

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 14 OCTOBER 1930**

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TUESDAY, 14 OCTOBER, 1930.

The SPEAKER (Hon. C. Taylor, *Windsor*) took the chair at 2.30 p.m.

QUESTIONS.

PROSECUTION OF UNION TRUSTEE COMPANY FOR FURNISHING FALSE INCOME TAX RETURNS.

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

“ 1. 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 ?

“ 2. Did the Union Trustee Company of Australia, Limited, plead guilty to the charge of furnishing false returns ?

“ 3. Is imprisonment the penalty under English law for this offence ?

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

“ 1. Yes.

“ 2. Yes.

“ 3. Yes.

“ 4. I do not know.”

## COMPLAINTS AGAINST COTTON BOARD.

Mr. DUNLOP (*Rockhampton*) asked the Secretary for Agriculture—

"1. With reference to the matter published in the Rockhampton 'Morning Bulletin,' viz., letters from Mr. J. P. Fleming, of Biloela, Mr. P. Petersen, of Thangool, and leading article of such paper *re* the Cotton Board, will he make it his business to have the complaints mentioned therein fully investigated and a report furnished to this House as early as possible of the result of such investigations, and what he proposes to do to rectify matters for the future?"

"2. With a view to helping him, will he kindly keep before him the four questions asked by the hon. member for Stanley (Mr. E. L. Grimstone) on the 10th September, 1929, and answers given thereto?"

## THE SECRETARY FOR AGRICULTURE

(Hon. H. F. Walker, *Cooroora*) replied—

"1 and 2. The Cotton Board does not represent the Crown in any way. The annual audit of the books and accounts of the Cotton Board, however, has just been completed by the Auditor-General, and the report upon the audit indicates that the financial affairs of the board have been conducted in a satisfactory manner."

## OVERSEAS ADVERTISEMENTS FOR APPLICATIONS AS COTTON EXPERTS.

Mr. HYNES (*Townsville*) asked the Secretary for Agriculture—

"1. Is it a fact that applications have been invited overseas by the Agent-General's Office on behalf of the Department of Agriculture for the following positions, namely:—(a) Cotton classer; (b) cotton entomologist; and (c) assistant pathologist?"

"2. Are applications also being invited in Australia for the positions in question?"

"3. What reasons justify the necessity for the department seeking to fill the positions referred to from overseas applicants, particularly in view of the fact that the advertisement inviting the applications intimated that the passages to Australia of the appointee and his wife and family would be defrayed by the department?"

## THE SECRETARY FOR AGRICULTURE

(Hon. H. F. Walker, *Cooroora*) replied—

"1. Yes.

"2. No.

"3. Preliminary inquiries were made with the result that it was found that suitable applications were not likely to be received were the positions advertised in Australia.

## WAGES PAID TO ABORIGINALS EMPLOYED IN PASTORAL INDUSTRY.

Mr. BULLCOCK (*Barcoo*) asked the Home Secretary—

"As it has been determined to substantially reduce the wages of aboriginals employed in the pastoral industry consequent on the removal of station hands from the protection of the Arbitration Court, will he state the wages payable to aboriginals under the new wage order?"

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

"I lay on the table the answer to the hon. member's question."

Whereupon Mr. Peterson laid on the table of the House the information asked for.

## SUGGESTED REDUCTION OF FEDERAL TAXATION OF MINING INDUSTRY.

Mr. KENNY (*Cook*) asked the Secretary for Mines—

"Taking into account the deplorable state of the mining industry to-day, and the low price of metals, and further that the Customs duty, primage duty, and sales tax imposed by the Federal Government on explosives, fuse, candles, detonators, etc., are inflicting a further burden on this industry, will he negotiate with the Federal authorities—

1. To have the items affected exempted from sales tax?

2. To have action taken to allow the Tariff Board to further investigate the position with a view to reduction in costs, and thus assist this most important industry?"

The SECRETARY FOR MINES (Hon. E. A. Atherton, *Chillagoe*) replied—

"1 and 2. Since receiving notice of the question I am taking up the matter with the Federal authorities."

## WAGES AND SALARY REDUCTIONS AND DISMISSALS OF GOVERNMENT EMPLOYEES.

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

"1. Will he state the number of Crown employees affected by the recent legislation exempting Government employees from the operations of the Arbitration Acts?"

"2. What is the estimated amount saved in wages and salaries through such action?"

"3. What amount is expected to be saved by the Government through the recent increase from forty-four to forty-eight hours per week?"

"4. What number of (a) casual, (b) permanent employees, have been retrenched from the public service since the Government took office?"

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

"1 to 4. The information will be obtained."

## CLOSURE OF RAILWAY GATES NEAR HERBERTON RAILWAY STATION.

Mr. O'KEEFE (*Cairns*) asked the Secretary for Railways—

"1. Has his notice been drawn to a paragraph in the Herberton paper, 'Economy versus Safety,' which deals with the matter of his department closing railway gates at the crossing, Watsonville-Silver Valley road, near Herberton railway station?"

"2. As this is a very dangerous crossing, and is used by many of the residents of the township of Herberton and travellers to and from the various mining townships in the vicinity of Herberton, will he have further investigations made by his department before deciding finally to close such gates?"

The SECRETARY FOR RAILWAYS (Hon. Godfrey Morgan, *Murilla*) replied—

"1. No.

"2. It has been approved to substitute cattle-grids for the level crossing gates at 82 Miles 1 Chain, near Herber-ton. No difficulty will be experienced as there is only one regular train each way per day, and trains will be stopped on the 'down' gradient before passing over the open crossing."

RAILWAY OFFICIALS WHO CONSIDERED ECONOMIC PROPOSALS FOR WORKING TRAINS BETWEEN BUNDABERG AND GYMPIE.

Mr. BARBER (*Bundaberg*) asked the Secretary for Railways—

"1. Relative to my question (10th September, 1930, page 859) regarding deputation of Bundaberg locomotive drivers, firemen, and guards, and through working of trains from Gympie to Bundaberg, will he state who were the departmental officials that considered the scheme submitted by the deputation?"

"2. What positions do such officials occupy in the service?"

The SECRETARY FOR RAILWAYS (Hon. Godfrey Morgan, *Murilla*) replied—

"1. Mr. M. Carmody.

"2. Assistant General Manager, Maryborough."

RETURN OF GRANT FROM "GOLDEN CASKET" FUND TO MARGARET MARR HOME.

Mr. BOW (*Mitchell*), without notice, asked the Treasurer—

"Seeing that the publication of the list of 'Golden Casket' donations caused the Treasurer to benefit to the extent of £130 by the return of that amount granted to the Margaret Marr Home a year after the event, does not the Treasurer think that he should thank the Opposition which caused the return of the money by having the list produced to Parliament?"

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

"The question is a frivolous one, and does not merit a reply. It is ridiculous and absurd."

#### FORM OF QUESTION.

Mr. COOPER (*Bremer*) gave notice of a question dealing with the "Vigilants," in which he quoted "Webster's" definition of "Vigilance Committee," and was proceeding to quote from the article on the same subject in "Encyclopædia Britannica."

The SPEAKER: Order! The extract is quite irrelevant to the hon. member's question. The hon. member is quite out of order in giving any explanation in regard to what Webster or anyone else has to say with regard to what is meant by a "Vigilance Committee."

Mr. COOPER: I will alter my question in accordance with your ruling, Mr. Speaker, although I based it on a question asked by the hon. member for Rockhampton, wherein he quoted half a leading article from a newspaper.

#### PERSONAL EXPLANATION.

Mr. O'KEEFE (*Cairns*): I desire the permission of the House to make a personal explanation.

The SPEAKER: Is it the pleasure of the House that the hon. member for Cairns be permitted to make a personal explanation?

HONOURABLE MEMBERS: Hear, hear!

Mr. O'KEEFE: During the course of the speech of the hon. member for Toombul on the Financial Statement on Wednesday, 8th October, as reported on page 1482 of "Hansard," I am recorded as having said, by way of interjection—

"What about those logs that you stole, for which people in the North are awaiting payment?"

Then the "Hansard" report proceeds—

"Mr. H. M. RUSSELL: You are a liar.

"Mr. O'Keefe: You are a liar, too.

"The CHAIRMAN: Order! The hon. member for Toombul must withdraw.

"Mr. H. M. RUSSELL: I withdraw. I may say I lost £500 over that business.

"Mr. O'Keefe: A lot of other people lost more than you."

I desire to explain to the House what really was said by me. By way of interjection, I said—

"Have you sold those logs you sent to America?"

And the report should then read—

"Mr. H. M. RUSSELL: I lost £500 over that deal.

"Mr. O'Keefe: Other people lost money also who are in a small way.

"Mr. H. M. RUSSELL: You are a liar.

"Mr. O'Keefe: You are a liar, too."

Then followed the withdrawals.

#### 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 £300 to defray the salary of the Aide-de-Camp to His Excellency the Governor."

Mr. J. E. WALKER (*Ipswich*): It has been repeatedly stated in this Chamber that finance is the true test of government; but I go further, and say that to many of our citizens at the present time the problem of finance is the problem of life itself; and if that is so, I think it might well call for the concentrated wisdom of all members in this Chamber to deal with such a very important problem and one that has such an important bearing on our social and industrial life.

We might even on this occasion waive the time-honoured privilege of using the debate on the Financial Statement to box the compass and deal with every subject under the sun. I am afraid that a great deal of irrelevance has been introduced into this discussion with regard to the special subject before us. The Leader of the Opposition set an excellent example in dealing with the subject of finance; and I for one greatly regret that the Standing Orders precluded him from concluding his speech. The hon. gentleman

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is almost invariably interesting to listen to, even when we do not agree with the soundness of his views. I think we can all agree with him in this respect, that the burden of interest to-day is a crushing one on the whole of the people of this State; and, if that is so, is it unreasonable to ask why this inevitable consequence was not foreseen by those who governed this State for so long and of whom the Leader of the Opposition was a stalwart supporter and member. During the past fourteen years the Labour Government practically doubled the public debt of the State, and all the time at a rising rate of interest. After continuing in this course and showing no desire to moderate the degree of borrowing in which we have indulged, now, when further borrowing is impossible, we raise the cry that the burden of interest is crushing the life out of the State. Is not that the cry of weaklings? Yet it is absolutely true. The burden of interest is a very crushing one indeed; but Nemesis has overtaken us, and we have to face this burden.

It is quite true that interest must come down. I agree with the Leader of the Opposition in this respect; but I entirely dissent from the means by which he proposes to accomplish that very desirable objective. He suggests that we should put some special tax on interest, or that we should in some way reduce the benefits which were freely offered to lenders when we desired their money.

Dependence on ourselves instead of reducing interest involves some measure of sacrifice; yet one of the discouraging things at the present moment is that everyone approves of sacrifice on the part of the other fellow! Hardly any of us care to share the sacrifice willingly ourselves. And so this cry is raised—that to help us out of this difficulty we should compel the bondholders to reduce the interest which we were quite willing to pay them when we wanted their money. It would be entirely gratifying if these bondholders would agree voluntarily to reduce the rate of interest. It would, I suppose, please all of us, and it would lessen the burden; but is it not too much to expect of the lenders overseas—the bondholders in the old country and America—to freely surrender some of those rights which we freely gave to them when we wanted their money? We cannot compulsorily attack any of those privileges which were accorded to them in exchange for their money without being chargeable with some form of repudiation. The Australian bondholders, or some of them, might be persuaded, from patriotic motives, to reduce their rate of interest. But, in order to induce them to do so, we must show that the rate of interest payable to-day is unreasonably high. The Leader of the Opposition, in his interesting speech, said that the average rate of interest paid to bondholders to-day is £4 16s. 2d. Is that an exorbitant rate of interest? With the present cost of living, we can hardly ask them greatly to reduce that rate of interest, because it is actually a lesser rate than when they lent to us at  $\frac{3}{4}$  per cent, fourteen or fifteen years ago. Then we might ask: Who are these Australian bondholders to whom it is suggested we should appeal to relieve us of some of the difficulties from which we are suffering to-day? It is rather interesting to us to investigate who these bondholders are, because the idea is being spread abroad that they are great capitalists who have

plenty of money, and that they can freely reduce their interest charges without suffering any great detriment themselves. Yet on investigation that can be clearly seen not to be so.

Probably the largest bondholder in Australia is the Australian Mutual Provident Society. That society has accumulated assets of £76,779,055; and out of that substantial sum it has loaned to Governments and municipal authorities over £43,000,000. That is the fund of nearly half a million policyholders. The proposal seems to me to involve this: We are to ask this society, representing nearly half a million Australians, to surrender some of the funds which they are carefully safeguarding as the only protection between thousands of Australian widows and dire poverty. Is that a very manly proceeding for us? In addition to the Australian Mutual Provident Society, another of the largest holders of Government securities is the Government Savings Bank. That institution has scores of millions, representing the savings of scores of thousands of our thrifty working class, and it has invested it in Government securities. Are we to ask that bank to reduce the rate of interest to relieve the burden on us? I quite admit that, as there are a few wealthy individuals who have invested in our loans, they might reasonably be asked, under the circumstances, to make some concession; but those wealthy holders of our bonds will be found on investigation to hold a very small proportion of the public funds.

Our securities are mostly held, as I say, by these societies, insurance companies, and banks, who hold the accumulated savings of a very large number of the people. In other cases they are held by people of very moderate means. I have induced numbers of widows to put their savings into Government securities because they represent, or are considered to represent, a safe and moderate investment; and those savings in most cases were derived from the insurance policies which were arranged by their husbands before death to protect them. Yet we are asked to make an appeal to these people to help us over our difficulties! It is well to bear these facts in mind if we are tempted to look for a solution to this crushing burden of interest along the lines suggested by the Leader of the Opposition.

There are certainly a limited number of Australians whom we might compel to forgo some of their interest; but, if we do this, I am just afraid that, instead of it being a help, it might be an aggravation of our troubles. We have to look at this from all sides, because I have heard of men from the South who are fairly well endowed with this world's wealth and who from their spare cash have sent money across the seas to buy Queensland bonds on the New York exchange, and there they have succeeded in getting an investment yielding 6 per cent, without being compelled to pay any tax whatsoever. That is not a very patriotic proceeding; but it might be considered good business by some, and we do not want to take any steps that will induce people to do this sort of thing. I agree fully that interest must come down; but it depends on ourselves to bring down the interest, and not to depend upon others. The only sound way of bringing down interest is by a sound measure of economy. If by thrift we can make capital plentiful, then the return on capital is small and the demand for labour

is great. That is the objective we should set before ourselves. It is very delightful to secure a high standard of living and to be able to spend freely; but, if we do this without considering the larger issues, I am afraid that we shall undermine the foundation upon which that standard is based. It may be a truism to say that economy is the one source of accumulated capital; but, in spite of our social desires and high standard of living, I say emphatically that we cannot get away from the old-fashioned law of supply and demand; and we have to get a larger supply to satisfy the demand of capital, as of everything else. Why, even under Socialism Governments would have to secure a larger revenue than that required merely for the maintenance of government in order that they might secure capital for the expansion of industry and for a high prosperity! I admit that it is an unpopular doctrine to preach thrift at the present time; yet to-day we are undoubtedly suffering from the absence of thrift. First of all, we had the dreadful extravagance of war, which is the very antithesis of thrift. Then, after the war was over, we spent freely, instead of making good the ravages and losses which were caused by the war. We set ourselves to build up a high standard of living, and largely, unfortunately, on borrowed money. The millions that have been spent on Canberra have added considerably to our burdens to-day.

In many other directions illustrations could be given of this very free spending in which Australia has been indulging. We have built highways which are

[3 p.m.] a joy to ride on; but, running as many of them do parallel to the railways, they have left us with a dual form of transport that we cannot by any means afford. To pay for these extravagant expenses we have increased our revenue to a most astounding figure. In 1919 the revenue of the Commonwealth was £96,468,462; in 1929 it had risen to £190,719,101. It is a tremendous amount to take out of the pockets of the people in whatever form taxation is imposed; and at the same time, as has been pointed out by different speakers, our debts have grown in at least like proportion.

In 1919 the public debt of the Australian States and Commonwealth amounted to £705,405,171; in 1929 it had grown to £1,104,029,062. We employed these additional revenues, and we eagerly spent these hundreds of millions that we had borrowed—and now we are crying out that the burden of debt is crushing us. What a fatuous confession for us to make! Never to think of it all the time these burdens were growing, and now that we cannot continue the same course we cry out that the burden of debt is crushing us. As the Leader of the Opposition says, that is absolutely true, and I only dissent from him in regard to the remedy that he would apply.

In December next the Australian Commonwealth has to renew a debt of £18,000,000 sterling; two months from now that debt is repayable under the terms of the prospectus issued. If we continue along this line of taxing interest and blaming the lenders for putting the great burden upon us, what chance have we to renew that loan on anything like equitable terms? During

the last few days that the talk of special taxation of interest on loans has been in the air, we have seen the price of war bonds drop to an alarming degree, so that on the stock exchange the bonds of the Australian Governments, Commonwealth and States, bring a return of 7 per cent., which is largely because of this fear that they are going to be taxed. If we prescribe this remedy, what chance have we of renewing this debt with anything like satisfaction to ourselves? We might get it compulsorily, because the lenders are Australian citizens; and we might claim a moratorium or something of that kind; but, if we do that, we cannot retain their good will and their readiness to assist us in the difficulties that lie ahead. We cannot have it both ways. The individual might just as well dictate to his banker the terms on which his loan is to be renewed as for us to dictate to those who are willing to lend to us the terms on which we are to retain their money. The only sound way, therefore, is to get down to the job ourselves, and out of surplus revenue through wise administration to reduce our loans and put ourselves right in the eyes of the world. That is just what an individual would have to do. If an individual got into difficulties somewhat analogous to those we are suffering to-day, he would have to face a period of economy and restriction, and then go forward again on a sounder footing.

We have undoubtedly exceeded the margin of safety in our loans, and we must strive by all reasonable means to rectify this. The Leader of the Opposition in New South Wales, who hopes to be the Premier there very shortly, is promising to relieve the distress which is prevalent there by borrowing many more millions; while the Leader of the Opposition in this State says that the burden of debt in Queensland is too great for us to carry. It is difficult to reconcile those two statements; and I suppose we should be thankful that we have a Leader of the Opposition here with the saner view which marks the hon. member for Mackay. He is proving himself much more capable of dealing with this question; and I hope he will long occupy the position of Leader of the Opposition in this Chamber. We must show to the world that we can manage without borrowing if we cannot borrow on reasonable terms. Personally, I do not agree with the expression of opinion that has been uttered by hon. members on both sides of this Chamber that we should as soon as possible borrow more money so long as it is used for remunerative purposes.

I agree with what has been said by the hon. member for Fassfern in this respect. I think we should for a term of years refrain from borrowing any money, and so re-establish our position in the eyes of the world. Who is the individual or State which gets the best terms when they go into the money market? The individual or State who can do without the loan. Then they, if the terms are unsatisfactory, can say, "We do not require your loan, and we will do without it." But, when we have to renew our loans and have no other course open to us, then we must pay the piper in the form of a very heavy rate of interest. We want to get down to proper business methods. At the present time it is considered by most Australian States to be almost utopian to endeavour to balance our Budget; yet that

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is a very necessary thing to do, both for the individual and for the State. The hon. member for Kennedy last week, by interjection, implied that it is not very important whether we balance the Budget or not; the hon. member for Rockhampton very frankly admitted that it was a matter of indifference to him whether the Budget was balanced; and many hon. members on the other side who have spoken said that humanitarian considerations are much more important than balancing the Budget. My point is this: If we want to get the best results from a humanitarian standpoint, we want to balance the Budget, because we shall thereby relieve a great measure of the burden that is falling so hardly upon industry and upon individuals at the present time.

The hon. member for Warrego stated that Australia has better security for its loans than Great Britain. That may be so—I am not one to discount at all the great resources and sources of wealth that we possess—but I would say that the security which is offered is by no means the chief factor when one has to borrow. We go to a banker and offer him our security. If he thinks that he may have to realise the security in order to get his money, he will not touch the applicant with a 40-foot pole. He wants to know whether the applicant can repay the loan on maturity; what purposes he is going to use it for; and whether he is a business man, and can live on his own earnings, and does not require the borrowed money purely for the purpose of maintenance. Can we stand up to these questions to-day? I am afraid we cannot. And until we can do that we cannot reduce this burden which rests upon the people in the only sound way.

The spendthrift always has to pay a high rate of interest whatever his security may be; and until we can, by balanced Budgets, show the world that we can live within our means and that we will spend wisely any money entrusted to us and not merely use it to support a high standard of living, we are not going to get the money that we require for renewals on reasonable terms. If we can show that we are able to live within our means, I think we may at once reduce this burden of interest, just as some of our sister Dominions have done. There is something wrong with Australia's methods when she has to pay 1 per cent. more than the smaller sister Dominion of New Zealand. Only last week we saw that the Dominion of Canada was able to borrow £20,000,000 sterling at 4 per cent.

**AN HONOURABLE MEMBER:** From the United States of America.

**Mr. J. E. WALKER:** From the United States of America, certainly; but it borrowed the money at 4 per cent. because it could show that it was not dependent on loan money for maintenance.

We must enter upon a campaign of economy if we are to get into this sound position; and what better starting point can we have in that campaign than Parliament itself? It is quite true—too true, perhaps, so some hon. members may say—that we have reduced our own salaries; but are we content to stop there? Can we honestly afford to continue the high cost which Australia has to pay for the privilege of being governed? In the last year for which the figures are available—1928-29—the direct cost of government by the Commonwealth Par-

liament alone was £557,245, and the salaries of Australian legislators, apart from Ministerial salaries, reached the very high total of over £350,000. Why, to record the pearls of wisdom that fell from the lips of legislators cost £75,000 a year! Can we really say that we are getting value for that large expenditure of money? I admit that it is very nice indeed to be able to refer to past records and to confound some political opponent by quoting his utterances before circumstances had altered cases; but I think we are paying far too much for the privilege.

We have to proceed along sound lines if we are to make progress. Many people outside this Legislative Assembly consider that fifty members are quite sufficient to carry on the legislative work of this State. I am inclined to agree with them. When federation was first mooted, we were promised that the cost of government in Australia would come down considerably; but I venture to say that nobody is satisfied that that prophecy has been at all realised. We must, therefore, face this reduction in the cost of government if we are to start from the right point.

Many persons will regret that, in his efforts to balance the Budget, the Treasurer finds it necessary to impose further taxation. I was hoping that sound economy would balance the Budget, because we have to remember that taxation in any form will delay the arrival of the objective at which we are aiming; and, if we are to increase taxation, it will inevitably retard the recovery, so that, by further taxation, we are putting back that time for which we are all eagerly looking forward. Yet it is absolutely necessary to take this first step of balancing the Budget; and I venture to think that a number of those on whom the taxation will necessarily fall will bear it more or less willingly if they realise that it is done to restore prosperity.

I sincerely hope that the Treasurer's anticipation of revenue will be realised; but I am very doubtful indeed whether he has not been over-anguine, both in regard to railway revenue and returns from income tax assessment. I quite admit that he is justified in taking an optimistic view to some extent; but, if those anticipations are not realised, then we must certainly indulge in a larger measure of economy, because for our own safety—for our own progress and to relieve us of this burden which rests so heavily upon us—we must succeed in balancing our Budget.

One of the most humiliating episodes in recent times in Australia seems to me to be that an entirely unwarranted attack has been made on Sir Otto Niemeyer. He came here as the invited guest of the Commonwealth. He expressed an opinion that has been expressed time and again by clear-sighted Australians; but, because he comes from overseas and because of his association with large capitalistic institutions on the other side of the world, some people in Australia seek to belittle his sound advice. What has he told us? He has told us—and this is the point that I have been trying to make during my remarks this afternoon—that if we require to get credit and are worthy of it, we should show that we can live without it—we should show that we can balance our Budget. That is the advice he has given to us, and that is advice that must commend itself to every sound business man. He has said, in effect, "If you can manage your

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own affairs, then I can promise you that credit will be available to meet your legitimate demands." That is not only a perfectly sound piece of advice, but it is absolutely necessary that we should follow it if we are to get out of the bog in which we seem to be wallowing at the present time.

I am entirely in agreement with the Leader of the Opposition in his suggestion that we should write £20,000,000 off the capitalisation of our railways. I understand that this has been under consideration by the Secretary for Railways for some months—a sound course to follow. No one will delude himself into believing that it will mean one penny saving in interest, but it will relieve this business organisation of the railways of a load of debt which has been piled upon it in the course of developing this country, and for which there are no assets in existence at the present time, and for which the Railway Department cannot reasonably be asked to earn the interest involved. In writing off this loan indebtedness we are not putting any further burden on the taxpayer, because he has to pay the interest at the present time; but it will give a gleam of hope to the Railway Commissioner and his staff to run their business in such a manner that it will pay its way and not bring upon the State heavy deficits year after year. If there is any country in the world able to establish prosperity, it should be Australia, and especially Queensland. We have every natural advantage to do so; we have the climate, we have the soil, and we have the mineral resources. We also have the men, if we would only resolve that we would depend ourselves and upon our own efforts, and not upon those overseas, to whom we have gone far too often to lend us their savings to carry us on.

Mr PEASE (*Herbert*): The hon. member for Ipswich commenced his speech this afternoon by a reference to interest rates and to the speech of the Leader of the Opposition in this debate. Neither the Leader of the Opposition nor any other member of the Labour Party has advocated the repudiation of interest payments; and in this connection I would like to remind the hon. member for Ipswich and other hon. members that there is nothing new in the matter of repudiation of interest payments. At the same time, it has never been advocated by the Labour Party.

I would remind them that in 1896 an Act of Parliament was passed both in Great Britain and in Queensland reducing the rate of interest on Queensland National Bank and the E., S., and A. Bank stock to 3 per cent. That was not done because of any desire of the shareholders to get less interest, but because the financial position of the day forced the Queensland National Bank and many other Australian banks into liquidation. Not only did they do that, but in 1893 they closed down on the bank deposit holders, and compelled them to convert their deposits into stock bearing interest at 3 per cent. There hon. members have an analogy to what is transpiring to-day. The financial position of the world, and more particularly Queensland, at that time forced two great banks not only to approach the Government of Queensland, but also the Government of Great Britain, asking for a reduction in the rate of interest without asking the approval of the shareholders—who, as the hon. member for Ipswich pointed out, are distributed over a large number of people—

they never went to the shareholders to ask them whether they were satisfied to have their rate of interest reduced. That Act was passed, not by the Labour Party, but by the good old Tories of that day, because the circumstances demanded it.

Now, because Labour throughout the world says that it is not going to stand under this great burden of interest which we are called upon to bear to-day, we are called repudiationists and all sorts of things. I would ask hon. members opposite, before setting out to accuse the Opposition as they are doing, to throw the searchlight upon themselves, who are the good old lineal descendants of the old-time Tories. There is no difference between them. Without asking the permission of the poor unfortunate depositors, the Queensland National Bank approached the then Government to pass an Act of Parliament to force them to accept 3 per cent. for their interest.

I notice, too, that most hon. members opposite who have addressed themselves to the Financial Statement have not stood up to the burdens imposed by the Government since they assumed power, but, on the other hand, have attempted to create smoke screens. The hon. member for Ipswich was one of those members. The great smoke screen which they have been endeavouring to create is that the burden they were asked to take over from Labour was a great one. They state that Labour left the Government a tremendous burden of debt, and, because of that burden, they were compelled to deflate public servants and reduce the rate of wages in Queensland. Why, there is nothing further from the facts! What burden did the Nationalist Government leave when Labour assumed office in 1915? The schoolmaster member for Stanley gave us a great lecture, but he did not learn his lesson properly. Every hon. member opposite who has addressed himself to the public debt has started off on wrong premises. The hon. member for Oxley, the hon. member for Ipswich, the hon. member for Gympie, and even the lady member, whom the Government sent out to test the views of the public on their legislation—and sent her out unsupported—erred in this respect. The action of the Government in sending out the hon. member for Bulimba to see how the electors viewed their legislation was most cowardly. They sheltered themselves behind that lady's skirts. When she addressed her meeting at Morningside, they should have supported her instead of allowing her to take responsibility for the full effect of all the Government's wrongs. When dealing with the public debt, those hon. members said that, when Labour assumed office, the public debt of Queensland was £56,000,000. I want to correct them. Why that amount is stated is because that well-known writer "Searchlight" said that was the amount. He issued a book just prior to the last election, and handed it around to every Nationalist speaker. It bristled with inaccuracies. This is one of the greatest inaccuracies with which it bristled. When Labour took over the Government of this State, the public debt was not £56,000,000, but £62,153,815—a difference of a little over £6,000,000.

Of course, the Government are not concerned with £6,000,000; but I would remind hon. members opposite that it is most unfair, when talking about the public debt of Queensland, to do as the schoolmaster member for Stanley does—try to show that

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Government members know all about the figures and that Opposition members do not.

It may interest hon. members opposite to know that at page 213 of "Hansard" for last session the Treasurer, in answer to a question asked by the hon. member for Queenton as to the public debt of Queensland on 30th June, 1915, replied that the amount was £62,153,815. It would be well, therefore, for hon. members opposite, when next they speak about the public debt as at the date when Labour assumed office in Queensland, to refer to the correct figure of £62,000,000, and not £56,000,000, as has been erroneously stated in this Chamber. I would suggest that the schoolmaster member for Stanley conduct a class, and give hon. members on the Government side the proper copy, and, if they do not then make their speeches correctly, that he cane them.

Mr. KENNY: What was the public debt when you left the Treasury benches?

Mr. PEASE: I am glad that query has been raised, and I am also pleased that the Treasurer is present to-day, because he is the gentleman who should assume the responsibility for that debt. Not only did the hon. gentleman's Government leave a debt of £62,000,000, which had to be assumed by the Labour Government in 1915, but, instead of making as many conversions as possible before the war when money was cheap, the hon. gentleman did not provide one penny for redemption. Yet hon. members opposite talk in glowing terms of the wonderful financier who exists in the person of the present Treasurer, although he is the hon. gentleman who left this tremendous burden and made no provision for repayment. The Treasurer is the gentleman whom hon. members opposite put back again to mishandle the finances of Queensland. It is his debt. Surely hon. members opposite realise that Labour had to pay interest on that debt for fifteen years! It is all very well for the Treasurer to talk about the burden of interest imposed upon him; but he forgets to mention the burden of interest on £62,000,000 which was borne by Labour in respect of debts incurred prior to their accession to office. Surely hon. members opposite realise that interest on that sum is approximately £3,000,000 per annum; so that for fifteen years the Labour Government have been paying that interest out of the funds raised from revenue. (Government dissent.) If the Labour Government have not paid it, then who has paid it? Hon. members opposite may protest; but the fact remains that for fifteen years the Labour Government had to assume the responsibility for interest payment on a debt of £62,000,000 which had been incurred by Governments composed of members with views similar to those of hon. members opposite. If the matter is closely scrutinised, it will be seen that the debt of £62,000,000, added to the amount of interest payable during the fifteen years of Labour Government, is almost equal to the total public debt of Queensland to-day. I suggest that the hon. member for Stanley, when he forms his class for the tuition of hon. members on the Government side, should quote the Treasurer's financial tables.

Of the total debt which was left by Governments in the past, loans to the extent of £54,000,000 have not yet been converted. On 1st July last the Treasurer had to con-

vert a loan of £3,000,000 which was raised in 1890. The hon. gentleman did not mention that fact when he spoke about the great burden that was imposed upon him. That loan had nothing whatever to do with Labour; it was the Treasurer's own debt, to the extent that it was incurred by a Government similar to that in power at the present time.

In seven years—from 1921 to 1928—Labour converted £44,250,000 of public debt; and the greater proportion of that amount was in regard to loans which Nationalist Governments spent. It is no use hon. members on the Government side [3.30 p.m.] hiding behind this smoke screen, because no Government in Australia was in a better position when they took office than the Queensland Government. We left the Government £5,000,000 in cash—not paper money—and they had that amount of money. And what did they do with it? Instead of looking after the people in our own State, they loaned it to the other States to find work for their unemployed.

There is something else the Treasurer has not told us about. The Treasurer is a great man—"if he could only tell us." The trouble is he will not tell us the things he should tell us. If we look at the Financial Statement which he has given us to consider, it will be seen that he received £1,014,000 last financial year from the Commonwealth Savings Bank deposits. For many years when we were on the other side we had to listen to the hon. gentleman telling us what a terrible thing it was for Queensland to combine the State and Commonwealth Savings Banks, and he felt sure it would be bad for the finances of the State. The pity of it is that he happened to be the Treasurer when the State got a windfall of over £1,000,000 from that very arrangement made by the Labour Government. He should be ashamed of himself to take that £1,000,000. What he should have done with it was to keep Queensland men in work instead of loaning it to the other States to keep their men in work at the basic rate of wage, while the Government made the workers of Queensland work at starvation rates.

Several other hon. members on the other side, and particularly the hon. member for Toombul, in addressing themselves to the question talked about the Labour Government as being a "boom, borrow, and burst" Government. Again they should bring in that schoolmaster—I am sorry he is not here, because the necessity exists for the hon. member for Stanley to form a class on the other side and get them to study the figures and not take the figures given them, which, as I have pointed out, are incorrect. If they read a book which was handed to them recently on Australian statistics, they will see that on page 102 there is published in tabulated form a list showing the net loan expenditure of all the States of Australia. It gives the expenditure for the three years 1925-7 to 1928-9. The expenditure for that period was—

	£
"New South Wales ...	39,078,971
Victoria ...	24,568,864
South Australia ...	13,493,077
Western Australia ...	13,165,583
Queensland ...	8,939,116 "

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Queensland was the lowest of all the States. What is wrong with that? Hon. members opposite charge Labour, when in office, with being a "borrow, boom, and burst" Government; yet, according to the Commonwealth Statistician, of all the States of Australia Queensland spent the least amount of loan money during the last three years. What hurts me about it more than anything else is that on 16th September Sir Stanley Argyle, speaking in Melbourne on the financial crisis, said—

"Victoria is suffering from the extravagances of other States and the tremendous over-borrowing of Queensland, South Australia, and New South Wales."

What arrogance for a man to talk like that when his own State was loaned money by our present Treasurer to keep its people in work! He told the people of Victoria what is not true—that the situation of Australia was aggravated by Queensland over-spending borrowed money; yet his Government, when in power, were enjoying money loaned to them by the State of Queensland!

These figures prove conclusively that of all the States in Australia Queensland was the only State which handled her finances properly. That is proved by the position in which we left the present Government.

The following figures show the position. The excess of loan expenditure in four States for these years was as follows:—

	£
New South Wales ...	30,139,855
Victoria ...	15,629,748
South Australia ...	4,553,961
Western Australia ...	4,226,467

This is the point I want to make: In the last three years that Labour was in office South Australia and Western Australia—small States—expended £4,553,961 and £4,226,467, respectively, more than did Queensland in loan expenditure, showing that no State in Australia conserved its finances like Queensland did. We had to come to the rescue of South Australia and Western Australia; yet hon. members opposite tell us we have been a "boom, borrow, and burst" Government. In addition to that, as I have pointed out, for years past South Australia, Western Australia, and Tasmania have been receiving grants from the Commonwealth Government—not loans, but grants of big sums of money—and the people of Australia have had to foot the bill, and Queensland has had to share the burden. I have shown that during the last three years of Labour rule in Queensland South Australia spent £4,553,961 and Western Australia £4,226,467 more loan money than we did.

MR. NIMMO: You have proved it to your own satisfaction.

MR. PEASE: The hon. member deliberately misquoted the debt of Queensland by £6,000,000.

I have also noticed during the debate that certain aspersions have been cast on our late Premier and Treasurer, Mr. McCormack. The hon. member for Toombul and other hon. members quoted certain remarks of Mr. McCormack when delivering his last Budget, as much as to say, "If Labour was still in power, it would do exactly what we are doing—reduce public servants' wages." This is what Mr. McCormack said with

regard to loan funds, as reported in "Hansard," 11th September, 1923, page 608, when delivering his last Budget—

"Provision has been made for loan expenditure amounting to £4,343,668, which is £305,000 in excess of the sum expended last year.

"I am still of opinion that an extremely cautious policy is essential as regards the expenditure of loan funds, but there will be no cessation in the progress on approved works."

Then on page 609 he says—

"A special deduction from the salaries and wages of Government employees, or the imposition of additional taxation, are the usual methods adopted for liquidating a Budget deficit. Neither of these methods commends itself to the Government in the existing circumstances. It is considered that to impose further taxation at the present juncture would not be prudent, as to do so would seriously retard recovery from the period of depression through which the State is passing."

There we have Mr. McCormack laying down the policy of Labour, which he would have continued had we been returned to power; but, unfortunately, the people of Queensland, gulled by the posters circulated by hon. members opposite promising to find £2,000,000 for 10,000 jobs for the workers, listened to them and were deceived, and here is the result. Had we remained in power, we would have continued our loan policy, and Queensland would not have been in the position she is in to-day. What is the Treasurer doing to-day but aggravating the position?

Last year he short-spent £500,000 of the amount appropriated from loan funds by this House. Certain hon. members opposite said the previous Government did it. That does not matter. We never sacked any men engaged on loan work. This Government sacked over 2,000 men engaged on railway construction—put them right out of work—and now they are carrying out all loan work out of the pennies of the poor unfortunate washerwomen of the State. That is why Queensland is suffering to-day.

Take this year! This year alone the Treasurer is not keeping up to his loan appropriation. For the three months of 1929—July, August, and September—he spent £697,353, whereas for the corresponding three months of this year he has spent only £320,165. Western Australia—that State which is practically insolvent and comes to Queensland for assistance—

MR. EDWARDS: That is not true.

MR. PEASE: When the Premier and the Treasurer came back from the conference, they told us how bad the position was in South Australia and Western Australia. Western Australia, in spite of its bad position—as instanced by the fact that Queensland had to bolster it up with loan money—spent £300,000 of loan money during the three months I have mentioned while Queensland was spending £320,000.

A GOVERNMENT MEMBER: Why do you not stick to facts?

MR. PEASE: Get up and show where they are not facts. The Treasurer said last year—practically—that, if any hon. member could

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show him a sound proposition which would return interest and redemption and keep men at work, he would find the money; but he will not do that.

The TREASURER: That is absolutely incorrect.

Mr. PEASE: It is not incorrect. I have myself gone to the Treasurer for loan moneys for shire councils—Innisfail and Tully—and he has told us that he has not got the money. I will admit that, so far as Tully was concerned, the hon. gentleman said that, provided they could get the money outside, he would guarantee the loan; but he knew that we could not get the money outside.

The TREASURER: I am afraid that was due to the person leading them.

Mr. PEASE: I never went near the Australian Mutual Provident Society. The person who went was the delegate who went to the Treasurer, and he went armed with the authority of the Treasurer—not mine. At least £1,000,000 of loan money could have been spent in Queensland on works that would have been reproductive, and that expenditure would have kept men in work. Instead of that, what has happened? Not only the workmen but the business people of the State and the Treasurer's Budget also are suffering.

Now I want to deal with the question of the Australian Loan Council, because we have had already some controversy on the matter. On page 1672 of "Hansard" for 13th December, 1927, the late Premier, Mr. McCormack, when moving the second reading of the Commonwealth and States Financial Agreement Ratification Bill, said—

"It is a group of men brought together, without any political interests for the time being, to do the best they can for the whole of the Commonwealth, while seeing that their own individual States are not unfairly or unjustly treated."

And on page 1676 the present Premier said—

"It appears to me that the Loan Council suggested that there should be a curtailment of borrowing; but, if the suggestion is that we can go along as we have done during the last few years, and Queensland has to get its quota based on the average of the last five years . . ."

That is the point I want to make. The present Premier, when debating the Bill which established the Loan Council, saw the point we are now discussing. Queensland was to be entitled to its quota based on its spending for the last five years. But, when the hon. gentleman went to the Australian Loan Council meeting, he did not stand up for that principle. He tells us, in effect, that it is not correct. It is correct. Every State is entitled to its quota, based on the average for the last five years. Whether it gets it or not depends on whether it wants it. Both the Premier and the Treasurer said that they did not want loan money, and they did not get it. This is what the present Treasurer said at page 1679—

"I take it that every person representing us on the Loan Council is a Queenslander first, and in representing his country he is not sacrificing its best interests simply because someone else says, 'Do it!'"

Niemeyer said, "Do it!" and what did the Treasurer do? He sacrificed his State,

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because not only did he not ask the Loan Council to give him Queensland's quota, but he did not spend the money that he could have spent, and to that is due to a great extent the position in which Queensland is to-day. Then he added—

"I take it that he will stand up for what is best in the interests of Queensland. If I were the representative of the State, that would be my attitude."

But how did he fall down on the job? What sort of a representative of the State was he? Reading that speech of the Treasurer when the Bill was before the House, one would naturally assume that the first thing he would think of was Queensland, and of Queensland men and women who are starving to-day, because hon. members opposite are starving their own people. Queensland people are unable to pay their way and have to "sack" men and have to put up the shutters in many cases because the Government adopt this policy! Rather than think of them, the hon. gentlemen opposite listen to this Niemeyer. He is entitled to put his case; but, instead of standing up for Queensland, as the Treasurer said he would, he fell down on the job.

If ever there was a Budget presented to the Parliament of Queensland which showed a record of bungling, it was the Budget introduced into this Parliament last year. These figures show by how much the amounts appropriated by Parliament were underspent by the Government—

				£
Loan Fund	...	...	...	525,541
Trust Fund	...	...	...	540,436
Revenue	...	...	...	314,829
Total	...	...	...	£1,378,806

What a colossal difference between the amount appropriated by Parliament and the amount actually expended by the Government! Last year the Treasurer anticipated a deficit of £176,142, but the actual deficit was the record of £722,484. If we add together the big sum underspent and the actual deficit last year, we arrive at a figure of over £2,000,000. Then we must remember that the Treasurer did not tell us all he knew; for he did not tell us how much the Government received from the State enterprises that were given away or disposed of. I take it that the sum of £600,000 was received from this source, so that, in all, last year's Budget was nearly £2,500,000 wrong. The excess of expenditure over receipts for the months of July, August, and September this year was £866,363 which, in comparison with the figure of £703,568 for the corresponding three months of last year, shows an excess for this year of £162,795. The point that I am trying to make is that the policy of the Government is all wrong. Their depression complex and their refusal to expend the amounts appropriated by Parliament are causing stagnation in Queensland. Go to any city or to any town and inquire from business people as to their prospects, and they will readily say that they have found it necessary to dismiss hands or to place hands on short time because the spending power of the community has been seriously diminished. Instead of receiving thousands of pounds, many businesses are not receiving hundreds—all because of the depression complex of this Government. The Government

has been responsible for other people "buttoning up" and the result is stagnation throughout Queensland.

Let me refer to the "Telegraph." By the way, I notice that the "Courier" is carrying the mantle of the official organ for the Government, the "Telegraph" evidently having become disgusted with the Government. My old friend "Bunchy Top," or rather "Searchlight," has become disgusted; but, give him his due, he can handle figures. Referring to the Budget delivered by the Treasurer this year, the "Telegraph" says that the Treasurer has shown a saving of 3½d. in the £1 from consolidated revenue! Let me draw attention to that remark—3½d. in the £1 from consolidated revenue! The hon. member for Mount Morgan has already pointed out that the Government are the "threepenny Government"—the Government who deal in threepenny pieces. They have taxed the washerwoman, the children, and others in menial positions to finance their loan operations. The Treasurer shows a saving in the Budget of 3½d. in the £1 from consolidated revenue, but again, according to the "Telegraph" this vanishes when we examine the trust funds and the increase in taxation amounting to 3s. 4d. in the £1. The Government came into power pledged to give work to the workless, and pledged to reduce taxation upon industry in this State. From start to finish the policy speech of the Treasurer contains all these pledges. He promised to give work to the people—to the boys and girls, to the men and the women—and to reduce taxation upon industry; but one of the organs supporting the Government, which boomed them up when they went to the country, is now pointing out that taxation is to be increased by 3s. 4d. in the £1. That is another matter which is seriously affecting this State.

When introducing his Budget the Treasurer pointed out that this was the most difficult time in the financial history of Queensland; but I would refer the hon. gentleman to the Commonwealth "Year Book" containing statistics showing the value of the assets of the associated banks of Australia to 30th June, 1930. It is well that we should ascertain the financial position of the country by perusing the value of the assets of the associated banks of Australia. That is the proper record to look at; for, if the financial position is bad, then the banks should disclose it, as they are interested on a big scale financially. The Commonwealth "Year Book" disclosed that the value of the assets of the associated banks of Australia, excluding the Commonwealth Bank, was £359,449,000, and the total liabilities £291,110,000, or an excess of assets over liabilities of £68,339,000. I want to point that out to hon. members opposite, and drive it home.

When the Government talk about the most difficult financial position of Australia, they must not forget the fact that the banks of Australia, excluding the Commonwealth Bank, show a record surplus of assets over liabilities. The surplus of assets over liabilities possessed by the banks for 1929-30 was £68,339,000, whereas for 1928-29 it was only £36,000,000. In 1928, when Mr. McCormack delivered his last Budget Speech, he said that his Government was budgeting for £4,350,000 of loan money. He also stated

in that speech that his Government would not reduce wages of wage-earners generally, and that they would not reduce the salaries and wages of public servants. The amount of loan money Mr. McCormack proposed to spend was less than the amount budgeted for by any Government in Australia; yet the surplus assets of those banks were £26,248,000 as against £68,339,000 this year.

The TREASURER: The figures you gave with respect to the last three years' loan money spent by your Government were not correct. You said that for the last three years your Government spent £8,000,000 loan money.

Mr. PEASE: I quoted the authority for my figures.

Mr. NIMMO: It is nothing for the hon. member to be 20 per cent. out in his figures.

Mr. PEASE: That is the stock-in-trade argument of hon. members opposite when we drive our case home. I challenge any hon. member to show that my figures are not correct. I have taken my figures from page 102 of the Commonwealth "Year Book." I challenge any hon. member to tell me that those figures are wrong. This is why the Treasurer is squirming: In 1928 the financial position of Australia, as disclosed by the banks, was that there was a surplus of assets over liabilities of £36,248,000, whereas this year the assets are a record for Australia. There is £32,000,000 more money in the banks this year than during the last year Labour held office in this State. Yet the Government talk about the difficult financial position! Take the figures of the life assurance companies, which are another reflex of the financial position of Australia. In fact, the banks and assurance companies are the great pulse of the financial position of Australia. What do they show? The funds of the life assurance companies for the last four or five years have been increasing at the rate of £9,000,000 a year. Yet the Government talk about the difficulties of the financial position of the Commonwealth and States!

Take the assets of Queensland. The figures of the Income Tax Department, as set out by the Commissioner of Taxes, give the earnings of the taxpayers of Queensland. The gross earnings for last year are given as £70,000,000—the greatest amount ever earned in the history of Queensland. The Labour Government handed over to the Government the greatest assets in the banks, the largest surplus of assets over liabilities, and the greatest earning power of the people of Queensland.

Mr. BUTLER: And the greatest deficit.

Mr. PEASE: The Labour Government did not hand over the greatest deficit. The greatest deficit was when the Tory Government handed over the Treasury in 1915. The Government cannot get away from the position, notwithstanding that it is their only excuse to the people for reducing wages and proposing another cut in the salaries of public servants as indicated by the hon. member for Burnett, for starving the women and children of Queensland, and for undertaking sewerage and railway works on relief funds established by the pennies of the people.

The earning capacity of the people of Queensland, as proved by the figures of the Commissioner of Taxes, was £70,000,000 last year, which is a record for Queensland; yet we have the Treasurer coming into this Chamber and defending his cutting down of

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loan expenditure by saying, "Look at the condition of Queensland!" Why, the position of Queensland was never better, and the condition of the banks was never better! Yet the Government are fooling the people to-day, just as they fooled them at election time.

One matter with which I particularly desire to deal is the unfair burden which has been placed on Queensland by the depression complex and the financial proposals of the Government. The following figures show the amounts raised in respect of two recent Commonwealth loans:—

	£
November, 1929 ... ..	10,002,980
June, 1930 ... ..	12,442,680
	<u>£22,445,660</u>

It is interesting now to view the allocation of that money among the Commonwealth and the States—

	£
Commonwealth ... ..	3,836,660
New South Wales ... ..	5,199,000
Victoria ... ..	6,098,000
South Australia ... ..	3,627,000
Western Australia ... ..	3,115,000
Tasmania ... ..	570,000
Queensland ... ..	Nil
	<u>£22,445,660</u>

Not one penny was allocated to Queensland. A comparison of the contributions to and the allocations from these funds reveals the following figures:—

State.	Contribution.	Allocation.
	£	£
New South Wales ..	7,343,620	5,199,000
Victoria ..	7,341,230	6,098,000
South Australia ..	1,828,720	3,627,000
Western Australia ..	527,980	3,115,000
Tasmania ..	541,130	570,000
Queensland ..	2,475,640	Nil

It will be seen that, although Queensland contributed £2,475,640, she did not receive one penny; yet we have the Premier and the Treasurer saying that they stood up for Queensland at all times.

GOVERNMENT MEMBERS: Of course they did.

Mr. PEASE: I will now show how Queensland carried the greatest burden—

<i>Excess Contribution over Allocation.</i>	
	£
Queensland ... ..	2,475,640
New South Wales ... ..	2,144,620
Victoria ... ..	1,243,230

The following States received benefits:—

<i>Excess Allocation over Contribution.</i>	
	£
Western Australia ... ..	2,587,520
South Australia ... ..	1,798,280
Tasmania ... ..	23,870

In addition, Commonwealth grants were made to—

	£
South Australia ... ..	360,000
Western Australia ... ..	300,000
Tasmania ... ..	250,000

The point I wish to make is that Queensland is carrying the greatest burden of any

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State in the Commonwealth so far as the present financial depression is concerned. Surely New South Wales and Victoria should not be carrying a lighter burden than that of Queensland! It would appear from the following population figures in the respective States that Queensland is carrying a very heavy burden:—

Credit States—	Population.
Queensland ... ..	934,643
New South Wales ... ..	2,483,465
Victoria ... ..	1,783,649
Debit States—	
South Australia ... ..	580,249
Western Australia ... ..	417,423
Tasmania ... ..	215,969

I will take the taxation point of view to show that Queensland—the business people and everyone else—is again standing up better to this burden than any

[4 p.m.] other State. According to the Commonwealth "Year Book" for 1929 the taxation per head in the various States amounts to—

	£	s.	d.
Queensland ... ..	5	19	6
New South Wales ... ..	5	1	8
Victoria ... ..	4	2	5
South Australia ... ..	6	10	2
Western Australia ... ..	3	17	1
Tasmania ... ..	5	5	1

I have proved that on a population basis and on a taxation basis the Premier and the Treasurer have allowed Queensland to stand up to a greater burden in this financial depression than any of the other States. What annoys me is that the Government sacked 2,162 men from railway loan work, and they are now carrying out their loan work from the unemployment relief tax. They are taxing the inmates of Dunwich, and taking away the little tot of rum from the old people there. They taxed the women and children; they have carried out railway construction, main roads, and sewerage works at relief work rates. They are doing local authority work on relief funds. The other day the Brisbane City Council refused to accept relief funds to carry out the sewerage works, but now the Government are forcing them to do it, while up North they will not allow the local authorities to subsidise relief funds. They have taken away the eight-hour day and reduced sustenance benefits. They have reduced workers' compensation; reduced aboriginals' pay; they have reduced subsidies to hospitals; reduced the subsidy to ambulances; reduced the subsidy to schools of arts; reduced the allowance for State children; reduced the fees to jurors; reduced the fees to witnesses. They have forced tradesmen engaged on Government works to take less than the basic wage. They are taking away the scholarship benefits from the children. They dismissed part-time teachers, and we have had railway retrenchment. They have outlawed from the Industrial Court the rural workers, pastoral workers, and miners. They have reduced the public service three times in four months. For the benefit of the Treasurer, I wish to compare sound and unsound business methods. Here in the Valley we have a firm like McWhirters—

Mr. BUTLER: You are not an authority.

Mr. PEASE: McWhirters are an authority. You have a firm like McWhirters spending money, and a little further along you

have a firm shutting up and McWhirters selling their stock. That position has been brought about by bad finance. There is no doubt that the workers of Queensland are suffering because of the Government's policy, and undoubtedly Queensland is bearing the greatest burden of any of the States of Australia. There was no necessity to cut down this loan expenditure. Queensland could easily have continued a fair loan expenditure. We were the only State left with money; and, instead of spending that money, the Government loaned it to the other States. The Government ought to be ashamed of themselves for lending that money to the other States to keep men in work at the basic wage while in Queensland men, women, and children are starving. Never before in the history of Queensland has such a position occurred. I landed here many years ago, and I never saw soup kitchens in Queensland before, and I never saw people starving. Now we hear people saying, "Here is a Government which has taken away the children's milk." I say deliberately that the Government's policy is wrong. The Government, by their policy, deliberately lost £750,000 of the £5,000,000 that Labour left in the Treasury. Had they gone on spending loan funds and kept men in work and given business people a turnover, they would not have had the deficit of £723,185.

We told the Government last year, when they were budgeting like they now are, that their policy would lead to disaster in Queensland—and so it has. Where did they get that £723,185 which they have lost? It came out of the £5,000,000 Labour left them.

The Government are a Government of excuses. Every Government member has excused himself, and tried to throw some mud at Labour's policy in the past. (Government interjections.) Do hon. members opposite tell me that, if I were Treasurer, I would have left Queensland in the state it is in? They have reduced the allowances to State children. I would not have "sacked" men; I would have stood up to the promise I made to give the boys and girls a chance. Where can the boys and girls get a chance to-day? I could find 1,000 boys and girls within a stone's throw of Brisbane looking for work; but where is it? It is all through the Government's bad policy. They should have kept up their loan policy and spent more in reproductive work. By their deflation policy they have put Queensland into a very bad state. (Government interjections.)

The CHAIRMAN: Order! I must ask hon. members on my right to refrain from interjection, as it is very difficult to hear the speaker.

Mr. PEASE: I thank you, Mr. Roberts, because it is hard to speak while so many interjections are taking place.

The depression complex has ruined Queensland. We have Professor Gregory, who came with Sir Otto Niemeyer, telling us that we should not save our money now. The Government listen to Sir Otto and quote him, but they do not quote Professor Gregory. A paper written by Professor Gregory was read before a big congress in London, and he said that now was the time for people to spend. The Government take notice of Sir Otto Niemeyer because he said wages should be reduced; but they are not talking about his colleague—Professor Gregory—because it

does not suit them. I would again remind the Treasurer that Professor Gregory said, "Now is the time for you to spend money." It is an absolute shame that Labour should conserve the finances of Queensland and leave the Government with £5,000,000 loan money, and that the Government should deliberately waste £723,185 by losing it—the deficit has to be taken out of that—and lending a large part of the balance to the other States. Queensland is bearing the biggest burden of any State in Australia. Will any hon. member opposite say that Queensland should bear a bigger financial burden than New South Wales or Victoria? Yet that is what the Treasurer says we should do.

I want to discuss the boggy of the Loan Council and to deal more particularly with the hon. member for Nundah. This is what the hon. member said on 16th July—

"It was decided by the Loan Council that not more than £2,750,000 of loan money should be expended by the State of Queensland for the financial year ended 30th June, 1930. We had not the power to expend any sum in excess of that."

If we take up the Queensland Statutes, we find on page 11860 the following provision:—

"Each State shall be entitled to have allocated to it a sum (being a portion of the balance of such amount) bearing to the balance of such amount the same proportion which the net loan expenditure of that State in the preceding five years bears to the net loan expenditure of all the States during the same period: Provided that any State may, if it so desires, have allocated to it a sum less than the sum to which it is entitled under this subclause or no sum, and that, when a less sum or no sum has been allocated to any State or States in manner aforesaid, the amount then remaining available for allocation shall be allocated to the other States in the proportion which the net loan expenditure of each of such other States in the preceding five years bears to the net loan expenditure of all such other States during the same period."

What happened? The Premier and Treasurer went down there. It was their duty to ask for that proportion, but they did not want it, and they agreed to our not getting it.

I am going to show how the Treasurer and the Premier excused themselves during the debate on the Address in Reply.

The Treasurer, in his Budget Speech last year, as reported on page 546 of "Hansard" of 25th September, 1929, said—

"As I stated when referring to the Loan Council, the Commonwealth and the States have been compelled to budget for very reduced expenditure from loan funds this year."

Then he talks about the May meeting—

"At the meeting of the council held during May, I submitted a programme considerably in excess of last year's expenditure. It being realised at this meeting that it would not be possible to raise sufficient loan money to meet the total requirements of the Commonwealth and States, reductions amounting in the aggregate to a large sum were agreed upon."

*Mr. Pease.]*

"Agreed upon"—the hon. gentleman's own words—they were not forced upon him. Then he goes on to say—

"A reduction of £150,000 was agreed to by me so far as Queensland was concerned."

Then he talks about the August meeting—

"At the August meeting the circumstances already mentioned enforced a further all-round reduction of 20 per cent., which was unanimously agreed to by the members of the council. This State's expenditure will consequently be curtailed to approximately £3,280,000."

This is what the Premier said when we challenged the statement—

"The loan expenditure shows £500,000 less than the first reduction. Under the second reduction Queensland's quota was brought down to £2,800,000, and we spent £2,811,000."

The Treasurer tells us distinctly in his Budget Speech—which is there for everyone to read—that, after the second reduction, there was £3,200,000. The Premier tells us differently. He tells us that the second reduction brought it down to £2,800,000. So, you see, hon. members opposite are a Government of excuses. They had no right to refuse to expend that money and to lend it to the Southern States in order to keep their men in work at decent rates of wages.

Then the Treasurer was very funny. He said—

"I challenge any hon. member to quote from the minutes of the Loan Council to show that the allocation to each State was not definitely decided upon."

Then we asked the Treasurer to table the minutes of the Loan Council's meetings, or that we be allowed to see them; but he told us that he could not do it because it had been agreed upon that they should be confidential. I notice, however, that members of Parliament in the other States have access to them. I notice that every member of Parliament in one State was taken into the confidence of the Treasurer with regard to the minutes of the Loan Council. I say, therefore, that the Premier deliberately misled the House in his speech on the Address in Reply when he said that £2,811,000 was the amount.

The SECRETARY FOR PUBLIC INSTRUCTION: Do you say that the Premier deliberately misled the House?

Mr. PEASE: I say he deliberately did it.

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. R. M. King, *Logan*): Mr. Roberts, I rise to a point of order. Is the hon. member for Herbert in order in saying that the Premier deliberately misled the House?

The CHAIRMAN: The hon. member is not in order, and I must ask him to withdraw.

Mr. PEASE: Well, I say—

GOVERNMENT MEMBERS: Withdraw!

Mr. PEASE: I withdraw; but what is the inference? I say that the Premier misled the House, because he stated distinctly—

The PREMIER: What did I say?

[*Mr. Pease.*]

Mr. PEASE: The hon. gentleman was dealing with the Loan Council, and he said—

"The loan expenditure shows £500,000 less than the first reduction. Under the second reduction Queensland's quota was brought down to £2,800,000, and we spent £2,811,000."

Listen to what the Treasurer said in his Budget Speech—

"At the May meeting I agreed to bring it down to a certain amount."

Then he goes on to say—

"At the August meeting I agreed to another 20 per cent. reduction, and that left £3,280,000."

How can you reconcile those two statements?

The PREMIER: After that there was another meeting.

Mr. PEASE: What was the date of it? There were only the May and August meetings. The Budget was brought down in September. (The hon. gentleman cannot be correct.)

The PREMIER: I am correct.

A GOVERNMENT MEMBER: You are wriggling.

Mr. PEASE: I am not wriggling—the Treasurer is wriggling. The Treasurer says one thing and the Premier another. Hon. gentlemen opposite are determined to take it out of the workers of Queensland. They are determined to adopt a wage-reduction policy by imposing the greatest financial burdens on the people of Queensland. I say that they are deliberately a wage-reduction Government. That is their policy—first, last, and always—although they were elected first of all to "give every boy and girl a chance"—first of all, to find 10,000 jobs.

A GOVERNMENT MEMBER: Now we shall have it all over again.

Mr. PEASE: Yes; and it is necessary to say it over and over again. The Government have deliberately put Queensland into a position in which she has to carry a greater burden than any of the other States in Australia. The Government have done this for the sole purpose of reducing wages. That is their only policy. The Government are allowing the babies of Queensland to starve through the lack of adequate milk because of their policy. I could show hundreds of women within cooee of my voice whose children are starving to-day because of the rotten deflation policy of the Government. The Government have betrayed the trust, not only of the working people, but also of the business people of Queensland. If they continue their present policy of deflation, their intention to restrict the expenditure of loan money, and to carry on loan works from relief taxation, not only will the Treasurer conclude the present financial year with a deficit of £750,000, but he will reach £1,000,000, as anticipated by some of his own supporters. The Government have shown the results of their bad management, and the sooner the people of this State hurl them into political oblivion the better.

Mr. G. P. BARNES (*Warwick*): Once more we have listened to one of those strange, extravagant speeches that are frequently delivered by the Deputy Leader of the Opposition. If the aspirant to the high

office of Treasurer of Queensland in the person of the hon. member for Herbert attains to that important office and he carries out his extravagant ideas either fully or to any degree, then it will be pity help Queensland! The end will not be far off. I thought the hon. member was a more decent man than he is. To say the least, the utterances by the hon. member are incorrect. Queensland was not in an acceptable financial position as a going concern—as the hon. member would have us believe—when the present Government were returned to power. The Nationalist Government bequeathed to the Labour Government in 1915 a State which could be described as a going concern; but the Labour Government, with their profligate ideas, soon brought about the things that obtain to-day.

At 4.19 p.m.,

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

Mr. G. P. BARNES: The hon. gentleman referred to the fact that the public debt in 1915 was £62,000,000; but he failed to tell us what has happened since in connection with public expenditure. Immediately the hon. member spoke on this subject this afternoon, I turned up the actual facts showing the return to the Treasury from the money expended.

When the Labour Party came into office in 1915, the charge against revenue in connection with public expenditure was £266,372 for that year; but the Labour Government entered upon so many works that failed to be reproductive—in other words, they wasted the money of the country to such an extent—that at the end of their term of office, instead of only £266,372 being charged against revenue, the Treasury had to find £2,552,210. If hon. members want any proof of maladministration, they have it there.

The late Government expended £50,000,000 of loan money, but failed to expend it in such a way that it would be reproductive. We can understand from the remarks made by the hon. member for Herbert that the expenditure of loan money would not be stopped if they were again returned to power. Why, the very thing that was on his mind when he sat down was expenditure, expenditure! That policy would be continued had they been again returned to power. We can only say, "Woe betide Queensland if the lavish expenditure indicated by the hon. member, who is evidently an aspirant for office by and by, is continued!"

The hon. member also failed to tell us how his Government multiplied taxation five times. There was not one word from him on that point. He did not tell this Committee other facts which are very patent, nor did he tell us how the expenditure per head of population increased from £10 12s. 9d. in 1914-15 to £17 19s. 3d. in 1929-30. It is in these matters that the wisdom of good or bad administration is reflected.

I want to correct another statement made by the hon. member. He referred to Sir Otto Niemeyer; and my hon. friend on my right indicated that he had come to Australia at the express invitation of someone. Straight out from the shoulder the hon. member said that he had not done so. What are the facts? I prefer to take what Mr.

Lyons, the Federal Postmaster-General, said on that matter—

"Mr. Lyons said that Mr. Theodore found difficulty in his way as Treasurer, and he had conferred with the British Government, which had consulted the Bank of England. Sir Otto had come to Australia at his own expense, and did not come as a bailiff. He did not tell the Government, or recommend, anything that the Government did not know. He approved of the Government's policy to try to pay its way. Sir Otto had certainly expressed opinions in favour of reducing the cost of production, but these were his views, and not the expressed views of the Government. The Government stood for all-round sacrifices, and not for wage reductions at the expense of the workers and to the benefit of other interests. When Sir Otto returned to Australia he would investigate the question of reduced interest."

Hon. members can see from that statement that Sir Otto came at the express wish of the late Treasurer of the Commonwealth. Yet we have a deliberate denial of that fact from the Opposition!

Mr. KIRWAN: He was sent out by the Bank of England.

Mr. G. P. BARNES: I hope that hon. members opposite will accept the statement made by Mr. Lyons that he was asked to come to Australia, and he did so. Sir Otto has been most moderate in his views. He has been discreet to a degree. The Commonwealth Government knew of the position we were in. It is a great pity that they have not altered the trend of things. If they had done so, the reverse conditions would have obtained.

There is one other matter in connection with the speech of the hon. member for Herbert to which I wish to refer. He led us to believe that Queensland is in a wonderful way. I thought when he was speaking that, if he would only refer to the hon. member for Gregory, that hon. member could have told him that those who formerly had been the greatest help to the country through income tax are now in a dire state of need, and are going down and down every day of their lives. It will take them pretty nearly an age to recover.

Mr. POLLOCK: They don't seem to be getting much help from this Government, unfortunately.

Mr. G. P. BARNES: They deserve help; and I think they will get it.

A comparison of the figures for 1925-26 with those for 1928-29 shows decreases in the values of the following primary products:—

	£
Wool ... ..	6,616,426
Wheat and by-products ...	1,074,441
Sugar ... ..	79,727

It would be well for hon. members opposite to remember those facts.

During these times we are faced with a position which, if not quite unique, has been in evidence only once before in the history of Australia, and it is pleasing to think that we have again witnessed in Australia that consolidation of political forces that was in evidence at the outbreak of the Great War. I do not say that there is any

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analogy between the two events; but I remember that on the outbreak of war there was a wonderful rallying of forces on the part of all political creeds when the late Mr. Fisher, the then Prime Minister of Australia, asked all sections of the community to stand shoulder to shoulder to meet the avalanche that was then descending. Strange to say, in this time of need and distress the Labour Government are again in office in the Commonwealth, and again they have summoned to a conference the Premiers of all the States in Australia. To make myself perfectly clear, I would point out to hon. members that standing side by side with the Labour Prime Minister of Australia we had the Labour Premiers of Victoria and South Australia and the Nationalist Premiers of New South Wales, Western Australia, and Queensland. There we had evidence of the Labour, Nationalist, and Country parties all combining to meet the difficulties of the hour. That difficulties existed was apparent, because all States were called together in conference in consequence of the difficulties to be faced. Those who were called did not hesitate for one moment. They came to a decision that they would adopt a common course of action in order to achieve success and to bring the Commonwealth and the various States back to prosperity. That is a wonderful thing to witness; and the only regret to-day is that some of those who were responsible for that promise are not carrying out to the degree that they should the intentions of the conference.

In every speech that we have heard from hon. members on the Opposition benches, with the exception of one, there has been no indication of one spark of sympathy or one degree of helpfulness coming forth. The exception is the Leader of the Opposition, who rose to the occasion. The responsibility of ministerial office had, no doubt, brought him to a realisation of the circumstances of the hour, and the hon. gentleman responded—as well he should. The misfortune is that this Parliament has not seen evidence that the hon. members who sit behind him are in line with the attitude adopted by the Leader of the Opposition, whose speech stands out in strange contrast to the speeches which have been delivered by the remainder of the hon. members opposite.

[4.30 p.m.]

Speaking the other day on this question, the Leader of the Opposition said—

“It is interesting in that connection to note that the chief difficulty of all the States in regard to the balancing of their Budgets is the large deficit shown in the various railway services of the Commonwealth due to the development of motor transport, causing a falling off in railway revenue. That indicates the need for an economic survey of the whole question of transport within the State, and the control of that transport in a manner which, while giving the best possible public service, will avoid undue duplication and overlapping, and will enable saving to be effected.”

He realised that something had to be done in connection with the railways. Then, when you come to the broad question which has engaged the attention of many hon. members during this debate, we find that

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the Leader of the Opposition took high ground. He said—

“The general financial position of Australia has an important bearing on the finances of the State. In his Budget Speech, the Treasurer dealt with the loan question, the loan indebtedness, and interest payments.”

He goes on to show what these difficulties are, and this is the crux of the whole position—

“Probably, taking a long view of the situation from the point of view of the general welfare and economic stabilisation of Australia as a nation, the establishment of the Loan Council as an integral part of the Constitution of Australia was a sound policy. I say that irrespective of the amount of interest payments that are made under the financial agreement to the various States. Whatever may be said about the interests of various States and the advantage that one may have because of natural economic features, the advantage that one State may have over another may be discussed from various points of view. Yet the fact is that, as a Commonwealth, we are all interested in Australia as a whole; and what affects one State must in the last analysis have its repercussion on all the States. When stabilisation is finally secured and the present difficulties disappear, Australia can go forward, pursuing a sound financial and economic policy, which will be in the interests of the true development of the nation on lines which will make for progress in a proper manner. I believe that the principle of unified control of finance is one that finally is of advantage to all concerned, notwithstanding that it may present difficulties occasionally from time to time due to advantages that at one time or another one State may have over another.”

What a fine thing, compared with the utterances we listened to just now! It shows how one man can take a broad national view of the matter while the other has only a cramped idea. Probably some hon. members on the other side can only see as far as their noses, if they can see so far as that. What would be the attitude of the Opposition if they were in power to-day? The condition of things would not have been different in any way. This depression would have come upon us, and surely the difficulties have been tremendous. Would they have imposed further taxation? If they had done so, they would have brought about greater distress.

Mr. McCormack took the right view in connection with this matter. It is easy enough to say that we should increase taxation. It is a very popular thing to get up and say, “Tax the other fellow!” But the time comes when, instead of taxation bettering the position, it actually makes it worse for the very men we wish to do a service. Hon. members opposite have said that they would remedy the condition of things that exist to-day, first, by the expenditure of more loan money, which would require greater taxation. Hon. members opposite have belittled every effort made by the Government to meet our present difficulties; but they have failed to indicate what is the wise thing to do.

Surely the time has arrived when we should be called together for the common purpose of meeting the existing extraordinary conditions! It would not be asking too much for these men to make suggestions which might help the country out of its trouble at the present time. A supreme effort is being made in order to meet the present difficulties, and we are told that a further sum of £700,000 is to be raised by taxation. That is going to have an ill-effect upon things; but we must remember that everyone is willing to bear his share of the burden required to be borne to improve the present financial condition.

I do not think the public servants feel that they should be immune from making some sacrifice in order to help the country at the present time. I have never met a public servant yet who has contended that he was being unjustly dealt with in connection with the sacrifice he is called upon to make.

Mr. HYNES: You have not read the official journal.

Mr. G. P. BARNES: That is the expression of opinion of an odd individual, and we cannot take it as gospel.

Mr. HYNES: It is the general opinion.

Mr. G. P. BARNES: I do not think it is the expression of the general mind of the public servants.

Our job is to try to restore confidence. We have to balance the Budget if we can—that is the first thing to do. One thing we should not have had to deal with are the arrears which have piled up. If in these days of extremity we can simply balance the Budget, the arrears might be funded at a low rate of interest by going to those who seem to show some degree of interest on the other side of the world.

I feel that we have to do something extraordinary in connection with the position. I do not think that the mere balancing of the Budget, if it can be balanced, is going to provide the real remedy we stand in need of; we have to do something better. I advocate that we should turn our attention with all our heart and soul to the land. We have a vast area of land available—428,000,000 acres. After giving the matter very much thought, I say that it would not be an unwise procedure for us to find means by which some portion of that asset could be turned into money; and, if we could only break the back of our indebtedness—if only by half—what a time of prosperity we would have in this country! We require a vision far greater than we have heretofore had—we want to develop the country. We want to feel that a mere 1,042,000 acres under cultivation is no good. We are told that we have 315,000 acres under wheat this year; but what it is? We might readily have 3,000,000 acres and more under wheat. I am aware from information I received the other day that, apart from the Darling Downs, there are other parts of the State which will grow wheat to an extent far beyond our dreams. We have to set out and do these things; and, if we only associate wheat-growing with sheep-raising and sheep-fattening, I am sure that, as they have succeeded in the South, so they will succeed in Queensland.

I have already made some remarks regarding the land, and I am going to add that the time is ripe for us to consider the doing of a big thing which is allied with the question of land settlement. It lies in a

direction that we have not contemplated for fifty years. Hon. members, of course, will tell me that railway construction is a dead letter. Of course it is, except for trunk lines. No one in his senses would dream of going on with railway construction now; and I am sure that we cannot construct railways on the scale we have done in the past. I believe, however, that the correct thing is to turn our attention to the building of that great north-south line connecting Darwin with the Queensland railway system in some way. A line from Camooweal to Dirranbandi would open up a vast area of land which could be made available for settlement; and I believe that the construction of further lines out there would not only bring about great prosperity and develop a country which has not had a fair chance, but it would also enable Queensland to expand to an extent far beyond what we can at present imagine. I have given a good deal of thought to this question. I know that hon. members of this Committee may object to land grant railways; yet land grant railways have made America. The opportunity may come to us—indeed, I have an idea from information I have received that it may be ours—to follow in America's footsteps. In 1863 it was possible to organise a syndicate for the purpose, and, that being so, I see no reason why it should be difficult now. Sir Thomas McIlwraith introduced his Transcontinental Railway Bill, which was defeated on the second reading by 27 to 16. What a wonderful thing for Australia if that railway had been built! What development we would have witnessed if that scheme had been carried into effect so many years ago! The proposal was for the construction of a railway from Charleville or Angellala Creek to the Gulf of Carpentaria, with certain branch lines. Had that railway been built, all our lines—North, Central, Southern, and Western—would have been linked up to-day. Here is a matter of national importance that might well receive the consideration of politicians generally and of this Committee in particular. In this connection I want to draw attention to the evidence of Mr. Melville, the Under Secretary for Lands, before the Federal Public Works Committee on the 17th May, 1922. Speaking of the proposed route of the line from Northern Territory through Queensland, passing through Camooweal, Boulia, Windorah, Thargomindah, and Hungerford, and thence to Bourke, he said—

“It was difficult to limit the boundaries of the area which would benefit by the construction of the Camooweal-Hungerford line, connecting with the principal towns on the eastern seaboard. He considered that the area in Queensland which would be mostly benefited by this line would be that within 100 miles on either side, or a total area of approximately 150,000 square miles, which was about 5/22nds (or nearly a quarter) of the whole State. Furthermore, the whole of the Gulf country and the land lying along the western sections of the Great Northern, Central, and Southern Railway would, to a large extent, also benefit by the construction of the line, by bringing the areas into direct communication with the Southern markets. In his opinion the northern part of the Northern Territory would also be similarly benefited to a large extent.”

Mr. Melville considered that it would mean untold value to Australia if the North was

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linked up with the Sydney and the Melbourne markets, which were most important. He further said—

“The stock now on the belt covered by the proposed line was as follows:—Sheep, 3,400,000; cattle, 784,000; horses, 69,000. On a sheep basis (seven sheep to one beast) the country was now carrying an average of about sixty-two and a-half sheep per square mile. Of the 150,000 square miles, there were about 100,000 square miles suitable for sheep, and that on the basis of 107 sheep to the square mile. The sheep country should be capable of carrying 10,700,000. The cattle country could probably be cut up into 300 selections, allowing about 1,000 head for each selector.”

He went on to say—

“The increase in the earning capacity of the country within the benefited area would fully justify the building of the line, and when linked with the lines connecting the Queensland coast, it would ensure the safe and speedy removal of stock to markets, and also their removal in times of drought. There was no better fattening country in the Commonwealth than along the Cooper, Diamantina, and Georgina watersheds, and there was no doubt that, given areas of suitable size with railway facilities, there would be very shortly a large number of prosperous settlers all along the vicinity of the route. It was excellent wool-growing country, practically free of grass seed, except in the northerly portion, and also free from noxious weeds.”

I could quote the remarks of Mr. Theodore in connection with this matter. Here we have an immense area of country to which we are not attending as we should. There is evidence that it could bring in a considerable increase in wealth production. My thought is that, if we want to balance our Budget, and if we want to do something big and of a permanent nature and we want to bring about relief, we should turn our assets into cash. Seeing that there is an area of 150,000 square miles that would benefit, one can readily see that a few million acres given away in connection with a land grant railway would not hurt us one bit.

Mr. BULLOCK: That theory has wrecked more than one Government.

Mr. G. P. BARNES: I believe that we have come to the end of our borrowing. I wish that time permitted me to go into the old records in connection with the proposal made about 1830 for the construction of this transcontinental railway, and to read the speeches of Sir Thomas McIlwraith and men like Sir S. W. Griffith and Hon. J. M. Macrossan. Their speeches would be an eye-opener to hon. members.

Mr. POLLOCK: Do you remember the speech delivered by Mr. Hardacre?

Mr. G. P. BARNES: I believe that he did make a speech on the subject many years later. When Sir Thomas McIlwraith introduced his Bill, he said—

“The principle embodied in the Bill by which it was proposed to pay for the railways was not that implied by the words ‘paying for the railway by means of land grants,’ because, accord-

ing to the Bill, the Government did not get the railway at all. The railway would remain the property of the company who built it. The principle might be rather characterised as a bonus given to a railway company to build a railway which afterwards remained the property of that company. That was the real transaction—it was not payment for the railway by land, but it was giving a bonus of land adjoining the line to the company who constructed the railway, the company retaining possession of the railway afterwards.”

Mr. POLLOCK: How can we give the land away when it is already mortgaged?

Mr. G. P. BARNES: There is nothing to prevent our offering land for sale.

Mr. POLLOCK: Would it not be suggested that that was dishonest?

Mr. G. P. BARNES: Again, Sir Thomas McIlwraith said—

“What he proposed to do was to exchange that which was bringing in no money, and which was perfectly unsaleable, or only saleable at a very low price, for what was a really tangible benefit to the country—namely, a railway that would open up the country, improve the value of the rest of the land, and largely increase the population.”

Mr. POLLOCK: Who would build a railway through bad land?

Mr. G. P. BARNES: I am not quite sure that it was bad land. I think he said it was good land. Sir Samuel Griffith, then Mr. Griffith, who was the Leader of the Opposition, but seemed to fall largely into line with Sir Thomas, said—

“The question of constructing a transcontinental railway was first mooted by Mr. Macalister about 1870.”

Then he went on to say—

“So that it would be seen that the construction of a transcontinental line of railway had been under the consideration of the colony for some years. He looked forward with the hope that before many years were over such a line would be constructed; but the question was whether the colony could now afford to make it on the terms proposed.”

He went on further to say—

“He agreed with the hon. gentleman that the colony had almost got to the length of its tether as regarded borrowing, and that, without increasing their population, they could not go in for further loans to any great extent.”

That is our identical position to-day. We are not able to borrow to carry out any wide and great work such as I am referring to. Mr. Macrossan, who was Secretary for Public Works, gave more information. He said—

“That, in direct contradiction of what the hon. gentleman tried to leave on the minds of the House, was the opinion of Congress in regard to making railways by land grants. Two years ago this committee recommended that the grant, as given thirteen years before, should be faithfully carried out; and it was not a mere 7,000,000 acres of land such as this Bill would give the Government power to enter into an agreement for—supposing that it should be a railway to the Gulf of Carpentaria, as spoken

[Mr. G. P. Barnes.]

of by the hon. gentleman—but 47,000,000 acres. The Central Pacific line obtained 50,000,000, and bonds amounting to 64,000,000 dollars. The Texas Pacific, which was the other transcontinental line, obtained 18,000,000. These three lines combined obtained more than 100,000,000 acres between them for the purpose of making three railways from the eastern to the western side of America. In addition to that, they received grants of land from the different States they went through; the States also gave them bonuses; the cities through which they passed gave them donations of real estate and bonuses in money; and corporations bought all their bonds. And what had been the consequence of the encouragement given in America to the construction of railways by land grants? That, although only a little more than 100 years in existence, America had 50,000,000 of population and nearly 91,000 miles of railway; and since 1865—since the Civil War, fifteen years ago—no less than 50,000 miles of railway had been made in the United States, chiefly by the encouragement given to the making of the railways by land grants and bonuses.”

When this proposal was made, the United States of America had 50,000,000 of a population; to-day it has more than 120,000,000.

Mr. POLLOCK: And the people cannot get land.

Mr. G. P. BARNES: No country in history has made the strides that country has made. There is certainly a feeling of depression there to-day. I do not know why they should feel it, or why depression should exist with all the gold they have in store.

I believe it would be possible to do something in the direction of a land grant railway somewhat on the lines I have mentioned. I do not know the terms, but I do know that I had a conversation with the representative of English and Scottish capitalists to whom I mentioned the matter. I said, “We have got to our limit in the expenditure of money on railway construction. Would there be any chance of inducing capitalists from abroad to build railways in Queensland from the South to the Gulf of Carpentaria?” He replied, “I believe not.” Weeks passed, and then I received the following letter on the matter:—

“I am confident that I could get English capitalists to take on the building of new railways in Queensland on the land grant system.

“Can you give me details of any suggested lines and some idea of what grants would be likely to be agreed upon, with nature of the land—agricultural and pastoral?”

“You can, of course, give me only approximate particulars, and unofficial at that, and naturally all I could do in London (and perhaps in New York) would be, at first, in the nature of preliminary inquiries. But I know the groups with the money, and they could be made interested.”

I have not taken up this line of thought without having something to go on, and from the evidence that has been gathered for years I feel sure that the only way to help this country to achieve its true destiny is to get help from outside. I firmly believe that,

if a proposal were brought down such as I have mentioned, money would be forthcoming for the purpose. In order to liquidate our debts, it would be just to sell some of that 150,000 square miles of country, which is at present unoccupied. We might sell it on terms extending over thirty years, and, as the payments were made, appropriate the money to the reduction of the public debt. In that way we would be serving our country because, after all, despite the ownership of land, it is still there to be taxed, resumed, or dealt with as the State desires. I place this matter before the Chamber as a proposal which I consider to be a wise one. I believe from the bottom of my heart that, if we came down with a proposal for a land grant railway from Camooweal to Dirranbandi, there would be every chance of its being considered.

Mr. POLLOCK: Do you remember voting against the proposal of the Opposition this session to utilise the money received from the conversion of leasehold to freehold for the reduction of the public debt?

Mr. G. P. BARNES: The Labour Government did not set that example. In the proposal I am putting forward there would be millions of pounds involved. A few years ago a suggestion was made by Mr. Cramsie, of the New South Wales Meat Industry Board, that, if 50,000 acres of land were made available, a large amount of capital would be spent in improvements, etc. It just shows that there is money available if we have the pluck to make a bid for it.

[5 p.m.]

One could say a lot more in connection with that subject; but I wish to conclude my remarks on the question by quoting what Dr. Cilento said the other day—

“Darwin was the natural port for the means of transport of the future—the aeroplane—and from its geographical situation it must remain so, however long Australia permitted aviators to lose themselves on their way south in search of settlement. From British Malaya and Java there had already been made actual estimates for services, both local and European, and Japan was prepared to despatch a regular line of vessels for beef—the first had already arrived—if Australia would do her part. All Asia knocked insistently at the front door that had been closed for a century. At present a bale of wool must go 1,000 miles south and east before it could begin to be exported north and west, and freights charged on the railway were anything up to £17 15s. a bale before it left Australia.”

We have in the East a market waiting for us; and I am concerned about the suggestion I am making and the securing of this immense amount of capital to develop our resources. The very individual who spoke to me in connection with the matter was prepared to make arrangements for the export of cattle from Western Australia. A great matter such as this should be taken up by this House. In speaking on this matter I am not speaking without some knowledge that the way may be made easy for the entering into of negotiations which would lead to the development of the whole of Australia in general and of Queensland in particular.

Mr. G. P. Barnes.]

Mr. NIMMO (*Oxley*): First of all, I would like to make reference to some of the remarks made by that heaven-born financier, the hon. member for Herbert.

Mr. PEASE: You misstated the figures by £6,000,000.

Mr. NIMMO: I cannot understand how that hon. member should remain in this House when we have Mr. Hill, the Labour Premier of South Australia, forced to do things very much more drastic than those which the Treasurer of Queensland is suggesting, and in a State where the basic wage is to be reduced by 10s. 6d. per week; and when we have a man like Mr. Hogan, the Labour Premier in Victoria, unable to grapple with the situation; yet we have an ordinary "rank and file" member in the Queensland Labour Party who is prepared to do everything and not disturb one person in the State! I cannot understand why Mr. Scullin should hold the position of Prime Minister of the Commonwealth when we have a man like the hon. member for Herbert, who quotes figures which are totally unreliable.

Mr. PEASE (*Herbert*): Mr. Grimstone, I rise to a point of order. The hon. member said that I quoted figures which are totally unreliable. The figures which I quoted were taken from authorities, and I ask that the hon. member withdraw that statement. That is his stock-in-trade.

The TEMPORARY CHAIRMAN: I do not see any point of order.

Mr. PEASE: I didn't think you would.

The TEMPORARY CHAIRMAN: Order! I ask the hon. member to withdraw that remark unreservedly.

Mr. PEASE: I withdraw.

Mr. NIMMO (*Oxley*): The hon. member for Herbert said the Queensland Government have spent less loan money than any other Government in Australia.

Mr. PEASE: No, I did not. You are misquoting me again.

Mr. NIMMO: The hon. member said that Queensland spent £8,000,000 of loan money in the last three years.

Mr. PEASE: You are deliberately misquoting me.

Mr. NIMMO: I am going to make my speech in my own way.

Mr. PEASE again interjected.

The TEMPORARY CHAIRMAN: Order! I would ask the hon. member for Herbert to allow the hon. member for Oxley to proceed.

Mr. PEASE: I say the hon. member's statements are wrong.

Mr. BLACKLEY: That does not make them wrong.

Mr. PEASE: It does not make mine wrong because he says they are.

Mr. NIMMO: The hon. member for Herbert said Queensland spent £8,000,000 in the last three years, which was less than the amount spent by any other Government in Australia in proportion to the population. We find that during the last three years the Government of this State spent £12,891,025. Those are the actual figures taken from the tables we have before us. The hon. member for Herbert accused me of wrongly quoting figures, and of having said that the national debt of Queensland in 1914 was £56,000,000.

[*Mr. Nimmo.*

Since the hon. member made the statement I have taken the trouble to ring up the Registrar-General, from whom I first got the figures, and he assures me that those figures are absolutely correct.

Mr. PEASE: What figures?

Mr. NIMMO: The £56,000,000.

Mr. PEASE: Then your Treasurer was wrong when he said it was £62,000,000.

Mr. W. FORGAN SMITH: You have £6,000,000 floating debt of the Government Savings Bank, which occurred prior to 1915—that is where you get your figures from.

Mr. NIMMO: The hon. member for Herbert referred to the £62,000,000 that he says the Labour Government took over, and said that interest paid on that amount at £3,000,000 a year would amount to our present national debt. Did you ever hear a man so childish? Did you ever hear a man elected to Parliament talking as the hon. member for Herbert does? When they took office the railways handed over to them were almost paying interest on the cost of construction.

An OPPOSITION MEMBER: On starvation rates of wages.

Mr. NIMMO: The hon. member forgets that during the time they were in office there were many men in Queensland who could not get anything to do at all.

An OPPOSITION MEMBER: There are a great many more now.

Mr. NIMMO: Queensland is a great State, and I cannot understand why the hon. member for Herbert ignores the fact that the Loan Council allocates the loan money. He said that, in connection with the last loan, the Treasurer neglected his job, and did not get a fair share for Queensland. What was the use of getting money allocated from that loan if the Loan Council would not allow Queensland to spend it?

Mr. W. FORGAN SMITH: You are an adult with a juvenile mind if you believe that.

Mr. NIMMO: The position is that we have to take the ruling of the Loan Council. I do not know whether every hon. member is agreed that the Loan Council is the best thing for Australia—I am not prepared to admit that—but, while it exists, we have to be honourably bound by its decisions.

Mr. POLLOCK: It has made no suggestion as to the amount to be spent by the various States.

Mr. NIMMO: I am not going to argue that point.

I think we all agree that the preparation and delivery of the Budget by the Treasurer was a very arduous task, one which must have been very hard in the extreme, because the hon. gentleman had to do many things which I know he did not like to do.

I think that every hon. member, whether of this party or on the Opposition side, will hope that the anticipations of the Treasurer will be realised, although I have very grave doubts as to whether the amounts he expects will actually be obtained. I am very sorry that it is necessary to introduce increased taxation, although we must admit that, if the burden is to be spread equally over all, that course must be followed, because we are cutting the wages man. I regret that it should be necessary, because everybody knows that increased taxation deprives business houses of money which would otherwise

be used in increasing their enterprises and employing more labour.

So far as I can see, during the past seven or eight years Australia has indulged in an orgy of extravagance. There is no doubt that we have drunk the wine, so to speak, and had a very good time; but we now have to collect the empty bottles, and we are faced with tons of unpaid bills, and we have a very sore head into the bargain. Unfortunately, although this orgy of extravagance has gone on, the man on the basic wage has had practically no advantage during all these years. We have squandered money, and, as a result of that squandering of borrowed money, men who were wealthy became very much wealthier, whilst the man on the basic wage is in very little better position. He may have got a few pence more per day, but, as Sir Otto Niemeyer points out, he has received practically no increase in his effective wage since 1911. During this period we have had large American picture interests building palatial theatres and charging big prices for their seats, and nightly they are crowded out. We have had the American motor people coming here and selling motor cars of all kinds and all models, and saying that the most expensive models were required for Australia. After a man had his car for a year, a new model would be sent out, and the salesman would get busy trying to induce him to trade in the car he had had for twelve months for a new model. In many cases they succeeded.

The Americans, although they have had such a wonderful time here, have taken very little from us in return. In 1927-28, for instance, they sent us about £40,000,000 worth of goods and took from us in exchange only about £6,000,000 worth. The whole position is a tragedy, more particularly when we realise how our exports have been treated in their country. Our oranges were dumped into the harbour in San Francisco—they would not even let them land. Such treatment should have made our people rise in a body and refuse to have any more traffic with them. Wireless sets and gramophones were imported for many years during that period of extravagance. The figures reached enormous proportions; but many of the buyers of these articles failed to realise that not only were they buying them but that they also had to pay for their upkeep. In many cases they paid a deposit, but thereafter they had to pay not only the instalments, if they bought them on time payment, but also the cost of maintaining them.

At 5.20 p.m.,

The CHAIRMAN resumed the chair.

Mr. NIMMO: The motor car had to be provided with petrol, lubricating oils, tyres, and spare parts; the family did more travelling than usual, and the expenses soared. When the mother went to do her shopping, she was reminded that she was not to forget the gramophone records and the wireless parts. All this would be quite all right if we had the money to pay for these things; but we have not the money to pay for them. The position would be very much better if the articles mentioned were manufactured in this State.

Speaking the other night, the hon. member for Brisbane said that the British capitalists were not extending fair treatment to Australia. But who are the British capitalists? The British capitalists comprise people,

including workers, who have saved up £200 or £300 in England and have invested it in these loans, the British Government guaranteeing the investments as trustee investments. Many of these people put their money into our loans knowing that they would be absolutely safe.

Mr. W. FORGAN SMITH: Did you say that the British Government guaranteed these loans? They permitted them to be on the approved list of trust investments—an entirely different thing.

Mr. NIMMO: That is what I intended to convey. We have had quite a lot of talk about a reduction in interest payments to people overseas; but many of these people loaned money to Australia at an interest rate as low as 3 per cent. and  $3\frac{1}{2}$  per cent. These rates increased considerably during the boom period; but did we approach these people and say, "You have loaned us this money too cheaply; here is 6 per cent"? No. These people entered into a contract with Australia, and they had to stand by their contract. In the same way we have entered into a contract, and we must also stand up to it.

Mr. W. FORGAN SMITH: There is no analogy. In the first case the interest rate was an equitable rate, but in the second it was an inflated rate.

Mr. NIMMO: I regard the undertaking as a distinct contract by which we must abide.

The action of the Government in suspending the application of awards in the gold-mining industry was a wise step.

Mr. BRASSINGTON: That was a breach of contract.

Mr. NIMMO: In looking up the appropriate returns I found that very little money was being earned in wages in the gold-mining industry. In many cases recognised fields produced no gold at all. I am of the opinion that, by the suspension of these awards, Queensland will obtain much gold—probably more gold in the future than was secured in the past; and, if those associated with this industry are allowed to work out their own salvation on the respective mining fields, rich finds will be discovered and good wages will again be the order of the day in that industry.

Another important matter, and one which creates the greatest tragedy in the history of Australia, is the imposition of the sales tax at the hands of Mr. Theodore. It is causing greater dislocation in the business world of Australia to-day than any tax hitherto imposed. The amount anticipated by the Federal Treasury will not be realised; and, unfortunately, the general public will be called upon to pay more than will go into the coffers of the Government. The public will have to pay the tax because of all the jumble involved. The Treasury can demand only  $2\frac{1}{2}$  per cent. on the sale price, but in many cases the increase following the imposition of this tax has reached  $16\frac{3}{4}$  per cent.

Mr. Bow: Do you mean to say that the business people are dishonest?

Mr. NIMMO: No. Many small sales are made to the poorer section of our community. I have in my pocket an invoice showing the purchase of an article for sixpence in connection with which there is an imposition of one penny, representing the sales tax, an increase of  $16\frac{3}{4}$  per cent.

Mr. HANLON: It is a decent  $2\frac{1}{2}$  per cent.

*Mr. Nimmo.]*

Mr. NIMMO: Thousands of similar transactions must be going on in Australia to-day.

Mr. A. JONES: Surely you don't blame the Federal Government for that?

Mr. NIMMO: I blame the Federal Government for imposing a tax which it is impossible to collect, and more especially for continuing a tax which is not bringing into the Treasury the amount anticipated.

There are many things which the party represented by hon. members opposite are responsible for. To my mind the two outstanding factors which brought about the position existing to-day are Mr. Hughes and the late Treasurer of the Commonwealth, Mr. Theodore. There is no question about it that, when Mr. Theodore was a member of the Queensland Government, we seemed to go right down and out. All he thought of was the imposition of more taxation and the borrowing of more money. The result was that we spent £4,000,000 or £5,000,000 of loan money each year, and our taxation increased by £5 15s. or £5 18s. per head. Mr. Hughes took over the affairs of the Commonwealth at a time when the conditions were good.

Mr. DASH: He left them in a good condition, too.

Mr. NIMMO: He instituted many tribunals to deal with industrial matters. For instance, take the coal tribunal. That body increased the price of coal to the consumer by 5s. per ton, which was divided up by giving 2s. 6d. per ton more to the seller of the coal and 2s. 6d. more to the employee. The result was that everyone was pleased except the coal consumer. That went on time after time, and the employer and employee were always dividing the spoils. When the Bruce-Page Government took over the affairs of the Commonwealth from Mr. Hughes they found many matters to be corrected.

The present position of Australia is very poor indeed. We are hard up. We formerly borrowed £30,000,000 annually overseas to supplement our income, but money cannot now be borrowed overseas. There has also been a drop in our exports to the extent of £44,000,000. In 1928-29 our exports from Australia were valued at £141,867,000, but in 1929-30 they dropped to £97,980,000. In 1928-29 the Commonwealth Government exported £2,900,000 of gold, while in 1929-30 the amount exported overseas increased to £26,860,000. That large amount of gold was exported in order to meet our interest payments. Owing to the decrease in our borrowing policy and our exports, there is now £74,000,000 less money in circulation in Australia each year. The effect of this great diminution in our national revenue has been a great shrinkage of income and employment. This, again, is reflected in the volume of business, a reduction in net profits and lessened dividends. There has been a large selling of shares to reduce overdrafts. This has caused a certain amount of panic, causing many people to throw their shares away at ridiculous prices. The position in Australia to-day is such as to demand the presence in England of a first-class publicity officer on behalf of Australia.

We ought to have a representative on the other side of the world who could put the true position of Australia before intending investors. Unquestionably, only the most

unfavourable items of news concerning Australia are published in the British press. An Australian who picks up a newspaper on the other side of the world and looks for news of Australia invariably finds that the greater part of the information concerning Australia is comprised in a few paragraphs dealing with strikes, bush fires, or matters of that kind.

What do we find with regard to Australian investments? I venture to say that we have many investments which would give a higher return and better security than are to be found in any other part of the world. I propose to quote particulars of certain Australian investments which the British investor would find unequalled in any other part of the world. These include—

Company.	Capital.	Reserves.	Face Value of Shares.		Market Value.		Last Dividend.	Return at present Market Price.		Asset Value Per Share.	
			£	d.	12 months ago.	To-day.		£	d.	£	d.
Australian Bank of Commerce	£ 2,208,000	£ 1,441,688	£ 1	0	£ 0	0	7	£ 7	4	£ 10	4
Queensland National Bank	1,750,000	855,515	5	0	9	15	8	6	2	7	0
Goldborough, Mort, and Co.	2,399,892	2,074,644	1	0	2	0	10	16	2	9	0
Australian Glass	1,105,478	471,350	1	0	3	0	12	9	1	17	8
Anthony Hordern	2,000,000	1,077,867	1	0	0	0	6	6	5	1	7
Colonial Sugar Refining	5,850,000	3,655,372	20	0	5	0	12½	3	7	0	4
Castlemaine Brewery	625,000	114,181	0	12	0	6	10	18	0	17	4
Broken Hill Proprietary	2,987,708	3,655,372	1	0	0	0	10	4	0	15	11
Suphride Corporation	1,050,000	703,989	0	15	0	0	15	2	0	0	3
Robt. Reid	1,039,035	296,085	* 1	0	0	0	8	0	2	1	3
Dunlop-Perrin	4,695,655	502,412	1	0	0	0	6	16	0	3	18
Burns Philp..	1,500,000	1,319,450	1	0	0	0	10	11	3	0	9
							7	6	18	0	7

\* Preference.

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These figures were taken from our Stock Exchange reports of the 9th instant.

[5.30 p.m.]

I have quoted these figures to show the class of investments to be had in Australia. If the facts were known to capitalists on the other side of the world, a large amount of capital would come into this country to assist in developing it. Mr. Fenton, the Acting Prime Minister of the Commonwealth, admitted that the development of Australia has to be carried out by private enterprise. Speaking at Wesley Church, Melbourne, on 21st September, on problems of unemployment, as reported in the "Courier" of 22nd September, 1930, Mr. Fenton said—

"It can be seen clearly that we are dependent to-day for the employment of the people upon private enterprises. He added that we must all play our part. A Government could legislate, regulate, and do many things which would assist in creating employment, but private enterprise was the real solution of the unemployment problem."

Another matter which a publicity officer could do would be to draw attention to the pastoral industry as a field for investment. A great deal has been said about the pastoral industry not paying; but costs are coming down to-day, and we have to recognise that the profits will be on the depleted value of the properties and the amount necessary to stock up to-day. In business it is necessary to write down many things; and many properties in the West will have to be written down, as they are over-capitalised. If some of the properties offering to-day were advertised in England and reliable information given as to what could be done, I am sure there would be a great influx of capital into this country.

There has been a great deal of talk in regard to the price of wool; and I have some figures here which show that the price of wool to-day is very nearly normal. The last issue of Dalgety's "Review" gives the price of wool from 1900 right up to 1915-16, and the highest price paid per bale during that time was £15 7s. 6d. The average price was £12; to-day's price is £13 5s. 9d. per bale. We have to get costs down because, so far as I can see, the price of wool is now almost normal.

The banking figures of Australia show a marked decline in trade. For the first seven months of the calendar year the clearances in Melbourne amounted to £435,000,000, compared with £480,000,000 during the corresponding period of 1929. The figures for Sydney were £528,000,000, as against £617,000,000, showing a decrease in the volume of business. Comparing the Australian quarterly averages for June with those of twelve months earlier, there was a contraction of over £18,000,000 in the deposits, mainly in current accounts, and a growth of over £10,000,000 in advances. We have had a lot of amateur talk about the mobilisation of credit and all that kind of "tripe," but this kind of thing cannot go any further.

These figures simply prove that many people have been drawing out their savings, and they have drawn out £18,000,000 during that period. It also proves that there was a great number of people who were leaning

much more heavily on the banks than they did before.

Another illuminating fact appears in regard to Commonwealth notes. There are £2,000,000 of Commonwealth notes less in the hands of the Australian public to-day, showing that the purchasing power in the Commonwealth has been very much reduced. Two things that make for a substantial decrease in Commonwealth incomes are the decreased prices for our primary products and the inability to borrow money overseas. I do not think that any hon. member considers that we are likely to get any large increase in the prices of our primary products; and I do not think any hon. member has any feeling of optimism about getting any large sum by borrowing overseas.

Our greatest problem to-day is how to get the costs of production down. I do not want to be tedious in reference to the matter, but everyone realises that we must get the costs of production down; and those costs can be brought down in many ways. I think it will be agreed that everyone has been a little too grasping in the past, whether the big or the little man. Each man has been trying to get his pound of flesh, and they have all fallen in very badly.

While incomes have been reduced, there has been very little reduction in the price of goods to the consumer. Incomes have come down by the rationing of work. We have men working three days a week in some factories, but still at the same hourly rate of pay, so that the commodity is just as dear to the consumer as it was before—possibly higher, because, although the men are only working three days a week, the same overhead costs are borne on a much smaller output, and that has caused a big shrinkage in the demand for the goods. If goods do not become cheaper when the people have less money to spend, we must inevitably have further unemployment. What is necessary is that we should speed up on the job. There will have to be a bigger output from the factories. I do not say that men have to work harder, but we shall have to use more efficient machinery. If a body of men are engaged in an industry which is only able to pay so much per week, those men ought to be able to enter into an arrangement with the factory concerned; and, if they are only working three days a week, why should they not work five days a week? That would cheapen the article as well as increase the output. This rationing of work is getting us nowhere. If a man only works two or three days a week, everything is just as dear as it was before. Through the reduction in incomes we have to remember that very much less income tax, as well as other taxes, will be received by the Treasurer; in fact, Government revenue will be so much reduced that Governments all over Australia will have to reduce public utilities. It is no use being hypocritical and saying this or that Government would not do it, because we know that, no matter what Government may be in power, expenses have to be met. Many votes which have been passed will have to be cut down.

After a man has been earning £8 per week and has been borrowing £4 per week for many years—so that he has really had an income of £12 per week—and the bank tells him that it cannot lend him any more money, but that he must begin to pay back that £4 per week, it is only common sense

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to think that he is going to be very much worse off than he was before. Something has to be saved. Something has to be cut, because not only will he have an income of only £8 instead of £12, but he has also to pay back the £4 he has been borrowing, in addition to meeting his other expenses.

The hon. member for Barcoo the other night made a great song about the cut in the education of the children. He said that the Estimates of the Department of Public Instruction were being reduced by £160,000, and that certain other Estimates had been cut also. The fact is that £1,555,000 is being spent this year, and that the cut is only about 8 per cent., the same as in every other department in the State. No matter what the department is, we find that money has to be saved, and votes have to be reduced. The hon. member made a great song about that department; but if it had been left alone, it would have only been made a ground for hon. members opposite to attack the Government for not touching that department whilst they made reductions in others.

Certainly, the financial position is not good; and it behoves us to give the Treasurer the benefit of any advice we can. Very little loan money—no loan money, as a matter of fact—is available. The big army of public servants who were employed during the time when large sums of loan money were being expended will not be now required unless we can increase our exports very materially, so that I consider that one of the first things the Government of the day have to consider is the necessity for increasing the production of this country. Production must be extended. That is the only way in which the huge army of public servants can be kept on, because there is no doubt that, when about £5,000,000 of loan money was consistently expended each year, many more men could be employed than we can employ to-day. During the past seven or eight years Australia has been borrowing from £30,000,000 to £40,000,000 a year, and now not only is that sum very greatly reduced, but we also have to send home the interest on it, so that we are "getting it in the neck" in two ways.

Sir Otto Niemeyer was invited to come to this country by Mr. Scullin; and I give that gentleman very great credit for picking out a man like that. Hon. members on the other side may criticise him; but the fact remains that he was invited here by Mr. Scullin. The Commonwealth did not owe the Bank of England one shilling, and Sir Otto Niemeyer was not sent out by the bank. It was said in regard to him, "The bailiff is coming over," but we all know that he is not a bailiff. As a matter of fact, many of us thought he was coming over here with a huge loan, but he did not unpack any loan; he merely gave us very sound and common-sense advice. Moreover, he gave his advice in such a way that every Treasurer in Australia was prepared to come to an agreement regarding finance. Sir Otto Niemeyer is a man who is guiltless of political associations. He is untainted by politics, and he is not hankering for votes. When anybody makes a suggestion in this Chamber it is immediately suggested that he is after votes.

There were represented at the conference with Sir Otto Nationalists, Labour, Left

[Mr. Nimmo.

Wingers, Right Wingers, and all other wingers. The agreement was entered into—a splendid thing for Australia. Sir Otto gave us some very startling facts concerning the money circulation of this country, and created dismay amongst the Treasurers assembled at that conference. He pointed out that the Commonwealth and the States had what was practically an overdraft of £36,000,000 in London—money at call. We have often heard the advice that we should never foul our own nest; but the Commonwealth Government went to their own Commonwealth Bank and obtained an overdraft of £18,000,000 without any mention about paying it off. The £36,000,000 to which I have referred can be called up at any time. Australia must get down to the job, and, when the call comes, this will be met, although it may entail considerable suffering.

The financial drain upon all the banks, including the Commonwealth Bank, has been very severe. The action of Australia generally in regard to its loan policy can be likened to the milking of a cow. The Commonwealth Government have practically milked the cow dry; only the strippings now remain. On 30th June last the Australian banks held £6,000,000 in coin and bullion, as against £26,000,000 twelve months ago. Of course, a considerable amount of gold was exported to meet our commitments; still, our loan indebtedness continued to grow. Mr. Theodore—that heaven-born financier—decided to rob the banks of the gold they held to send it overseas to meet our interest commitments. The gold was practically commandeered from the banks. It is true they were given Commonwealth notes in return; but they represent merely promissory notes on ourselves.

One of the most encouraging features in our economic life is the reducing of the gap between our exports and imports. The excess of imports over exports to 30th June, 1929, was nearly £9,000,000, whereas for the period ended 30th June, 1930, the gap was only £470,000.

Mr. HANLON: Showing that the Federal Government have tackled the problem.

Mr. NIMMO: If we continue along these lines, we shall come out all right; but much suffering will be entailed on the people in the process. We have not gained very much on the manufacturing side, and wharf labourers and others associated with the shipping industry have been out of employment. Still, the job had to be faced, and I give the Federal Government credit for facing it. Let every man give every Government credit for facing any job. Do not let us criticise unfairly or endeavour to indulge in cheap sneers merely for our own personal aggrandisement. From 1859 to 1915 Queensland had twenty-eight deficits and thirty surpluses. The financial position during that period of fifty-seven years was carefully handled, as is evidenced by the fact that the total deficits were only £1,580,000. From 1904-5 to 1915-16 the State showed a surplus every year because the country was progressing along right lines. Following that period of surpluses the Labour Government were returned, and held office for the next fourteen years. During that period we had eight large deficits and five small surpluses, and the total deficits grew to over £4,000,000.

Mr. W. FORGAN SMITH: Your Government made a record deficit in their first year.

Mr. NIMMO: During our first year the hon. member knows very well that wool dropped from 21d. to 9d. per lb. He also knows very well that there were heavy reductions in the exportable surpluses of our primary products. He knows very well that his Government left this Government with a legacy of an army of unemployed tramping the streets and starving. We had to do something for them. During the first year of office of this Government £119,000 had to be spent in unemployment relief rations. We had to provide works to relieve unemployment. Unfortunately, we had a terrific mess to clean up, just as Mr. Bavin, the Premier of New South Wales, had when he followed Mr. Lang. The late Government were a spendthrift Government. Yet we are expected to clean up the mess they left behind in eighteen months!

Mr. BRASSINGTON: Your Government have doubled the unemployed.

Mr. NIMMO: Had there been no change of Government in the Federal sphere, we might have been able to co-operate with the Federal Government, and there would have been a different story to tell now.

Mr. W. FORGAN SMITH: There would have been a different story to tell all right.

Mr. NIMMO: In 1913-14 the revenue of Queensland was £6,973,258, of which amount £887,000 only was received from taxation. In 1929-30 the revenue was £15,997,869, of which £4,279,000 was received from taxation. Of the balance of the revenue—£10,669,000—£1,000,000 represented interest received from local authorities on money borrowed from the Government. The population of Queensland in 1913-14 was 660,158, as against 930,871 in 1930. Our national debt in 1914 was £56,000,000—notwithstanding the statement of the hon. member for Herbert that it was £62,000,000—while to-day it stands at £112,000,000.

Mr. W. FORGAN SMITH: Both the Treasurer and the Auditor-General say that it was £62,000,000.

Mr. NIMMO: If we take into consideration local authority loans, our public debt to-day stands at £125,000,000. These figures show that, while our public debt increased £69,000,000—our added capital—our population increased by only 270,713. Yet our actual increase of revenue, apart from taxation receipts, was only £4,000,000 more in 1929-30 than in 1913-14.

Unlike the hon. member for Fassifern, I am not opposed to borrowing, provided the money is wisely expended. Notwithstanding the fact that we received high prices for our products since 1914, the results obtained from the expenditure of loan money since that date were not as satisfactory as they might have been. It would pay to borrow money even to-day, provided that a rural bank was established in Queensland. This bank, which would function in place of the Agricultural Bank, would advance money to settlers and relieve the Government of that function. While I do not believe in the Government borrowing money for unproductive works, I believe it would be a good scheme for the Government to borrow money and lend it through the rural bank to farmers, squatters, or any person who, through a Government engineer, could prove that the scheme for which the money was required was a prac-

ticable one, and that there was ample security for the advances.

A rural bank should be established immediately in Queensland, and I commend the suggestion to the Treasurer. That bank should be able to take fixed deposits from people for varying periods, and should be able to advance money to approved applicants for the development of the country. In that way the productivity of the State would be increased; indeed, I know of no better way of helping us out of the present difficult position. We cannot stop in the forward march of progress; no State can afford to do that, nor can a State afford to stop borrowing for developmental purposes. I do not know how it is to be done, but the Loan Council will have to put forward some proposition. The budgets must be balanced, despite the opposition which is forthcoming in every State against the Government in office in the particular State, because, irrespective of the type of Government in power, opposition is forthcoming to the methods being adopted to comply with the arrangement made at the conference held recently. We have Nationalists telling Mr. Hill, the Premier of South Australia, that he is not pursuing the proper course, and Victorian Nationalists are telling Mr. Hogan, the Victorian Premier, that he could adopt other methods, and, of course, we have the Labour Opposition stressing what an awful gentleman we have in the Nationalist Treasurer of Queensland! But all these things notwithstanding, the budgets must be balanced. I am particularly keen on the establishment of a rural bank, because there are large sums of money yet to be spent in Queensland on water conservation schemes, etc. True, there were many big failures associated with water conservation schemes undertaken by the Labour Government; and I am sure that even hon. members opposite are satisfied that much smaller schemes should have been undertaken. Money for water conservation purposes could be obtained from the proposed rural bank, and methods of repayment could be devised at so much per acre of land irrigated.

The Queensland Railways, according to the Treasurer's figures, are still far from right. Unfortunately, the revenue received is decreasing, and the time has now arrived when, in order to retrieve the lost position, railway fares and freights should be reduced. We want to go after the traffic, and we must offer inducements for that purpose. I consider that a 14-lb. parcel should be carried to any suburb in Brisbane for 3d.

In connection with the South Brisbane-Kyogle Railway recently opened, I trust that the Secretary for Railways will see that the same treatment is meted out to Queensland as is accorded to New South Wales. I would suggest a stopping place should be established at Yeronga in order that intending passengers from the Ipswich [7 p.m.] Esk, Boonah, and Corinda districts may be catered for. The Government with which I am associated are doing a very wise thing in entering upon a vigorous policy of land settlement. That should be a solution of our whole difficulty.

Mr. BRUCE: That is the only wise thing in the policy—settle the land that we have cleared of prickly-pear.

Mr. NIMMO: I have tried to put the position clearly as I see it to-day; and I

*Mr. Nimmo.]*

feel sure that this country is going to come through the very difficult position in which we now find ourselves. We are far from being down and out; but every man and woman in this country must strive to keep their end up. There is no question that there has been too much spoon-feeding in the past, and too much dependence on the Government for assistance. We have a wonderful country, with resources that are unparalleled in any other part of the world; but we must encourage people to invest in this country. There must be no restrictions that will harass investors. Many of our people are more sturdy and stalwart than are the people in other parts of the world. Our forefathers came 13,000 miles to settle in this country, and there will be no repudiation on the part of their descendants. We shall advance and meet all our obligations.

The CHAIRMAN indicated that the hon. member had exhausted the time allowed him under the Standing Orders.

Mr. BOW (*Mitchell*): I was rather surprised to hear the hon. member for Oxley say that wool had come back to normal prices. Undoubtedly the graziers throughout Queensland will be very pleased to hear that; but, notwithstanding that fact, everything has been done by the Government to reduce wages in that industry. If wool is back to normal prices, as mentioned by the hon. member for Oxley—I suppose he has first-hand information from the Government, so there must be something in it—it is the first I have heard of it, and it is the first any other member of this Chamber has heard of it.

The remarks of hon. members on the other side in regard to balancing the Budget are rather interesting. When the present Government took office, and also during last session, a great deal was said about the progress that was taking place at that time. I well remember the Treasurer stating that he could show numbers of letters to prove that progress was taking place, and that large sums of money were coming into the country. To-day we have been told that it will be a miracle if the Government can balance the Budget. I am quite satisfied that it will be a miracle, but I do not think it will be worked by the present Treasurer.

The present system of trying to balance the Budget is, to my way of thinking, a very poor one, considering the taxation that has been brought down by the Government, under which we find children on the street who are selling papers and earning 3s. 5d. taxed to the extent of 1d. The same remark applies to charwomen, washerwomen, and others, and even school children who enter for competitions—everyone is taxed to the extent of 1d.

We find also that the Government intend to impose a tax on people earning £150 a year and over, which plainly shows that the whole object of the Government is to attack the working class. They cannot get away from that fact, because the whole of their taxation and everything they have done up to date has been hitting at the working class. We find the Government in such a predicament that they have to knock off 1s. from State children under two years old, for whom an allowance of 10s. a week was paid under the late Government, and of 9s. a week for those between two and fourteen years of age. The present Government have reduced the payment in each case by 1s.

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per week. They have not the slightest conception of what they are doing; they are even taking away milk from the child under two years of age. Undoubtedly, they do not like to hear this; nevertheless, it is a fact.

We find that the Government are doing everything they possibly can to assist their friends. Jackeroos and female workers on stations are now outlawed from the award, which means that they will have to work for anything that is offered to them. Then we find an attack has been made on station hands. These men engaged in the pastoral industry were receiving £3 10s. per week on sheep stations and £3 per week on cattle stations; but to-day their employers can pay them what they think fit owing to the fact that they are outlawed from the award.

We find also that there has been an attack made on the public servants, who, in the first place, were reduced by 6 per cent. by the Industrial Court. Not being satisfied with that, the Government reduced them another 4 per cent. That applied to the whole of the public service, including the department which is governed by the hon. member who is trying to interject—the Secretary for Railways.

The SECRETARY FOR RAILWAYS: Railway employees in this State are getting a greater wage than those in the other States.

Mr. BOW: According to the hon. member's mind, when the Government outlaw them from the Industrial Court and they have to do the same as the rest and take whatever is offered, then they must be getting great remuneration for the work they do!

The SECRETARY FOR RAILWAYS: They are better off than the men in any other State in Australia.

Mr. BOW: I am talking about the Queensland railways; I am not much interested in the Southern railways. The hon. member for Port Curtis, the other day, made a statement to the effect that the United Graziers' Association had recommended to its branches that the minimum wages to station hands should be £2 a week. The hon. member stated a part only of the case; he did not complete it. I have here an extract from a Rockhampton newspaper which deals with this matter. It says—

“At a meeting of the Blackall District Graziers' Association the secretary read a circular letter from the United Graziers' Association requesting members not to pay less than £2 a week to employees, and giving particulars of the procedure in reducing wages from the present rate to that amount. It was unanimously decided to support the United Graziers' Association by fixing the minimum rate for the district at £2.”

This is the part the hon. member did not deal with—

“Members, however, pointed out that the industry in its present condition could not stand a wage of £1 a week, and without other assistance in the way of railage, rentals, and taxation the reduction in wages would not relieve the position and allow the re-employment of men that employers had been compelled to discharge.”

That plainly shows that the £2 will not be regarded as the minimum.

The hon. member for Dalby made the statement on Friday that shearers were earning from £4 to £5 per day. The hon. member knows very well that that is not correct, because shearers are not earning anything approaching that rate of pay. It was proved in figures given to the Industrial Court some time ago that the average tally for Queensland was eighty-five sheep per day per man.

**THE SECRETARY FOR LABOUR AND INDUSTRY:** That is a very low average.

**MR. BOW:** The average throughout Australia is lower than that, because the Federal Arbitration Court judges accepted figures showing that the average per day per man throughout the Commonwealth was only seventy-five. It is not a low average when you consider that it is a seasonal industry. Many men do not shear for very many weeks. Some men may get a run of seven or eight months, but others do not, and that is how the average per man is reduced. The Queensland court accepted the figures I have given as correct.

**A GOVERNMENT MEMBER:** As the average over the twelve months.

**MR. BOW:** Yes. When the Government were on the hustings, they deceived the people of Queensland into believing that something would be done for the workers; and the workers were foolish enough to take the party opposite into their confidence. The Government have carried out very few of the promises they made on the hustings.

**THE SECRETARY FOR LABOUR AND INDUSTRY:** Are you referring to the promises made by Mr. Scullin?

**MR. BOW:** I am referring to the promises made by the Queensland Government. I am not discussing anything that Mr. Scullin has done or has failed to do in face of the opposition by a Senate composed of members of the political calibre of hon. members opposite. I do not suggest that the Queensland Government should be responsible for anything that Mr. Scullin does, nor that Mr. Scullin should be responsible for anything done by the Queensland Government.

**MR. GRIMSTONE:** Mr. Scullin gave a guarantee to Australia.

**MR. BOW:** The Queensland Government gave a guarantee to a small corner of Australia, and fell down upon every promise they made. They promised to make available £2,000,000 for 10,000 jobs as soon as they were returned to power.

**THE SECRETARY FOR LABOUR AND INDUSTRY:** We are doing that now.

**MR. BOW:** Some hon. members opposite have admitted that that promise was made.

**THE SECRETARY FOR LABOUR AND INDUSTRY:** We are doing it now.

**MR. BOW:** There is considerably more unemployment in this State to-day than when the Government were returned to power, clearly showing that the Government have fallen down on the job. (Government interjections.)

**THE CHAIRMAN:** Order: I appeal to hon. members on the Government side to refrain from interjecting. It is not fair to interject. I ask hon. members on my right to allow the hon. member to speak.

**MR. BOW:** The hon. member for Dalby stated that the hon. member for Balonne and the hon. member for Burke had said

that the tucker supplied to shearers was pretty rough; but no such statement was made. The hon. member for Dalby knows very well that the shearers find their own rations; and I am prepared to admit that they are not underfed and do not skimp themselves in any way. But in many instances station-hands—and it was in this connection that the reference to food was made by hon. members on this side—have to put up with very rough tucker. I am in a position to know because I saw the food myself. Hon. members opposite are inclined to quote from years back; but, if they continue on their present line of policy for any time, the working class will be back to the position they were in fifty years ago; they will be in exactly the same position as they were in those days under a system of freedom of contract. In that connection I think I should quote from the Brisbane "Telegraph" of 11th July, about fifty years ago. It refers to "Black Wednesday." Hon. members opposite are inclined to go back many years—in fact, to 1870.

**MR. GRIMSTONE:** I did not go back that far.

**MR. BOW:** I do not accuse the hon. member of doing anything, because I do not think he is capable of it after his statement the other day. This is the reference in the "Telegraph" to "Black Wednesday"—

"Last Wednesday may henceforth be known as 'Black Wednesday' in Aramac. On that day 13,000 sheep belonging to A. H. Palmer passed through the township. There were two kanakas with the mob, but it was known that there were thirteen more behind, with hardly any white men except the person in charge. The town went into deep mourning in its grief at the reintroduction of Island labour. Every business-house was closed and black flags were hoisted over the stores. The Albion and Aramac hotels displayed the sable ensign floating half mast high, in token, it is presumed, of grief inconsolable. The lamp at the Royal Hotel was wreathed in black and the verandah posts festooned with crepe. The unfortunate chemist, having no crepe at hand, hung up a black coat under the verandah. Palmer's representatives were greeted with hoots, groans, and blank volleys, supposed to represent minute guns."

Those are conditions of which any country might well be ashamed; but I am quite satisfied from the manner the Government are handling the affairs of the State that we shall soon revert to them. If they had their way, no man would receive any work in the shearing or pastoral industry except under a system of freedom of contract. In fact, it would be necessary for him to accept work at any old price that the employer chose to offer. The Government are not out to do anything for the uplift of the working class. Their object is to assist the big interests in every shape or form.

**MR. EDWARDS:** That is not true.

**MR. BOW:** It is true; and the conditions obtaining at present prove my statement to be true. No matter what industry we turn to, the Government appear to be reducing the working class right down to bedrock conditions. Only last Friday the hon. member for Burnett made a forecast of a further

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reduction in wages and salaries in the public service, and advocated the suspension of all awards.

Mr. BUTLER: He spoke for himself.

Mr. BOW: The hon. member for Burnett is merely repeating what members of the Government Party say. He is simply repeating what is said in another part of Parliament House. We know that where there is smoke there is fire. We also know that, when we heard of the reduction in wages of 4 per cent., it came to pass. Now the hon. member for Burnett favours a further reduction of 10 per cent. It would be interesting to know what will be the wages and salaries of the public service before the Government achieve their full policy.

Mr. GRIMSTONE: What is the Federal wage?

Mr. BOW: I am only interested in Queensland at the present time.

Mr. GRIMSTONE: The Federal basic wage for Queensland is £3 7s. 6d.

Mr. BOW: The present basic wage for Queensland is a starvation wage.

Mr. GRIMSTONE: The Federal basic wage is much lower.

Mr. BOW: I am satisfied that no hon. member would accept work at that rate unless he was compelled to do so. The Government started off by suspending the rural workers' award, and since then they have proceeded step by step with their policy. The time is not far distant when all awards of the Industrial Court will be suspended, and then the usefulness of the court will have entirely gone. Such a policy will have the support of every hon. member opposite. It is a policy that is in entire accord with the promises made by the Government, who are pledged to bring wages down. The labourer will soon have to work for little or nothing. This will enable the employing class to repossess themselves of the increases which were handed to the working class during the fourteen years of office of the Labour Government. I believe it is the desire of the Government and their supporters to obtain that increase from the wage-earners in as short a time as possible. In fact, they nearly obtained the whole amount inside their first twelve months of office.

As the Government have been in office only eighteen months, they will have very little more work to do in the way of reducing wages, because they have brought wages back to the standard existing years ago. Of course, if the Government are to get the financial support of the people whom they represent, then they must do what they want. It is no use hon. members opposite denying these things, because we have had proof in the law courts of this State.

Mr. EDWARDS: That is a very wicked thing to say.

Mr. BOW: I have no doubt that the hon. member who interjects remembers the Denham-Ferricks defamation case. So far as the present position is concerned, it is quite evident where the financial assistance of the Government is coming from, and in what direction the Government are giving support. The whole position is worked from outside, per medium of chambers of commerce, chambers of manufactures, and big

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squatting interests, not to forget "Terrica House."

Mr. BUTLER: Are there any more?

Mr. BOW: Oh, yes; the "Vigilants" have just come in lately. (Laughter.) The Government would not even leave the police alone, because the salaries and wages of the police force have been reduced considerably; yet the Government expect the same amount of work and the same measure of protection from these officials. It is quite evident that the Budget is to be balanced at the expense of the worker. The taxation proposals of the Treasurer have no other object than to make the working people pay by way of pennies and threepenny bits. The charwoman, the washerwoman, the newsboy, and even the youngster of two years of age, who is deprived of his milk, are to be made to pay in order that the Budget may be balanced. What a position for a Government to be in!

Various hon. members opposite have pointed out that the Budget can be balanced quite satisfactorily; but at the same time the Treasurer is rather anxious as to how he is going to do it. As a matter of fact, the people are at their wits' end to know where they are going to get the money from, not only to pay taxes, but to keep themselves in a reasonable standard of comfort.

On the last occasion when I spoke on this debate in this Chamber, the Secretary for Labour and Industry said that the Government proposed to deal with pools, but so far nothing has been done in that direction. Until that action is taken we cannot get cheap living. Of all the members on the Government side, only the hon. member for Ipswich was honest enough to admit that the cost of living has not been reduced.

Mr. KENNY: Your leader is a great believer in pools.

Mr. BOW: I dare say he was, and would be still if the rates of pay had been maintained; but rates of pay have been considerably reduced. The fact remains that, despite the assurance given by the Secretary for Labour and Industry that pools would be dealt with, no action has been taken in that direction.

Mr. BUTLER: What would you do with them?

Mr. BOW: There should be no pools under present conditions.

Mr. KENNY: Is that the opinion of your party?

Mr. BOW: That is my opinion. Why should the man on reduced wages be forced to protect the man on the land, especially if in many cases the worker has no wages at all? I would not stand for that for five minutes.

[7.30 p.m.]

Mr. KENNY: The farmers never asked for pools.

Mr. BOW: The Labour Party protected the whole of the products of the farmers. That was quite all right so long as the Industrial Court allowed the workers to have a reasonable rate of wages; but, when the Government start to cut down these wages and pay a man almost nothing, then these pools should be done away with.

Mr. KENNY: Do your remarks apply to the sugar embargo also?

Mr. BOW: If the embargo is going to allow people to sell 140 acres of land for £40,000, then I say the embargo should be altered.

Mr. KENNY: Where do they do that?

Mr. BOW: They have done it in the North. If men were on a decent rate of wages, then the Government could protect everything that is produced by the farmers.

Mr. PLUNKETT: Would you wipe out pools?

Mr. BOW: Why not?

Mr. PLUNKETT: Isn't a union a pool?

Mr. BOW: No; but the unions would very soon be in the "pool" if the hon. member had his way. I want it to be thoroughly understood that I would have no protection in regard to primary produce or anything else if the Government are going to allow the wages of the workers to be cut down to nothing. If pools are to be retained in the position they are in to-day, then the working man should get the same remuneration and the same conditions that he got when the Labour Government were in power. Is it right that the price of butter should be kept up?

Mr. PLUNKETT: Butter is down 4d. per lb.

Mr. BOW: It should be down 6d per lb. My first thought is for the worker, and I do not care who comes next.

Mr. BUTLER: Is the farmer not a worker?

Mr. KENNY: Have you no interest in the whole of the people of Queensland?

Mr. BOW: Certainly I have; but with the hon. member the big interests come first and the worker last. I place the worker first. If hon. members on the Government side want protection for the primary industries, then the workers should receive a remuneration commensurate with that protection.

The Government deal with the workers' wages, but they do not allow them to have the wherewithal to live in the comfort they should have. I say, therefore, that the cost of living should come down; yet some hon. members opposite have stated that the cost of living is not coming down.

A GOVERNMENT MEMBER: You cannot get away from the Statistician's figures.

Mr. BOW: Hon. members opposite got away from them to-day when the Deputy Leader of the Opposition was speaking; they did not feel too sure about the figures then. The Government Party at the last election promised the electors that, if a change of Government took place, there would be £2,000,000 to create 10,000 jobs, and that the boys and girls were going to get jobs. Now the whole cry on the part of hon. members opposite is that wages must come down. They urge that the cost of production must come down; but we find that the only part of the cost of production that is coming down is the working men's wages. Under those circumstances I say that the cost of living should come down.

Mr. PLUNKETT: Meat and butter are down.

Mr. BOW: It is quite clear that the present Government are not game to hold a meeting outside this Chamber.

Mr. BRUCE: They sent the lady member to hold a meeting.

Mr. BOW: They are not even game to get on a public platform and defend their policy.

Since the suggestion about the extension of Parliament was made—and no doubt there was a great deal in the suggestion about a five-year Parliament—not one member of the Government is prepared to go outside and hold a meeting except at the Constitutional Club and similar places, and then they will talk themselves blind. Undoubtedly the opposition shown by the public to the proposal has put a different aspect on the suggestion to extend the life of Parliament to five years. The Government are very quiet about the matter now. Even if a five-year Parliament were brought about—

A GOVERNMENT MEMBER: You would like to see it, anyhow.

Mr. BOW: No one can say that I want to see a five-year Parliament. Hon. members opposite are afraid to meet their masters at the end of their three years' term of office. The excuse of being able to do nothing—after everything they have left undone—in a three years' term of office is not sufficient ground for asking for an extension of Parliament to five years. As it has turned out, the public of Queensland will not stand for it. The members of the Government know that, and are therefore not prepared to hold a meeting outside in connection with it, because they would meet with a very hostile reception. As I have said before, the worker is the first man in the community who should be protected. We know that the reduction in wages which has taken place has brought about a diminution in the spending powers of the workers, and, if we reduce the spending power of the workers, it will inevitably result in depression. I am sure that many business people who supported hon. members opposite at the last election are rapidly finding out that it would be much better for them if they were out of office instead of in office at the present time.

Mr. JAMIESON (*Lockyer*): I am sure that anyone capable of understanding finance will readily admit that at this time Australia, in common with other civilised countries, is in the grip of one of the worst financial crises in history. Having become possessed of that knowledge, we are naturally forced to look round for reasons for the position in which we find ourselves. I was hoping during the past couple of weeks to have heard in the speeches of the hon. members opposite who have addressed themselves to this question some reasonable suggestion as to the causes and some constructive criticism as to how the financial problems before us might be solved. It has been stated—and indeed admitted by the Deputy Leader of the Opposition—that during the last fourteen years the public debt of this State has increased by £56,000,000. It is regrettable, but none the less true, that the financial position in which we find ourselves has been brought about more or less because of the absolutely reckless expenditure of loan money. Such funds have been spent on work which has not been even reproductive of interest.

We have heard a good deal during this discussion of what has been said by Sir Otto Niemeyer. We have been told that we have been living in a fool's paradise. Sir Otto told us that, so long as it is generally believed that there is an unlimited market abroad for Australian goods, and that something will turn up, it will be difficult to face the realities of the situation. Then he went

*Mr. Jamieson.]*

on to throw a cold douche over our national optimism by saying—

“Australian credit is at a low ebb; on a 6 per cent. basis in Australia itself and rather more abroad. It is, in fact, lower than that of any of the other Dominions, not excluding India, and even lower than that of some protectorates. The balance of trade has been strongly unfavourable, exports having dropped from about £140,000,000 a year to something perhaps not much exceeding £100,000,000, which, after providing for Government requirements, would not leave much more than about £60,000,000 for all other Australian payments overseas. Both the Australian staple exports—wool and wheat—are declining in price, wool having dropped from a level of 100 in January, 1925, to about 55 in the first six months of this year, the drop having been steady and practically continuous in the last eighteen months. Wheat has dropped from 100 in 1926 to 70 recently. As the result of this export position, exchange has depreciated 6½ per cent., and is maintained even at that level only by exceptional and drastic tariff increases and prohibitions, and by very rigid rationing of exchange by the banks. Both these are temporary expedients which have been frequently tried elsewhere, and which cannot be regarded as permanent solutions.

“In short, Australia is off budget equilibrium, off exchange equilibrium, and faced by a considerable unfunded and maturing debt, both internally and externally; in addition to which she has on her hands a very large programme of loan works for which no financial provision has been made.”

The advice given by Sir Otto Niemeyer to the people of Australia is well worthy of consideration. We must realise that we have to do with less loan money, and that the income of Australia will be reduced by £50,000,000 this year. That is the present, difficulty, and a very real one indeed, not only for this Government but for all the Governments of Australia.

On examining the Budget one finds that we have in the public service alone no fewer than 33,000 employees costing the country the sum of £9,306,736. That number represents one in twenty-eight of the entire population of this State. One does not take exception to the fact that we have such a number of men and women engaged in the public service of the State; but it is the bounden duty of a Government to see that service is rendered in all cases for this expenditure. We do need a very close audit of the whole of the public departments of the State. I notice upon reviewing the Budget that in most cases very small reductions indeed have taken place in the head offices. In fact, the items show little, if any, decrease whatever. We have had many speeches on the subject of a reduction in the basic wage and upon the alleged attacks made on the workers of this State; but in the Federal Parliament, where Labour is in office, equal economies have been forced upon that Government, and to such an extent that to-day the Federal basic wage of this State is reduced to £3 13s. Dealing with taxation, we know that the Federal Government have budgeted for increased taxation for the year 1930-31 to

the extent of £14,050,000. It is proposed to obtain some of this revenue by the following increased taxation:—

	£
Additional revenue by way of Customs and excise duty ...	2,750,000
Further increase in Customs duty ... ..	1,200,000
Super-tax on incomes ... ..	1,285,000
Income tax arising out of the liquidation of ex-enemy property ... ..	1,200,000
Customs duty and primage duty of 2½ per cent., petrol tax 3d. per gallon, tobacco 6d. per lb., cigarettes 6d. per lb., cigars 2s. per lb., and other items ... ..	5,700,000
Sales tax ... ..	5,000,000
Extra charges for postage ...	1,000,000

After listening to the speech delivered by the Deputy Leader of the Opposition, one would gain the impression that no Government would consider for one moment the wisdom of levying severe taxation upon the men and women of Australia. Let us consider the additional impost by way of postage charges. I make bold to say that that impost will have a greater effect upon the people with small incomes—upon the washerwoman, about whom we have heard so much, upon the little children, and upon the girls who leave home in search of employment and desire to write home—than any tax imposed by this Government. They have received no consideration at the hands of the Federal Labour Government. In Victoria, where a Labour Government is in office, wages have been reduced from 10 per cent. to 20 per cent.; and, according to the latest information received through the press, the Premier, Mr. Hogan, and his party are contemplating a further reduction in wages in that State in order that they may be able to balance their Budget.

We have a similar spectacle in South Australia, where Mr. Hill—that famous Labour Premier—is holding the fort. In common with other States, he has found it necessary to reduce the basic wage in his State. The basic wage in South Australia was reduced from 14s. 6d. per day to 12s. 6d., and the weekly rate to £3 13s. We can readily claim that the workers in this State have received at least equal protection at the hands of the Government compared with other States where Labour Governments are in office, and that the effective wage in this State has been maintained.

If we are to solve the many financial problems which confront us, the Government will have to push on with a vigorous land settlement policy. I agree with the Secretary for Railways and the hon. member for Dalby that it is necessary that something should be done—and done as early as possible as an urgent necessity—to settle men on the land under the best possible conditions.

I regret that the Budget discloses a considerable reduction in the vote for the Agricultural Bank. If we are to have an effective land settlement policy, it will be necessary to maintain that vote in order to assist the Government to settle men on the land satisfactorily. On examining the Estimates, I was struck with the fact that the salary of the manager of the Agricultural Bank—a very reliable officer indeed—does not compare favourably with the salaries of other heads of departments. I certainly think that, with

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the amount of responsibility that he is called upon to carry, he is entitled to a larger salary—and a salary approaching that paid to officers in charge of departments.

The Government, in order to extricate themselves from their many difficulties, will have to utilise to the full the Industries Assistance Act with a view to establishing factories to manufacture by-products in connection with our primary industries. I have particularly in mind the maize industry. During recent months we have heard a lot of advocacy for a pool for the maize industry. Whilst I am keen in supporting the pool system for some primary products, the Government would be employing their time better in the establishment of by-product factories. Many hon. members do not seem to realise the value of these by-products. Maize is capable of producing some of the most important by-products known to business people in this and other States of the Commonwealth. The by-products made from maize are maize syrup, corn sugar, starches of various characteristics; oil, both crude and refined, which is expressed from the germ of the corn; oil meal, a valuable fattening food for animals; and "Polly" food, composed of maize bran combined with gluten, an excellent food for dairy stock. Other products of maize are "Kream" corn-flour; nutro oil, which is odourless and tasteless, and is used for baking, frying, and cooking; Columbia maizena, a refined and nourishing food for infants, invalids, and convalescents; and "Dandy" starch, a great favourite wherever lincin is given a better finish. I had been hoping that some consideration would be given under the Industries Assistance Bill in connection with the establishment of factories to assist maize-producers to treat their products and manufacture more by-products than has been the case in the past.

We hear a lot from time to time concerning the possibility of the discovery of oil in this country, but up to the present the possibility seems to be very remote indeed. In view of that, I would encourage effort along all reasonable lines, and would urge the Government to launch out in the encouragement of the use of power alcohol as a fuel. That would be a means of assisting those engaged in the sugar industry to a great extent. We have in use in this State a commodity known as "Shellkol," which has given very great satisfaction indeed. The only regrettable feature in connection with it is the fact that since the present company have taken control they have very considerably reduced the quantity of alcohol used in the make-up of that particular fuel. These are lines upon which the Government may wisely proceed in order to assist the men who are struggling on the land.

A few evenings ago we were compelled to listen to an outburst from the hon. member for Ithaca, when he undertook to deal with the present financial position and the effect that the prices of the various commodities were having upon the masses in this city. So far as the statements of the hon. member are concerned, the only consoling fact is that I have continually heard from the Leader of the Opposition that he does not desire to have any cheap commodity on his breakfast table if its cheapness depends on the sweated labour of the men and women associated with its production. In that knowledge I find some consolation in view of the

statements made by the hon. member for Ithaca.

Mr. W. FORGAN SMITH: That principle applies all round. If you destroy the standard of living of the worker, your pools will be of little protection to you.

Mr. JAMIESON: I realise that the producers will have to stand shoulder to shoulder, as other workers have done, to protect their own interests in order that they may maintain reasonable prices for their products.

Mr. W. FORGAN SMITH: That reasonable price must apply all round.

Mr. JAMIESON: There are 720,000 people who are largely dependent on the dairying and agricultural industries in the Commonwealth. In Queensland last year the dairying industry was worth over £7,000,000 to the people of the State; and of that amount over £4,250,000 represented new money to this State in return for our commodities exported overseas. In spite of what has been said by hon. members opposite, I argue that there is no industry in this State to-day that is being conducted on more efficient lines than the dairying industry. Arguments are continually adduced that no industry has a right to exist unless it is efficient. We claim that our industry is efficient, and that our factories and dairy cattle compare more than favourably with the world's best. In proof of that, let me say that at 30th June last 13,920 head of dairy stock were under official Government test in this State, which goes to show that the men connected with the industry are striving from year to year to improve the conditions under which the industry is being conducted. There is no industry known to history to-day where the gospel of work is practised to a greater extent than by the men, women, and children engaged in the rural industry.

The men, women, and children engaged in the rural industry know no forty-hour week; they receive no passes over the railways; they are not paid for any holidays; and they have no time for social

[8 p.m.] extravagances. The reflection of the hon. member for Ithaca on this section of the workers is most regrettable indeed, because, if there is one true type of worker in this community, it is the men and women associated with rural life. Yet those hon. members who pretend to plead the case of the worker would deprive the men, women, and children associated with the primary industries of this State of the right to a living wage.

Mr. FOLEY: That is not correct.

Mr. JAMIESON: It is correct. Every time hon. members on the Opposition benches advocate a reduction in the price of commodities produced by the farmers of this State they are advocating a reduction of the wages of those people. They are absolutely inconsistent, because, if it is right to advocate high wages and short hours for one section of the workers, then it must be equally right and equally equitable to advocate similar conditions for the men, women, and children who work, not forty hours, but seventy hours a week.

We have heard a lot about the high cost of living in this State, and we are continually having figures placed before us indicating that the index figure in this State

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has been reduced to a lower level than in any other State in the Commonwealth. In the past six months the wages of the dairy farmers of Queensland have been reduced, not by 6 per cent. but by 20 per cent. Yet these men, women, and children fight on, and their one desire is to assist to establish industry and help the Government to right the wrongs of the past and get the finances of this country back to a normal condition.

The hon. member for Ithaca went to considerable trouble in preparing figures to show the comparative values of dairy produce in this State as compared with the other producing States of the Commonwealth. On Saturday last the wholesale price of butter in Queensland was 1s. 7d. per lb. In this State the consumption only represents 28 per cent. of the production. Furthermore, in Queensland we do not get butter that has deteriorated through storage. The consumers here get 93 or 94 point butter. In New South Wales the price is 1s. 5d. per lb. In that State the consumption represents 88 per cent. of the production. In reply to the criticisms that we have been subjected to, I say authoritatively that in many instances the people in New South Wales are supplied with carry-over stocks which have deteriorated, and are really only 88 or 89 point butter. Therefore, there is not much in the criticism in regard to the difference in price charged to the consumers in this State. In Victoria the price is 1s. 4½d. per lb., and the consumption represents 82 per cent. of the production. In South Australia the price is 1s. 3½d., and the consumption represents 96 per cent. of the production. In Tasmania the price is 1s. 4½d., and the consumption represents 98 per cent. of the production. So that, so far as values are concerned and so far as consumption and production are concerned, even with the high rate ruling in this State, the producers of this State are at a disadvantage as compared with the producers of New South Wales and Victoria. I want to emphasise this point—that, although in the other States, because of their greater population, they are able to consume a greater percentage of their production, it does not necessarily follow that the consumption per head of population is any greater than it is in Queensland.

It has also been said that, because of the action of the Queensland Butter Board in maintaining prices in this State at a higher level than those in the other States, we have assisted to reduce the consumption of the commodity in Queensland. That also is untrue, because, according to the audited statements in the annual report of the Queensland Butter Board, issued on 30th June last, the consumption in Queensland increased during the last year by 10,000 cases. We argue that, under our commodity board system, members have not abused their position or the machinery that has been placed at their disposal, and that the consumers' interests in this State have always been protected in that regard. We have also been charged with selling a quantity of our production to the other States at a lesser rate than that ruling in Queensland. Anyone who has followed this line of business will realise that, following on the decision of the Bruce-Page Government to increase the tariff against the imports of butter into Australia from New Zealand from 2d. to 6d. per lb. that additional tariff could only

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have been secured by an agreement being made between the different producing States of Australia to supply the requirements of the people of this country with Australian butter and other dairy produce. We realise that there are certain periods of the year when States like Western Australia, South Australia, and even New South Wales, do not produce sufficient butter to supply their own requirements; and, in order to keep faith with the Federal Government in their decision to increase the tariff, it was found necessary to set up an interstate committee to deal with the whole question of the supply of butter in the Commonwealth. We say definitely that no breach of contract whatever has ever taken place so far as supplying the requirements of the people is concerned. It would be folly for any organisation to expect any Government to increase tariffs to protect an industry such as the butter industry unless some guarantee was given by those in control of the industry that the requirements of the people of the country would be met with the production of the country. That is what we undertook to do; and, notwithstanding what has been said by hon. members opposite in criticising the men associated with this industry, we have kept faith with the men in the other States; and it is not true that we have been selling butter there at a lower price than that fixed from time to time by the interstate committee.

With regard to the production of butter, we are told that the high prices ruling in this State have been responsible for a falling off in consumption, but that is not correct. As I have already indicated, our consumption went up by 10,000 boxes last year. One of the most difficult problems those associated with primary industries have to deal with to-day has been brought about because of the decision of the Scullin Government to build a tariff wall round Australia to protect industries which in many instances do not exist. We find that a great injury has been done in this regard to many of our primary industries, particularly with regard to the trade they have developed for a long period of years with Eastern countries. Last year the company which I have the honour to represent had a business connection with Eastern countries, and sold 1,033,326 lb. of butter, which was worth to the producers connected with the company the sum of £75,000. As a result of the decision of the Federal Government to increase the tariff against that country, during the last few months the trade fell away practically to nil; and, as a result, the producers of this State, who are naturally large exporters, are going to be severely handicapped in that regard.

Then we have the additional cost that has been heaped upon our primary industries from time to time in the way of extra charges for agricultural implements. I feel confident that it is useless to set up tariff walls to protect industries which do not exist. Take, for instance, agricultural implements. I am confident that, even if the Federal Government were able to compel machinery manufacturers throughout the world to build factories here in Australia, in two or three months of the year they would be able to make sufficient implements to meet the requirements of agriculture during the whole twelve months. What would they do during the balance of

the year? They could not manufacture goods for export because industrial conditions here absolutely prohibit anything of the kind.

Some months ago, at the invitation of the present Federal Minister for Markets, Mr. Parker Moloney, I attended a conference in Sydney at which organisations interested in primary production and the development of trade with the East were strongly represented. We learned that in 1928-29 Australia had a very favourable trade balance with Eastern countries. Our exports for that year were worth £27,250,000, whilst our imports represented £21,750,000, leaving a balance in Australia of £5,500,000; and the total trade with Eastern countries for the past three years was £130,000,000. I am sure that we all realise what a serious position the primary producing and exporting interests would be placed in if the Federal Government took any action which upset the trade we have been able to develop in that direction. The East may yet represent some of the largest buyers of our wheat, wool, and butter and other primary produce.

Reverting to the price of butter, we argue that, taken over the whole year, notwithstanding the fact that the industry has been controlled by statutory authority, prices in Queensland have not favoured the producers and that the consumers have not been sacrificed. I have here a statement which shows that the average retail price throughout the year ended 30th June, 1929, was much on a par in Queensland with that in other States of the Commonwealth. The figures are—

	d.
Sydney ... ..	24.95
Melbourne ... ..	24.65
Brisbane ... ..	25.0
Adelaide ... ..	25.40
Fremantle ... ..	25.70
Hobart ... ..	25.60

Prices were fairly even right through the whole twelve months.

Then we have to consider the effect which the sales tax is going to have on an industry. It must push up the cost of production in primary industry, since a charge of 2½ per cent. is to be added to many lines used in the manufacture of primary produce, including salt, nails, ice, soda, coal, and cleaning material. We feel confident that, instead of placing taxation on the shoulders of the producing community which they are unable to bear, it would be far better if the Government, in the interests of the whole Commonwealth, embarked on a scheme to encourage men to settle on our lands. In this connection I want to read the following comment from one of our leading journals:—

“If men having the highest reputation as workers have their hands tied by legislation that prevents them working, or that makes the product of their labour unsaleable in the unprotected market, we must inevitably develop industrial and financial conditions akin to those that are found to prevail in this State. There is, however, a little rim of gold to our industrial dark cloud that is encouraging. The Government has been steadily removing shackles from labour conditions. It takes time to do this, and it also takes time for the effects to manifest themselves.

“The dairying industry is one that has most speedily responded to the industrial

inducements offered by the Government, and its history for the last financial year shows that, given scope for free action, there is nothing wrong with the resources of Queensland nor with its men. The number of dairy farms increased by 306, which is practically one for every working day in the year. There were 9,722 cows milked during the year, and this gave an increased output of 3,500,000 gallons of milk. Notwithstanding that dairy products have been selling in cheaper markets, the increased value of the exchange to Queensland was £570,000, demonstrating that, given fair treatment, Queensland's men and Queensland's resources will see the country through its difficulties.”

That brings me to another point: After having followed the speech of the hon. member for Fassifern very closely, I find that I cannot agree entirely with his remarks regarding the wholesale condemnation of the borrowing system; but I do agree with him that it is useless for Governments to be encouraged to embark upon a wholesale business of borrowing and spending money on works which will not be reproductive. I feel that, if borrowed money is spent wisely, it is a means of assisting us to develop industry, and of bringing about an effective system of land settlement. I realise that it would not have been possible in the early days to have had such beautiful settlement as we have in the Fassifern electorate to-day if money had not been borrowed by previous Governments to build the fine railroads in that and neighbouring electorates. If the policy of the hon. member for Fassifern had been in operation, it would not have been possible to construct the useful roads which have assisted the producers to become greater producers than in the past, and things would not have been so prosperous in the Fassifern and other rural areas. Having had a lifelong experience in agricultural industries as one of the smaller fry in the business, I make bold to say that thousands of our farmers could never have made a start in these industries if it had not been for the fact that they were able to obtain reasonable overdrafts from banking institutions to assist them to get on with their business in life. After I heard the speech of the hon. member for Fassifern, I wondered what would have been the position of that great organisation of which I have the honour to be the executive head—the Queensland farmers—if we had not been able to arrange for substantial overdrafts with the banks from month to month so that the producers might be paid for their produce in advance of sale. In many instances dairy produce exported for sale overseas in January is not realised until June or July the same year; and, if we were not in a position to secure the necessary advance by the method of borrowing in order that the industry might continue to operate, very serious dislocation would ensue. Whilst I admit that a wholesale system of borrowing and spending by Governments on works that are not reproductive is most unwise, I do say that loan money carefully and wisely spent is probably the best system any Government can employ to bring about an effective system of development in any country.

As a member of this Parliament, I also realise that our local governing bodies have many difficulties to contend with. I would not like for a moment to support any policy

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which would prevent these organisations from securing loans for the purpose of constructing roads which will be the means of assisting people to settle on the land and to engage in the production of wealth for the country.

At 8.20 p.m.,

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

Mr. JAMIESON: It is absolutely necessary for local authorities to secure loans from time to time to enable them to carry out useful work for the development of the district in which they function. I am not at all in favour of the present generation making all the provisions for future generations. By an effective and wise system of borrowing the future generations are made to participate in the repayment of some of that expenditure for the development that is taking place, and of which they will secure the benefit. I regret that I find it impossible to agree with my colleague in this regard.

That brings me to the question of quinquennial Parliaments. During the last couple of weeks hon. members opposite have almost bellowed themselves hoarse in the hope that the Government might inaugurate quinquennial Parliaments.

Mr. FOLEY: You will get into line when the whip is cracked.

Mr. JAMIESON: When the Government, as I hope they will do, decide not to create quinquennial Parliaments, I feel confident that hon. members opposite will be the most disappointed men in the Chamber. (Government laughter.)

Mr. FOLEY: You will not say that in your caucus.

Mr. JAMIESON: I say in caucus what I say here. Like the hon. member for Fassifern, I believe in freedom of thought; and I am prepared to express my views according to the dictates of my conscience. I am opposed to quinquennial Parliaments under the circumstances. I do not believe in any Parliament increasing its tenure of office. Neither do I believe in any Parliament increasing its own salaries. I would subscribe to a five-year Parliament only after the question was submitted and decided upon by the electors. I am not endeavouring to get any cheap kudos from this statement, because an article appearing a couple of days ago in one of the leading newspapers in my electorate strongly supported a five-year tenure of office for this Government. This journal stated—

“However, Queensland—which has weighed Mr. A. E. Moore and his colleagues in the balance and found them not wanting, but able, fearless, and disinterested—will be quite content to let the situation develop itself. If the Premier, who is absolutely to be trusted, and who is trusted by every good citizen, should find it right and expedient to acquiesce in the request, or ‘instruction’ of conference, and move to prolong the life of Parliament, in the public interest, we may be sure that he will do it without hesitation or subterfuge.

“If, on the other hand, he should decide that it would be undesirable; or if he preferred to take a referendum on

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the matter, it is certain that he will so order his course that nothing wrong, nothing unfair, nothing hurting to the State he loves and is proud of will be allowed. He has proved himself both strong and sympathetic; indifferent alike to praise or blame; cool, sagacious, and eminently fair. He has the Agean stable still to clean out, for there remains a dreadful legacy of debt, mess, and muddle from the hectic days of the discredited Dynasts. It would be a tragedy were anything permitted to intervene in the performance of the great, difficult, but salutary, task to which he and his colleagues have ably and boldly addressed themselves. These men have grappled, are grappling, with the situation in a manner that commands the respect and admiration of all fair-minded persons. The opinions of others are worthless.

“They are strangers to patriotism, self-sacrifice, and the fine spirit that prefers the public weal.”

Those are the views expressed by a leading journal in my electorate; but I am not a supporter of the move to increase the life of this Parliament to five years. In making that statement I realise that, if it is necessary to consider the question of submitting to the electors of the State the necessity for increasing the tenure of office from three to five years, I will support that on the hustings at all times.

I am also very strongly in favour of the reduction of members of Parliament from seventy-two to fifty. The present system is too costly. When you take into consideration that the Governments of Australia are costing approximately £1,300,000 to-day, then something should be done to lessen the expenditure. I feel confident that in a State like Queensland, which has such a small population, we could well consider the question of reducing the membership of this Parliament to not more than five State members to every Federal member from this State.

I consider that Australia, in common with other countries, is over-governed, over-taxed, and over-staffed. The statistics of this country show that one in every twelve of our able-bodied workmen is on the unemployed list. This is a matter of great concern to the Government; and I am pleased to know that the unemployment relief scheme is proceeding reasonably satisfactorily. I hope that good results will be obtained from the passing of that measure.

I think that the only way we can solve many of the problems confronting us to-day is to eliminate all barriers that in the past have prevented men from getting work. In that regard I am like the hon. member for Burnett; I think we have reached the stage when men should be paid for service and not for time.

In discussing the Financial Statement generally, I recognise that it is a very difficult time indeed for a Treasurer. I am sure that many of the drastic actions that the Government have been forced to adopt will be only temporary measures. With sane handling of the measures which have been passed by this Parliament from time to time, I feel confident that in the very near future this splendid State of Queensland will return to prosperity.

Mr. EDWARDS (*Nanango*): I feel sure that no one in this Chamber, no matter with what party he may be associated, envies the Treasurer in a time like the present; nor can anyone envy the hon. gentleman in his effort to bring forward a Budget that will meet the situation in the current year. No matter what has been said by way of criticism from hon. members opposite, most hon. members, particularly those who held ministerial office in the last Labour Government, realise the seriousness of the times through which we are now passing. Of course, hon. members opposite may consider that it is their particular business to criticise the Government, to ask all sorts of questions in reference to broken promises, and to harp continually on the question of 10,000 jobs. In the last connection, it appears to me that it would be a good plan to set that cry to music, because in those circumstances hon. members opposite would have some tune to which they could whistle or dance as they desired. (Government laughter.)

The strictures that we have had from hon. members on the other side in the way of criticism are not a credit to the Opposition, because it is not as though they had been in opposition for a great number of years. On the Opposition benches there are hon. members who have held high [8.30 p.m.] office in this great State of Queensland; and ex-Ministers must realise that their criticisms have been merely propaganda to convince the unthinking people of this State. Knowing the hard-working man as I do, having worked with him, I am sure that those who have an interest in this country realise that the day has gone for that kind of stupid talk. The other night the late Attorney-General subjected the Committee to what might be called a "heel and toe" polka. The hon. member for Brisbane also indulged in similar criticism. Those of us who know those hon. members take not the slightest notice of their criticism.

Mr. BRUCE interjected.

Mr. EDWARDS: If the hon. member who interjects had ever done an honest day's work, he would not be interjecting so often when other hon. members are making suggestions which are in the interests of the State. For the best part of his life the hon. member has been organiser, campaigner, and propagandist for the Communist Party or some other organisation which advocates the holding up of industry. He would make a better "bullocky" than anything else. As a matter of fact, when I hear his voice across the Chamber and note his attitude, I often look for the whip.

Mr. BRUCE: You want the whip.

Mr. EDWARDS: While the hon. member for Herbert was speaking, he constantly criticised the hon. member for Stanley, and said, "This schoolmaster on the other side should form a class and cane those who did not quote figures correctly." If ever anyone in this Chamber wanted the cane for not quoting figures correctly, it is the hon. member for Herbert. Strangely enough, although the hon. member for Stanley was absent from the Chamber at the time the hon. member for Herbert was speaking, one of the first actions of the hon. member for Stanley after he relieved the Chairman in the chair was to cane the hon. member for Herbert—

and no one deserved it more. It must be admitted that the problems facing Queensland at the present time are vast, and every person in this State should do his utmost to assist in bringing about a remedy for the position.

I am one of those who say that the problems of the people will not be solved in this Parliament; nor will they be solved in the other Parliaments of Australia, whether Federal or State. The problems we are facing will be solved by the great band of men and women who are working silently throughout Queensland in the interests of the State. Those are the people who will solve this problem, and all that Governments can do is to clear the way for the people as much as possible, and to encourage them at every turn, so that they will have a clear course in carrying out their great task. That is the position of the Governments of Australia to-day; and I say that the people of Australia will not fail Australia. The people are going to win through; and, although the problem is a great and difficult one, they will see it through to the end, and bring Australia again to a sound condition.

I am not going to quote a great many figures, because we have had figures quoted for days from both sides; but, when we look at the real financial position of Australia, we realise what the problem is, and wonder what the end is going to be. The total debt of the Commonwealth is £1,100,597,198, the Commonwealth portion of the debt being £372,957,392, and the State's portion £727,639,836. The interest commitments amount to £55,365,499 per annum, of which £27,595,701 is payable overseas and £27,769,748 in Australia. This gives some idea of the problems which have to be faced during the next few years. Success, as I have said, lies in primary production, and we must at all turns, as public men, either in this or the other Parliaments of Australia, clear the way and give every possible freedom to the people who are working silently on the land in the interests of production, which, after all, is the real wealth of this country.

I want to make a few comparisons to show the position the producers are up against to-day compared with what they were years ago. It must be admitted that primary products have in many instances fallen below the cost of production under the present conditions. Wool at the present time is selling at 7½d. or 8d. per lb., while the cost of articles manufactured from wool and cotton is at least 100 per cent. above pre-war prices. That proves that it is impossible to produce wool profitably under these conditions. This can also be said of such goods as boots and shoes, hats, preserved foodstuffs, tyres, paint, etc.

Then again, the cost of tools of production, such as machinery in all lines, tractors, and locomotives, which the producer must purchase to produce his products is 100 per cent. more than a few years ago.

That proves the foolishness of asking the producer to continue under existing conditions. Governments must clear them away, so that the producers of the State will have more freedom and be able to increase their output in the interests of Australia. In this connection I want to read a cutting I took from the "Daily Mail" of the 10th instant, because it sets out clearly the predicament

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in which such men find themselves. A writer of a letter to the editor says—

“I am one of those unfortunate individuals who are trying to balance their budgets while making a living on the land. Wool has fallen 60 per cent., being now worth 8d. a lb.

“Again, in 1915 a four-stand shearing plant with grinder and belting complete cost £74 f.o.r. Brisbane. To-day the same plant costs £147.

“Duplicate parts for shearing machines have gone up in most cases 300 per cent. A fork for a shear machine in 1915 cost 3s. 9d; to-day the cost is 16s. 6d., and all other parts have gone up in proportion.

“I have before me an account for duplicate parts, in which the firm has charged 5 per cent. sales tax. At least, no sales tax has been charged, but 5 per cent. has been added to the prices for these parts since the sales tax came into operation.”

The sales tax illustrates the lack of interest which the Scullin Government have in the producers of this country, for, in imposing it, they must have omitted entirely to consider the effect it would have on production. In many instances it is considerably hampering the creation of wealth—the very thing which the Governments all over Australia should attempt to encourage. If we increase the cost of machines and tools of trade of all descriptions, we cause over-capitalisation and create an impossible position for the producing community, and everyone suffers accordingly. If the primary-producing community, whether of this State or of Australia as a whole, suffers from over-capitalisation or excessive overhead costs, everyone else suffers proportionately, because raw material cannot be produced cheaply enough to have it manufactured into the finished article at a cost which the people can pay and which will lead to the creation of that work which hon. members opposite say is essential. By these arguments and by the statements of the hon. member for Lockyer I claim that we prove that we are the real friends of the workers of the State. We are building a sound edifice—not a flimsy structure, as the hon. members on the other side did when they were in office.

Mr. KIRWAN: We built up the farming industry.

Mr. EDWARDS: Hon. members imposed such penalties on the farming community as well as on the people generally that they largely brought about the conditions in which we now find ourselves. Queensland ought not to be in financial difficulties. There is no State in the Commonwealth—and I have seen them all—that should be able to pay its way better than Queensland.

In variety of soils, variety of climate, and the possibility of the production of a greater variety of crops Queensland excels any other State in the Commonwealth. We had no right to get into the difficulties into which we have drifted during the past few years. It is admitted that the other States are in similar difficulties; and it is also admitted that Governments have been extravagant and have not attempted to live within their means. The high prices

received for our wool contributed largely to our difficulties, because people were imbued with the idea that those prices would reign for all time; but, immediately values fell and this calamity overtook the country, the present difficulties became apparent.

Hon. members opposite are very fond of criticising the actions of this Government, but, if they were in power to-day, their attitude toward the workers of this State could be described as worse than that of this Government in our effort to do something that will be of permanent benefit to the workers.

Mr. KIRWAN: That would be impossible.

Mr. EDWARDS: The Labour Premier of South Australia has imposed an unemployment tax of 1s. 1d. in the £1, whereas our Government have imposed a tax of only 3d. in the £1.

Mr. KIRWAN: After three years of Nationalist Government in South Australia.

Mr. EDWARDS: That does not matter. The Labour Government in Victoria find themselves in a similar position.

Mr. KIRWAN: After fifty years of Nationalist Government.

Mr. EDWARDS: The Nationalist Government in New South Wales find themselves in just the same position after a long run of wild Labour government. I believe that the solution of our difficulty lies in production from the soil, from which the great wealth of any country is derived. I suggest to the Government that they should endeavour to place a number of potential settlers on small areas; and particularly do I suggest that these efforts be directed towards assisting those at present in receipt of rations, sustenance payments, or engaged upon relief work. The following figures will give some idea of the cost of providing employment:—

	£
Cost of rations ... ..	123,204
Sustenance payments from unemployment insurance fund ... ..	517,780
Subsidy to local authorities in connection with relief work ... ..	35,612
Total ... ..	£676,596

I suggest that a portion of the money from these sources be earmarked with a view to placing unemployed workers and those in receipt of assistance upon small areas of land. There is any amount of land in close proximity to Brisbane that could be settled in areas of 5, 10, or 15 acres by persons at present in receipt of rations or in receipt of assistance from the sources previously mentioned. At Sunnybank one will see beautiful homes standing on 5 acres of intensively cultivated land—cultivated by people who by their industry have altered the whole panorama of the countryside. There are hundreds of acres of land in that vicinity that could be brought under productive occupation by means of land settlement upon small areas in the manner to which I have referred. We should endeavour at every turn to encourage the people to be independent and self-reliant; and we should tend to discourage the evil of past years when the public were taught to believe that they could constantly look to the Government for assistance. We should not

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encourage the people always to look to the Government to carry them on.

That is not the best attitude to take up in the interests of the nation. In times of stress such as the present we should encourage the people to do something for themselves, and to build homes for themselves. I recognise how difficult it is when people get on the breadline to place them in a position for even twenty-four hours. When we analyse the enormous sums of money that are spent in relieving distress, we must admit that every thought should be given to schemes under which these people might assist themselves instead of becoming a charge on the State. Our problems will not be overcome until a scheme is evolved whereby many of these people will become wealth producers. Then, and not till then, will the situation improve. It is difficult for a Labour Government to encourage such a policy, as the organisations controlling them will not tolerate it. When a Labour Government assumes office, it is invariably found that organisations outside dictate their policy and thus become their controllers. That is a pitiable position for any Government to find themselves in. It is quite impossible for them to administer successfully, especially in difficult times.

As showing the difficulty the Labour Party find themselves in when elected to office, I have only to quote the following comment on the difficulty confronting Mr. Scullin in selecting a Cabinet:—

“When the Labour Government assumed office there was a bitter fight between the Australian Labour Party and the Australian Workers' Union as to which body should obtain the majority of portfolios in the Cabinet. The Australian Workers' Union was successful in gaining the greater number.”

Does that not prove where the interests of the Federal Government lie? They are controlled absolutely by the organisations which place them in office. The day is coming when the people of Australia, irrespective of their calling or occupation, will have to pull together in one long, strong pull in the interests of the country. It will not matter whether they be industrial workers or primary producers. It will not matter whether they are people supporting the primary producers, business men who are dependent upon primary production, or industrial workers, so long as they place the welfare of this country first and foremost. The day is coming also when the agitator who endeavours to inflame the minds of the people will get short shrift. It is true that those three persons may be engaged in different occupations; nevertheless, they should have the same outlook for the advancement of their country. That is contrary to the attitude of the Labour Party. Take, for instance, the position of three boys in one family. They are educated in a similar way, but one becomes an industrial worker, one a business man, and the third a primary producer.

What has been the propaganda of the ordinary Labour politician to the boy who has entered the industrial workshop? The propaganda has taken the form of telling that boy that the person who owns a business or a farm is his enemy. That is absolutely wrong in the best interests of Australia, and it is high time that we gave propaganda of that class short shrift. I realise, of course,

that the day has come when the propaganda that is put forth by Labour is not having any effect on the conscientious worker.

The hon. member for Lockyer, when speaking to-night, proved the value of the dairying industry to this State. I advocate that we should start people on small areas with a small amount of capital, even to the extent of rations and a few shillings a week until such time as they are established on those small holdings. The dairying industry has helped in a very large way along the lines suggested by the hon. member for Lockyer; and, indeed, the same can be said of primary production throughout the State. Consider, for example, the suggestion made in reference to maize. Maize-growing in this country has wonderful possibilities, and even if we could only establish the manufacture of the by-products of maize we would be doing a big service, not only to the primary producer, but to the workers of this State. I have gone into this matter very fully for a number of years, and believe that we shall see such a factory established in our own State.

At 8.58 p.m.,

The CHAIRMAN resumed the chair.

Mr. EDWARDS: Only a few years ago—and I refer to this question because it is of such importance to the working people of Queensland—the peanut industry was established in the South Burnett district. To-day that industry provides work for many thousands of persons. It has great possibilities from a farming point of view, and would have infinitely greater possibilities with the establishment of associated secondary industries, because, just as in the case of maize, the value of the by-products is great. I believe there is an outlet for work along those lines. Unfortunately, restrictions have militated against the establishment of secondary industries in the past.

Mr. DASH: What is stopping you now?

Mr. EDWARDS: I am pleased to have that interjection, because I can tell the hon. member that there is a movement afoot to establish a factory for the manufacture of the by-products of the peanut. The persons interested in that venture realise that the Government will give them every assistance, and I dare say that within the next twelve months we shall be able to have peanut butter and other by-products of the peanut manufactured in Queensland, and by doing this the market will be greatly improved for this product.

Everyone must admit that the present financial position has been brought about largely by the huge losses on the railways during recent years. When many of the railways were built in various districts of the State, no one foresaw the competition that is now taking place from motor traffic.

The difficulty at the present time [9 p.m.] is largely owing to having two forms of transport, both costly. The losses made on the railways while the Labour Government were in office are largely responsible for many of the difficulties we are in to-day. It is unfortunate that for fourteen or fifteen years the railways were pulling a wealth of timber out of our forests, although we had done nothing to place that wealth there. We hauled timber over our railways for fourteen or fifteen years, and during the whole of that time the railways

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were losing huge sums of money. That was most unfortunate.

Mr. O'KEEFE: It is still going on.

Mr. EDWARDS: Yes, and every time we attempt to remedy the position by removing some of the restrictions hon. members opposite try to hamper us in every way. I honestly believe that the Government will bring about a position so that the railways, if they do not pay their way, will at least pay interest and working expenses on most lines.

Mr. BRUCE: If you do that, you can stay there for ever so far as I am concerned.

Mr. KIRWAN: There will be no objection to five years Parliaments if you do that.

Mr. EDWARDS: Hon. members opposite should be the last to talk about extending Parliament for five years. Immediately after they came from the polls, after campaigning the whole of the State, they increased their salaries from £500 to £750 a year. They did that without a blush. Why did they do it? They kept it a secret during the election campaign. Further, the same gentlemen remained in power in Queensland for nine years on a minority vote of the people. They had no right to do the things that they did do, seeing that they only represented a minority of the people. Again, they abolished the Legislative Council, although the people voted against such action by referendum. In spite of the vote against the abolition of the Upper House, they "stuffed" that House with union organisers in order to abolish it. Again, they spent huge sums of money on State enterprises without the consent of the people. They spent hundreds of thousands of pounds and lost hundreds of thousands of pounds on State stations without asking the permission of the people. Yet these same gentlemen criticise the present Government for what they say they may do! Like the hon. member for Lockyer, I want to say that some of them would be the sorriest members in this Chamber if the Government do not go in for a quinquennial Parliament. Hon. members opposite are talking with their tongues in their cheeks and hoping that the Government will extend the life of this Parliament to five years. I would not have touched on this matter but that I wish to let the public know where I am.

AN OPPOSITION MEMBER: Where are you?

Mr. EDWARDS: Seeing the altered conditions since this Government took office, and the position that Queensland and Australia are in at the present time, the Government would not be doing their duty to the people of the State if they did not watch the position carefully, and consider whether it is in the interests of Queensland to have a quinquennial Parliament. If we had to go to the people to-morrow, I would not be afraid of the result. This Government, headed by the most conscientious leader who has ever been at the head of a Government in any State of Australia, will win back to power again.

GOVERNMENT MEMBERS: Hear, hear!

Mr. EDWARDS: If we went to the electors to-morrow, or if we go in three years, I feel sure that the people would recognise what the Premier has done for Queensland in the way of laying down solid financial

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conditions. I believe that the people recognise that he is the only leader this State has had for a long time who has made a definite attempt to administer the affairs of the State in the interests of the people as a whole. I believe that the policy we are pursuing at the present time is going to save this State, and to make the position such that people who have money to spend will invest it with more confidence. It is a policy which is going to give the people encouragement to develop the country and to rear and educate their families. I feel sure that the State will be placed on a sound basis, so that the next generation will not have to carry the burden of the debt which it looked as if they were going to have to carry when hon. members opposite were in office.

Hon. members on the other side have said that we are not prepared to go before the people. We know what happened the other night, when the Leader of the Opposition hooked on to the propaganda of a quinquennial Parliament, and made a sensation at a meeting in the Town Hall, where a big crowd went to hear him.

The hon. member is evidently glad of anything that will distract the attention of the people from the way in which they were treated by him and his Government. The truth of the matter is that the propaganda about a five-year Parliament is a huge joke. Hon. members say they are going to hold further meetings throughout the State. It might be some encouragement for the hon. member for Gregory and the hon. member for Kennedy to get back to their electorates, which they do not visit very often. (Laughter.) They will not, however, get any advantage for their propaganda.

To clinch the arguments which I have been using, I shall quote the remarks of Chief Judge Dethridge, of the Commonwealth Arbitration Court, who, in the railway case in which he set aside the awards in four States, said—

"In a time of crisis necessity might present the hard choice to employees either to give up promptly some of their award conditions or to see the industry collapse, with greater loss to them and greater injury to the public."

That is exactly what I maintain.

Mr. HYNES: He is a political partisan.

Mr. EDWARDS: The Federal Labour Government are responsible. For years hon. members opposite preached that, if an industry could not afford the conditions they wished to impose on it, it should go to the wall. Do they say that to-day? It is such preaching that has brought Australia into the position in which she is. It is because of this preaching that the working man cannot get a job. He has no one else to blame but the Labour politicians—for their interference with industry through the length and breadth of the continent.

Mr. KIRWAN: How is it that they have to spend millions on unemployment in Canada?

Mr. EDWARDS: There is unemployment all over the world, as the hon. member knows. We on this side are going to turn our attention to sound finance, the people of Australia are going to devote their efforts to production, and the people who have money to spend, as a result, will spend it in the primary producing areas and on the secondary industries of the State. When they

do that, the workers in every State of Australia will be employed. I believe that the Government are going to help in bringing that result. They have assisted in many respects up to the present by the removal of restrictions on industry, and giving the producers the freedom to put forth efforts in the interests of Australia.

Mr. ANNAND (*Toowoomba*): I tender to the Treasurer my sympathy in his task in introducing a Financial Statement at a time like the present.

Mr. O'KEEFE: You cannot congratulate him.

Mr. ANNAND: I also offer him my congratulations for being fearless enough to recognise the position we are in, and to demand that the Budget be balanced during the present economic crisis. I understand that the time allotted for each speaker in this debate is one hour. I have taken the trouble during the day to ascertain what this costs the country, and I am surprised to know that this debate on the Financial Statement, for which hon. members are allotted one hour in which to speak, costs the taxpayers of this country £100 per speech per hour.

Mr. BRASSINGTON: If I were you, I would not make a speech. (Laughter.)

Mr. ANNAND: I want to make a speech on these lines to show that I do not think any man in his sane senses could possibly defend the cost of the speeches considering the subject-matter introduced into this Chamber during the last few days. I feel that we have not experienced such financial stringency in past years; and, no matter what might be said regarding similar periods through which Queensland or Australia has passed, there has been no time when it was so difficult to finance Queensland generally or for the individual to finance himself personally. Everyone realises that Governments have become accustomed to extravagance, and now find it difficult indeed to economise. We have become so accustomed to extravagance that it is more difficult now than it was twenty years ago to reduce our spending, because we really believe that the luxuries we have been enjoying of late are a privilege that we should enjoy for ever. I feel to-night that I can only emphasise the fact that the present financial position has been brought about by indiscriminate borrowing by previous Administrations. I am not averse to the principle of borrowing; I am a firm believer in borrowing, provided one does not pay exorbitant interest and the money can be used in avenues where it will earn something for its use. We must ask ourselves to-night whether the money borrowed by past Administrations has even earned interest, quite apart from earning sufficient to repay the capital invested.

When speaking in this Chamber on Tuesday last, the hon. member for Bremer defended the spending—or what was really the wasting—of money. Might I ask the question: Did the spending or the wasting of millions of money on the Brisbane sewerage system assist the householders of Brisbane? We know that work, representing a cost of £2,000,000 in connection with the construction of that famous sewerage system carried out during the regime of the Labour Government under the day-labour system, cannot be located. Evidently the hon. member for Bremer would defend the spending

of the money by saying that somebody got the wages and the traders got the benefit.

Mr. HYNES: And the citizens got the service.

Mr. ANNAND: As the Premier just reminds me, the ratepayers are left, not to pay the bill as it should be paid, but left for a lifetime to pay for the indiscriminate spending and wasting of £2,000,000 by the past Administration. It is quite all right for hon. members opposite to say that posterity will get the benefit of the spending of this money; but nobody can defend the principle of borrowing money and, as the Leader of the Opposition said in his speech, handing it out as largesse to the people. The party we superseded spent borrowed money to gather round themselves a personal political bodyguard that stood them in very poor stead at the last election. We all regret retrenchment, which is a regrettable thing.

Mr. BRASSINGTON: You will regret it after the next election.

Mr. ANNAND: I am quite sure that I will not regret the meeting of my constituents at the next election. I am perfectly happy.

Mr. HYNES: You are not putting it off for five years?

Mr. ANNAND: No, but the hair on the head of the hon. member for Townsville has grown white thinking of the next election. I am proud to meet my constituents because I am satisfied that, just as they in their judgment returned me at the last election, they, as sensible people, will see that this Government is out for sane, straight, and fair administration. Public servants and railwaymen congratulate us daily on the good work that the Government have done. (Opposition laughter.)

Mr. KIRWAN: You are dreaming.

Mr. ANNAND: Hon. members opposite still refer to the unemployment relief tax, but I am proud that the Government brought that measure forward. The hon. member for Mundingburra referred to it as a tax on washerwomen. My mind goes back a few weeks when I met one of those individuals whom the hon. member referred to as "washerwomen." The woman was in my own city, and, unfortunately, had to go out washing to try to earn the daily bread for herself and her family.

She confessed to me that she was proud indeed to pay the 3d. on three individual Mondays, but prouder still to know that she had not to pay another 3d., because there was no necessity for her to go out to work, as her natural breadwinner was now earning a weekly wage under the unemployment relief scheme. Numbers of washerwomen voted for the Nationalist Government at the last election.

At. 9.25 p.m.,

The 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 CHAIRMAN reported progress.

Resumption of Committee made an Order of the Day for to-morrow.

The House adjourned at 9.26 p.m.

*Mr. Annand.]*