some allusion to it. If it were not out of respect to you, Mr. Maxwell, I would say something very nasty to the hon. member in connection with the matter. (Interruption.)

The TEMPORARY CHAIRMAN: Order! Order!

Mr. MULLAN: The hon. member for Brisbane this morning emphasised how Mr. Bruce had brought this country perilously near to ruin. When he took control of the Commonwealth Government, there was a surplus of £7,000,000 in the locker; when he left there was a deficit of £5,000,000. Twelve million pounds squandered between the time he took control and when the Labour Party took control, to say nothing of all his extravagance in other ways! Then he was the first man to bring trouble on Australia in the London market. He rushed in—the Treasurer knows, or should know—early in 1929 for an £8,000,000 loan, and he was so well received that 16 per cent. only was taken up by subscribers and 84 per cent. had to be taken by the underwriters. Then in his desperation, like a gambler throwing the dice, in September, just before he was defeated, he rushed and got £5,000,000 Treasury bills and paid £6 10s. 8d., the highest price ever paid for money by Australia. Then he got another £5,000,000 on the top of that a few weeks later at £5 10s. 8d. He brought the Australian money market absolutely into disrepute. He had his finger on the financial position of Australia, on the trade and com-

merce pulse of this country, and what did he do to save us? He knew there would be an adverse trade balance against this country. What are the facts? During the six and a-half years he was there we find there was an adverse trade balance of £58,000,000, and not a finger was lifted by that Government to change the incidence of the tariff in order to meet the situation. At the very time when this £58,000,000 adverse trade balance obtained he knew that the overseas services of this country had cost during that period £210,000,000, making a total liability of £268,000,000. How was it met? We certainly borrowed £153,000,000, but after allowing for £9,200,000 received by Bawra we had at the end of last year an adverse trade balance of £105,000,000—a legacy from Mr. Bruce. Under such circumstances no member of the Tory Party should get up and blame the Labour Party for the financial position of Australia. We were not to blame. Everybody knows that, when there is an adverse trade balance of £105,000,000 against this country, there were only three ways to meet it. One was to send gold—we had not got it; the other to send goods—but the slump in prices had made it impossible; the other was to raise loans. We could have raised the loans, and with a great country like this there would have been no difficulty in doing it, but because of the libelling which this country had received from the Tory Party during the Federal elections in 1929 we found our credit had been impaired in London. That was the real cause of our trouble. During the Federal election in 1929 the Tories—Mr. Bruce amongst them—stated that, if the Labour Party got into power, it would bring financial ruin on the country, and that so scared the people of the United Kingdom that we could not meet—as otherwise we should have been able to meet, taking into consideration our great resources—this adverse trade balance that has caused all our trouble.

The PREMIER: If you have time, I would like you to read that. (At this stage the Premier handed Mr. Mullan a copy of the report of the late conference of the Commonwealth and State Premiers with Sir Otto Niemeyer.)

Mr. MULLAN: I thank the Premier for the report. I presume I have read the resume of this in the press.

The PREMIER: That is the official report.

Mr. MULLAN: I am sure the official report would give me the things that the press does. (Laughter.) I am very pleased to have this report. I will peruse it, and if there is anything interesting in it I will promise to give it to hon. members opposite at the first opportunity.

The PREMIER: I want you to read what it says.

Mr. MULLAN: If it does not contain what I read, then it is not an accurate report. (Government laughter.) Surely, although the Premier is, so to speak, a political neophyte so far as ministerial experience is concerned—and I do not blame him for that—surely he knows that everything does not appear in an official report of a conference held behind closed doors! He cannot catch me like that.

The PREMIER: That is Sir Otto Niemeyer's report word for word as he wrote it.

Mr. MULLAN: At any rate, I shall read it. A country which has per capita assets

[Mr. Mullan.]

higher than those of France, Great Britain, or the United States of America, as I have shown, and a per capita debt only £9 greater than that of Great Britain—the great financial centre of the world—has nothing to be fearful of. Look at New Zealand, not equal in resources to this State, as I claim; yet it has a debt of £179 per capita, against ours of £171 per capita. Why, in my own electorate there is a mine—Mount Isa—which, if it comes up to expectations—as we all hope it will—is equal to more than the whole of the national debt of this country. That is not an exaggerated statement to make.

The PREMIER: It all depends on what it costs to get out the ore.

Mr. MULLAN: Of course it does; but the man who ought to know—Mr. Urquhart, who is the genius behind the scheme—says that colossal profits are going to be made. We all hope he is right.

The PREMIER: Do you know that Mr. Urquhart wanted to sell shares?

Mr. MULLAN: Mr. Urquhart, of course, had to raise capital. At the same time, he could not afford to overstate the case, because he knew that men were working in the mines who would not tolerate insufficient wages and accept exaggerated statements of profits. He had to watch both sides. He had to be careful and watch the men on the field, and he also had to watch the shareholders in London. I admit his difficulty.

But what is wrong with the position in Australia? I think that the financial ring are not satisfied with their profits. They want to depress everything. Of course, the lower the standards of living the higher the profits of capital. That is axiomatic. As I have shown in my figures, if hon. members will take the trouble to peruse them, there is nothing to fear so far as this country is concerned. We have wonderful resources, and I hope that the Government will say a kind word for their own country and not run it down all the time. The most depressing thing I ever read was the Treasurer's Financial Statement.

The PREMIER: Did you read Mr. Scullin's? (Government laughter.)

Mr. MULLAN: I am too busy just now to read his Budget. (Laughter.)

Mr. KELSO: This is your busy afternoon.

Mr. MULLAN: It is time that someone said a word in favour of Queensland and Australia. Hon. members opposite have been running this country down for months. How does the Treasurer propose to balance the Budget, if at all—which I doubt very much? I am not prepared to take his figures. Last year he fell short in his estimate of receipts by only £861,865! He estimated that his deficit would be £176,000, but he had the colossal deficit of £723,000. If we take the twelve months up to 30th June last and the three months just ended, we have the staggering deficit in fifteen months of £1,589,000.

The PREMIER: If you go back a year earlier, you will find a bigger one.

Mr. MULLAN: I am taking the fifteen months of Tory rule. What a disastrous experience! After fifteen months of Tory rule we have a deficit of £1,589,000! Yet hon. members opposite are simple enough to expect us to accept the estimates by the Treasurer for the coming year! I am not

one of those who are going to accept his figures. I do not think that anybody can place any reliance whatever on them. His financial opinion is "up to putty." (Laughter.)

Let us see how he is going to balance the Budget. The poor old "abo." is going to be hit in the neck. The vote for "Relief of Aborigines" is to be reduced from £64,000 to £47,000. The sum of £17,000 is to be extracted from the poor aborigines.

The vote for charitable institutions is going to be reduced by £11,000; that for hospitals by £21,000; and insanity by £23,000. I cannot understand the reduction of the vote for insanity, because it is just at this time, when the administration of the Government will tend to drive everyone insane, that they should make increased provision in this direction. Even the vote for the poor lepers is to be reduced by £1,388.

At 5.25 p.m.,

The TEMPORARY CHAIRMAN: Under the provisions of Sessional Order agreed to by the House on 29th July last, I shall now leave the chair and make my report to the House.

The House resumed.

The TEMPORARY CHAIRMAN reported progress.

Resumption of Committee made an Order of the Day for Tuesday next.

The House adjourned at 5.26 p.m.