

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 24 AUGUST 1932

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WEDNESDAY, 24 AUGUST, 1932.

Mr. SPEAKER (Hon. G. Pollock, *Gregory*)
took the chair at 10.30 a.m.

REVISION OF STANDING ORDERS.

ASSENT.

Mr. SPEAKER reported that, pursuant to the resolution of the House on the 23rd instant, he had presented to His Excellency the Deputy Governor the amendments made by the House in the Standing Orders, and the new Standing Order, and that His Excellency was pleased, in his presence, to subscribe his assent thereto.

QUESTIONS.

QUEENSLAND'S ALLOCATION FROM £6,000,000
COMMONWEALTH LOAN FOR PUBLIC WORKS.

Mr. KENNY (*Cook*) asked the Premier—

“1. Is it not a fact that, at the last meeting of Premiers and Treasurers, the Commonwealth Bank agreed to make available to the various Governments during the current financial year a sum of £6,000,000 for ordinary public works in addition to the £7,000,000 specially for unemployment relief?

“2. What allocation did Queensland obtain out of the former amount?”

The PREMIER (Hon. W. Forgan Smith, *Mackay*) replied—

“1 and 2. No. The Loan Council decided that, subject to the Council being able to raise the moneys involved, on terms to be approved, the net amount of new borrowings for the ordinary loan programmes for all the States except Queensland should be £6,000,000. The

Queensland programme was fixed at £1,610,000. As I have already informed the hon. member, suitable and satisfactory accommodation has been secured to meet these requirements."

SUITABLE ROAD SYSTEM IN MAREEBA TOBACCO AREAS.

Mr. KENNY (*Cook*) asked the Premier—

"In view of the unsatisfactory road access provided for settlers in the Mareeba tobacco areas, will he appoint a committee such as the following—a representative of the Department of Agriculture and Stock, a representative of the Department of Lands, a representative of the Main Roads Commission, and the chairman of the Woothakata Shire Council—for the purpose of recommending a suitable road system and the proportions of the necessary expenditure that should be borne by each of the departments mentioned and the shire council, respectively?"

The PREMIER (Hon. W. Forgan Smith, *Mackay*) replied—

"There is no necessity to appoint such a committee. The officials of the various departments dealing with road matters are aware of the requirements, and these will be attended to as soon as possible."

CONDITIONS IN RE ADVANCES TO TOBACCO GROWERS BY AGRICULTURAL BANK.

Mr. KENNY (*Cook*) asked the Premier—

"1. What amount of capital or financial backing is an applicant for a tobacco farm required to have?

"2. When can the selector of a tobacco farm apply to the Agricultural Bank for financial assistance; what is the maximum amount that may be granted; and over what period is it payable?

"3. What are the personal residence and improvements conditions to be fulfilled before the granting of a loan?

"4. What title must the selector possess as a condition of the granting of a loan?"

The PREMIER (Hon. W. Forgan Smith, *Mackay*) replied—

"1 to 4. These questions should be addressed to my colleague the Secretary for Public Lands."

NECESSITY FOR INCREASED FEES UNDER BRANDS ACTS.

Mr. TOZER (*Gympie*) asked the Secretary for Agriculture—

"1. Taking into consideration the statement of the Premier at Gympie that 'his policy requires no further increase in taxation,' what necessity was there for the Minister to increase the fees under the Brands Acts?

"2. To what extent have these fees been increased?

"3. Does he consider the present time opportune to increase taxation on the man on the land?"

The SECRETARY FOR AGRICULTURE (Hon. F. W. Bulcock, *Barcoo*) replied—

"1. To bring the fees more into conformity with the benefits obtained by the registration or transfer of stock brands and earmarks.

"2. Fees—

For the first registration of a horse and cattle brand (other than a symbol brand)—From 10s. to £1.

For the registration of a symbol brand—From £5 to £7 10s.

For the registration of a cattle earmark—From 10s. to £1.

For the registration of a cancelled horse and cattle brand—From £1 10s. to £3.

For the registration of a sheep brand consisting of one or more letters of the alphabet or numerals, or of a letter and numeral—From 2s. 6d. to 5s.

For the registration of a sheep brand consisting of a sign or symbol or conjoined letters or numerals—From £1 10s. to £3.

For the registration of a sheep earmark—From 5s. to 10s.

For the transfer of a horse and cattle brand—From 5s. to 10s.

For the transfer of a sheep brand and sheep earmark—From 2s. 6d. to 5s.

"3. The fees charged are for benefits rendered and do not come within the category of taxation."

SUGGESTED FINANCIAL ASSISTANCE TO FARMERS TO PROVIDE FODDER FOR STARVING STOCK.

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

"As enormous numbers of valuable stock are being lost owing to the prolonged drought in many districts and the inability of dairy farmers to provide fodder to keep them alive, will he take immediate action towards financial assistance being made available to such farmers in order that disastrous losses of stock to the State may be averted?"

The SECRETARY FOR AGRICULTURE (Hon. F. W. Bulcock, *Barcoo*) replied—

"As far as the Agricultural Bank is concerned, it is rendering practical assistance to those of its clients who have been affected by the drought, and it is anticipated that private banks will similarly take suitable action with respect to their clients."

SUGGESTED REDUCTIONS IN FREIGHT RATES ON FODDER FOR STARVING STOCK.

Mr. EDWARDS (*Vanango*) asked the Minister for Transport—

"Owing to widespread drought conditions, will he take immediate steps to assist dairy farmers and others by reducing freight rates on fodder for starving stock, and also in the transporting of stock from the drought areas to places where agistment can be obtained."

The MINISTER FOR TRANSPORT (Hon. J. Dash, *Mundingburra*) replied—

"The following concessions, viz.:—Starving stock to and from agistment country, 25 per cent. rebate; fodder for starving stock, 40 per cent. rebate—are available under the prescribed conditions, viz.:—

1. In respect of starving stock—That it is necessary to remove such stock for the sole purpose of keeping them alive, and that the whole of the

stock remaining alive will be returned by rail to original pastures as soon as the condition of the country permits, and a statutory declaration is submitted to these effects.

2. In respect of fodder—That the district in which applicant is situated is drought-stricken and that fodder is obtained for the purpose of feeding stock which it is not ordinarily necessary to artificially feed for the sole purpose of keeping such stock alive.

4. In respect of both stock and fodder—That the applicant obtains all his goods by rail to and from the nearest railway station."

SUGGESTED GOVERNMENT SUBSIDY TO ORGANISATIONS UNDERTAKING RELIEF AND SOCIAL WORK.

Mr. R. M. KING (*Logan*), for Mr. MOORE (*Aubigny*), asked the Premier—

"In connection with the suggestion made by the Minister for Public Works at a meeting of the Balmoral branch of the R.S.S.I.L.A. that the Government should subsidise the relief and social work carried out by that association, and the press report of 3rd instant that a statement was being prepared of the association's expenditure under those headings during the past three years with a view to asking the Government for a £1 for £1 subsidy, is it expected that such subsidies will be made available to this association and to other bodies undertaking social services of a similar nature; if so, when?"

The PREMIER (Hon. W. Forgan Smith, *Mackay*) replied—

"This question should be addressed to my colleague the Secretary for Labour and Industry."

PAPER.

The following paper was laid on the table:—

Regulations Nos. 220 to 229 under "The Fruit Marketing Organisation Acts, 1923 to 1930."

MR. SPEAKER'S HEALTH.

Mr. SPEAKER: Order! May I claim the indulgence of hon. members if I refrain from rising in my seat when addressing the House, because of the difficulty I find in rising from the chair?

HONOURABLE MEMBERS: Hear, hear!

PERSONAL EXPLANATION.

Mr. GODFREY MORGAN (*Murilla*) [10.40 a.m.], by leave: I wish to make a personal explanation. In its report of the speech which I delivered yesterday the Brisbane "Courier," in its issue to-day, credits me with saying to the Premier—

"I discovered that you were paid £26,000 in connection with Mount Isa in order to win a few votes."

The "Daily Mail" reports the matter in this way—

"Asked by the Chairman (Mr. E. J. Hanson) to withdraw the innuendo, Mr. Morgan replied: 'What I said about the £26,000 was true, though whether the Premier was paid anything or not, I am not in a position to say.'"

Both these reports are incorrect, as "Hansard" will disclose. What I did say, as reported in "Hansard," was—

"Mr. MORGAN: I discovered that you gave £26,000 to the Mount Isa Company in order to win a few votes."

"Mr. MORGAN: Why did you relieve them of the payment of £26,000? No one suggested that you obtained financial advantage."

In justice to the Premier and myself, I trust the newspapers concerned will make the necessary correction.

APPROPRIATION BILL, No. 1.

SECOND READING—RESUMPTION OF DEBATE.

Mr. R. M. KING (*Logan*) [10.45 a.m.]: Out of courtesy to the House, I wish to explain that yesterday I moved the adjournment of the debate for the purpose of giving effect to an arrangement arrived at between myself and the Premier. I understood, either rightly or wrongly, that, after the resolutions in Committee of Supply had been adopted, the House would adjourn.

The TREASURER: I said we would not sit after 5.30 p.m.

Mr. R. M. KING: I quite understood that. I had arranged that some hon. members on this side should not speak so that we could have the resolutions adopted and that then we would adjourn by that time. I recognise that usually in connection with Supply Bills most of the debate takes place in Committee, and it is the general practice to pass the following stages of the Bill without debate. Personally, I am not going to discuss the Bill on the second reading. I recognise that Supply has to be granted, and the sooner it is granted the better, as I am very anxious that the Government should get on with their rehabilitation plan as put before the people, so that we may, as soon as possible, restore Queensland's prosperity, and, with that object in view, the Treasurer and the Government will have all the assistance the Opposition can possibly give.

HON. W. H. BARNES (*Wynnum*) [10.48 a.m.]: Before the second reading is passed, I wish to make a few remarks in reply to the speech delivered by the Treasurer yesterday. It is fitting that that should be done. If I followed the hon. gentleman correctly, he stated that the appropriation provided in the present Bill was smaller than the amount asked for in the first Appropriation Bill passed last year. That statement was incorrect. The first two items in the appropriation agree absolutely with the appropriation passed last year; but the loan appropriation is much greater than the amount passed last year. If I followed the hon. gentleman correctly, he stated yesterday that he was asking for a smaller appropriation than the first appropriation passed last year. Not that it matters very much, because I take it the money has to be found; but it looks as though loan money is going to be expended at a greater rate than previously, and also that some of the ordinary expenditure is going to be transferred to Loan Account.

I want to deal with another matter that was referred to by the hon. gentleman, and again indirectly referred to this morning. In reply to a question, the Treasurer stated

practically that they had not received anything from the allotment of money in the South—in other words, that the Government had made provision for it. I can follow the hon. gentleman there; but the point I wish to emphasise is that again and again, when sitting on this side of the House, and when loan moneys were supposed to be available, we were castigated by the hon. gentleman and told that we ought to have got some of the money.

The TREASURER: You said you did not ask for it.

HON. W. H. BARNES: The Treasurer knows that again and again in this House I quoted the fact that, when a State had money in hand, the Commonwealth Bank and the Loan Council would not grant further supplies until that money was exhausted. From the statement made to the Loan Council in 1929, at the first meeting I attended, the position was as follows:—

	£
Estimated loan expenditure, including deficits to be funded	6,450,000
Deductions—	
Balances at 30th June, 1928	3,500,000
Counter sales	750,000
Repayments	1,000,000
Total deductions	5,250,000
Net requirements	1,200,000
New money actually required	1,200,000

On the other hand South Australia had only £226,932 available. The point I want to stress is that again and again the Treasurer stated that we did not ask for the money. The fact was that we could not get it. I can see exactly where the hon. gentleman is to-day. So long as he has money coming in, for example, from local authorities, and perhaps from the State Insurance Office—although there may not be very much to come from there because it is financing a new building—he is not going to get very much from outside. When his money is exhausted, however, I am prepared to admit that he will receive more. I am perfectly sure he will agree with the statement I make this morning.

The TREASURER: I do not; you still misunderstand the significance of the Financial Agreement.

HON. W. H. BARNES: The hon. gentleman will have to learn to admit it before very long. If he does not admit it now, he does not understand the position.

The Treasurer stated also that we had added to the State debt. It is true that there were some dealings with old loans. May I get right back to the commencement of the late Government's operations?

The TREASURER: I gave you the Treasury figures yesterday.

HON. W. H. BARNES: I am going to make my speech in my own way. Shortly after our accession to office it was necessary to renew loans maturing in London. Since the establishment of the Loan Council loans have been dealt with by the Commonwealth Government. When it became necessary for us to make some arrangements regarding those loans we approached the Commonwealth Government, with a result which added much to the credit of Queensland at that time. Finally, they said: "It is important that this loan should be converted in the name of Queensland." Why?

Because Queensland was in a better financial position than any of the other States. As a matter of fact, Queensland put Australia on the map again.

The TREASURER: I am not dealing with the conversion at all.

HON. W. H. BARNES: The hon. gentleman does not want me to take him step by step through the events of the past three years. It is true that at the end of June, 1931, we had added only £82,000 to the public debt. Again and again the State Insurance Office came along with surplus money to invest, and naturally I took it. I assume that the Treasurer would do exactly as I did. If there is any money available, he is not to be blamed if he does not allow it to go outside, but uses it to help his own finances. But may I draw the attention of hon. members to the position of Queensland at that time as compared with the other States, as reflected in the following additions to the public debts:—

	£
New South Wales	17,000,000
Victoria	10,000,000
South Australia	6,000,000
Western Australia	5,000,000
Tasmania	676,950

What I want to stress is that right from the beginning, thanks to the discretion of the Moore Government, we were in a long way better position than the other States. I shall be able to show later that the present Treasurer confirmed that statement when speaking on one occasion last session. He admitted that Queensland was by a long way in the best position of any State.

The TREASURER: Of course.

HON. W. H. BARNES: What a change!

The TREASURER: I have never said anything else, but your Government made it worse than it need have been.

HON. W. H. BARNES: That statement is not correct. As Treasurer, I put Queensland on the map because I was not afraid to tackle the job and to do my duty. The Treasurer has also stated that the late Government failed to realise the estimated revenue as submitted to the Loan Council. It is true that we went back in our finance; but I should like to ask the hon. gentleman if he will not have to accept the figures given to him by his officers when preparing his Budget. I do not want to be misunderstood. I must protect the officers of the Treasury Department. No man could have had better officers than I had in the Treasury Department. But is it possible for a Treasurer personally to visit and investigate the affairs of, say, the Taxation Department or the Railway Department, with a view to estimating the probable return of revenue? Is not the Commissioner of Taxes the person most competent to furnish an estimate of revenue to be derived by way of income taxation? The figures supplied to me were furnished by the officers of the various departments. I do not suggest for one moment that any officer of any of the departments concerned endeavoured to mislead me as Treasurer. I would be false to my convictions if I were to make such a statement. I repeat that the figures were supplied to me in good faith, and those figures were used for the purpose for which they were intended. The Taxation Department was £600,000 out in its estimate as set out

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in the first figures supplied to me, which figures I furnished to the Loan Council. The department informed me later in the year that it could not realise the amount set out in the amended assessment, and I was not surprised. It has been suggested that I sometimes visited the Taxation Department, but not once in my life did I go there for the purpose inferred. If people came to me with their difficulties, naturally I would look into them, but I knew nothing about the Taxation Department apart from that. Many people had paid considerable sums by way of income tax over a number of years; and I was amazed to find that they were then unable to make any further payment. Is it not better that the Commissioner of Taxes should not push these people severely rather than sue them for the amount involved? These people have paid their just dues year in and year out, and is it not better to ease them over their difficulties than to force them to become insolvent? Not only did the Taxation Department fail to realise its estimated revenue, but other departments also failed to come up to their estimates. I am justifying the forecast that was given early in the proceedings with a view to endeavouring to arrive at the estimated deficit. The Railway Department sent along later figures, with the advice that its original estimate would fall short by £500,000. These enormous shrinkages in estimated revenue, together with the exchange burden, made it almost impossible to estimate the deficit.

There is no doubt that a combination of circumstances presented very great difficulties to the Treasurer. When the previous Government were in office, they had practically no exchange to pay; yet I am told on the floor of this Chamber that we did not do our job! Why, the receipts from income tax were down over £1,000,000, and we had an exchange bill last year of £1,030,000, whereas in the life of the previous Government, and, indeed, in our first year of office in 1929-1930, the adverse exchange rate affected the Treasury only to the extent of about £10,000. It will be seen at once what our difficulties were with the income tax and railway receipts down, and additional exchange of over £1,000,000.

Let me refer now to the question of deficits. Speeches have been made in this session along lines indicating that Labour Governments never knew anything about deficits when they were in office. Why, there was a period of eight years in times when things were improving—not going back—when the Labour Government in Queensland did not balance its Budget?

Another outstanding statement was made earlier in the session by the Secretary for Public Lands when I was speaking on the adverse rate of exchange. He said, "You had money lying in the Old Country." Each month about £300,000 had to be remitted by arrangement with the Commonwealth Bank to keep our credit up in London. That was done with systematic regularity; and on each occasion the remittance was made it cost the State about £30,000. The Secretary for Public Lands implied by his statement that exchange, after all, did not count; but it did. We had to find the money to remit to London to maintain our credit, and also the money for the exchange. Such statements do not help at a time when things are critical. With a forecast of a

reduction of £1,400,000 from income tax this year—a shrinkage of over £1,000,000 as compared with two years ago—let me ask the Treasurer what methods are to be adopted to balance the Budget? Speaking subject to correction, the hon. gentleman did not say that he was going to balance the Budget, but that he would bring the deficit down to £1,600,000.

Statements have been made about the Loan Bill which was passed to enable us to deal with the debit balance of £5,000,000. The whole of that debit was not the creation of the late Government. A small portion of it belonged to the previous Labour Government; and an attempt has been made to saddle the ex-Government with all that responsibility. A question was asked me last year, "Are you going to move to get money from the Loan Council?" We would have moved had we wanted the money; and we would have moved if it had been possible to borrow. The Leader of the Government told us about a revival loan of £2,500,000. I wonder why the Government have not moved to redeem that promise. I will tell the House. Probably the good people who promised to support the hon. gentleman were found missing when the Government desired to do so. In addition, perhaps the hon. gentleman has discovered that there is no escape from the Loan Council. The Government must get authority from the Loan Council before they can borrow. No hon. member on this side desires to do anything to damage the Government from a financial point of view. We think that their policy is absolutely wrong; but, on the bigger question of assisting the Government on matters that are of greatest importance to Australia, we will be there to help them. What Queensland needs to-day is confidence. I ask what confidence there can be in the light of certain Government actions. The Treasurer has said that, when I was Treasurer, I would not give the House any information; but he himself has not attempted to say what he is going to do with regard to taxation. There are rumours, rightly or wrongly, that the income tax is to be doubled on incomes over a certain amount, and that the exemption will be raised. A great deal has been said in this Chamber about the men who have the money contributing the most to the cost of government. The people who have the money must contribute the most; but, if the Government are going to tax the people unduly—and already taxation is too high in the city of Brisbane—that high taxation, no matter what form it may take, will restrict expenditure and cause more unemployment. Whether we like it or not, we have to realise that we have reached the limit of taxation. What is absolutely essential at the present moment is confidence; and the public require to be told what is likely to be done, because it will materially help in stabilising the position. In 1931 the Treasurer said in this Chamber—

"It is quite true that Queensland is in a better position than the other States."

The hon. gentleman said quite a lot more that was not at all complimentary to our Government; he was, as it were, blowing hot and blowing cold.

During the debate in Committee of Supply and on the Address in Reply the question

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of unemployment has loomed largely; and it is interesting to reflect on the position for the fourth quarter of 1931 when the Moore Government were in office. The following figures are illuminating:—

Percentage of trade unionists unemployed.	
Queensland	10.4
New South Wales	21.8
South Australia	20.5
Victoria	17.0

So far as was humanly possible, the previous Government were most careful in protecting the interests of the worker. As I have said repeatedly, members on this side of the House are the friends of the workers.

Mr. LLEWELYN: The workers don't think so.

HON. W. H. BARNES: We are much better friends of the workers than the hon. member for Toowoomba.

The Treasurer may tell us before the debate concludes whether he proposes to lift from industry the burdens to which he referred in "Hansard" for 1931, page 1647. The present indications are that certain industries which did not vote very strongly for the Labour Party are to be taxed still further. Probably in that respect the Labour Government are following the policy which they pursued in connection with railway freights. We know how freights and fares have been increased in the country, but reduced in the metropolitan and suburban areas. If the increasing of freights and fares was improper in one case—and I do not argue that for a moment—then all I can say is that a general all-round reduction should have taken place, although I do not advocate that for a moment. What I do suggest is that every assistance should be given to the pastoral industry, the importance of which has been stressed on numerous occasions by yourself, Mr. Speaker. I do not agree with my colleague the hon. member for Murilla, who spoke earlier in regard to Mount Isa. It is most essential that people should be retained in employment; but at the same time it is equally essential that the biggest industry in the State—the pastoral industry—an industry which means so much to the welfare of Queensland—should be also considered. I urge, therefore, that the Government give that consideration to the pastoral industry which it justly merits. At a recent function which I attended I had first-hand evidence that many people connected with the pastoral industry are tied hand and foot, so that they are eking out a mere existence. As a matter of fact, they are merely carrying on in the interests of the country. Notwithstanding the financial position, the Government should not have increased the rates in respect of the pastoral industry, but, on the contrary, should have reduced them. After all, the competition is very keen; and it is essential that the rates should be uniform in that regard. I hope that before we get through the Committee stage of this Bill the Treasurer will furnish the public with some information as to what is likely to be the policy of the Government in connection with taxation, and where they are going to raise the revenue from. If its incidence is just, it will materially help to bring about the better days that had commenced when the Moore Government went out of office.

Mr. SIZER (*Sandgate*) [11.13 a.m.]: There is just one question I wish to ask. In giving the allocations under the winter relief scheme, the Treasurer stated that £50,000 was being devoted to the erection and establishment of coke ovens at Bowen. I would like some information about that, because the late Government arranged to finance that matter out of ordinary funds. Why has it been decided to charge the amount to the relief vote?

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [11.14 a.m.], in reply, said: One or two matters have been raised during the second reading debate to which I desire to devote my attention for a few minutes. In the first place, I wish to repeat that the references to the functions and powers of the Loan Council made by the ex-Treasurer indicate very clearly that he is somewhat astray as to the true legal interpretation of the powers and functions of that council. I represented Queensland when the Financial Agreement was drawn up; consequently I am fully aware of the meaning and intention of the various clauses of that agreement.

Mr. WIENHOLT interjected.

The TREASURER: The hon. member for Fassifern suggests that it was very unfortunate that the agreement was made. I would remind the hon. member that that agreement was ratified by the people of the Commonwealth by a very large majority; and, when he makes that statement, he reminds me of the old saying that "Everybody is out of step but our Johnnie." He, of course, is "our Johnnie" in this particular case. No matter what he may think about the matter, it is an established fact that now the agreement is part of the Constitution of Australia, and can only be altered by an amendment of that Constitution. The thing may be good or bad according to the policy that is carried out by that institution; and the Loan Council is frequently blamed for a policy based on its constitution, whereas the responsibility rests with the policy of those who formed the Loan Council. One would not advocate the dissolution of the principle of government because he did not favour the policy of a particular Government; and it is the difference between these two things that the hon. member does not appear to realise. The functions of the Loan Council are set out in the Financial Agreement. Funds in the hands of the State are entirely under the control of the State Government, and the control of the allocation of any new funds that are raised, or are proposed to be raised, by the Loan Council is set out in the Financial Agreement. It is interesting to know that on no occasion has the formula set out in the Financial Agreement for the arbitrary allocation of the funds been used. Ever since the inception of the Loan Council, the allocation of various funds to the various Governments has been made by voluntary agreement; but any member of the Loan Council can insist on an allocation of the fund according to the formula set out; and that formula, broadly speaking, is that the amount shall be allocated among the various Governments in the proportion that their total expenditure for the previous five years bears to the amount available. That is to say, if a State's proportion for the past five years was 15 per cent., that State would be entitled to 15 per cent. of the

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money. Whatever may be said as to the formula, that is the agreement as it stands. It is very difficult to find any formula at all. If you take a formula based on population, obviously the States larger in area would be at a disadvantage compared with New South Wales and Victoria; so the matter was considered on the basis of area and population and the need and capacity for development. Probably that is as near an approximation to justice that could be obtained under any agreement between the various Governments. However, that is the formula; and any member of the Loan Council and any Government can demand that that formula shall be applied, and under that formula they would be entitled to the proportion set out.

Mr. SIZER interjected.

The TREASURER: When the hon. member has finished, I shall proceed with my speech.

Mr. SIZER again interjected.

The TREASURER: When there is an organised attempt to interrupt, I do not propose to submit to it.

Mr. SPEAKER: Order! Standing Order No. 114 provides—

“A member shall not interrupt another while addressing the House, except by leave of such other member, and for the purpose of making a personal explanation.”

I do not propose to depart from that Standing Order in the slightest degree. Hon. members on both sides of the House are asked to observe it. If it is not observed, I shall have no alternative but to prevent interjections of any kind, which I do not want to do.

The TREASURER: I have set out what the functions of the Loan Council are in regard to the funds at their disposal, and I have also described what is set out in the Financial Agreement; but since it was first arrived at, obviously the functions of the council have been considerably extended. They have been extended because of the great financial difficulties of Australia and the grave problems that had to be dealt with as far as possible by the Governments acting in co-operation one with another. A new phase of the Loan Council's functions, unfortunately, is that dealing with revenue deficits, which are, of course, a very serious phase of the financial problems of Australia, and to a very large extent are blocking industrial progress and the rehabilitation of ordinary enterprise in the community. The Moore Government were in the fortunate position on their accession to office that they had ample funds at their disposal. They used those funds, not in the interests of the development of the State, but to offset their revenue deficits, so that approximately £4,000,000 of revenue deficits are to-day a debit against the Loan Fund Account. Obviously, as deficits continue to increase, the availability of that money disappears; and this financial year when the present Government took office, they found Queensland in the position that the loan money available, apart from commitments already entered into, was approximately £900,000. Having regard to the lower revenue compared with expenditure, Queensland this year will require accommodation for revenue deficits. We want to keep

them as low as is humanly possible, not only from the point of view of the interest payments on Treasury balances involved, but also having regard to the general stability of Queensland's finances; and arrangements have been made through the Loan Council to cover revenue deficits to the extent of approximately £1,485,000. I pointed out to the Loan Council that the Government, being new, could not give any definite assurance as to figures until we had thoroughly examined them; but we undertook, as far as was humanly possible, to reduce revenue deficits to controllable dimensions; and that was the figure mentioned. Unless something untoward occurs, it is possible to bring down the deficit approximately to that amount; but, as the ex-Treasurer pointed out, circumstances over which the Government have no control may supervene, and that figure may not be achieved.

Mr. EDWARDS: That is what happened previously.

The TREASURER: That is true. In the last financial year the revenue deficit amounted to £2,075,180. The revenue deficit which the Treasurer gave to the Loan Council in June, 1931, on figures which I admit were compiled in April, was £800,000 in round numbers. Later on, when preparing the Budget, he increased the amount to £1,871,159; but the actual revenue deficit was increased from the estimate of £800,000 to over £2,000,000, not including the amount transferred from trust and special funds and an amount of £100,000 transferred from the Loan Fund Account; so that the hon. member for Nanango is perfectly correct when he says that the figures may not be realised.

The ex-Treasurer was entirely wrong in stating that the Moore Government did not borrow any new money. The figures submitted by me yesterday did not deal with a conversion loan at all. I know all about the conversion loan; and hon. members who take an interest in these matters know that a conversion loan was floated during the regime of the Moore Government. I am dealing entirely with new money, and the figures in that connection are—

	£
1929-30	1,555,220
1930-31	642,500
1931-32	501,500
	£2,699,220

I cannot understand why the ex-Treasurer should claim that no new loan funds were raised by his Government when the above figures, with the exception of those for the last financial year, are to be found in the tables relating to the Financial Statement.

I cannot understand the remark of the ex-Treasurer in connection with the amounts involved in the present Bill and a similar Bill passed last year. The position is as I have stated it to be. The charge on the different accounts has varied. The Appropriation Bill, No. 1, which was passed by the ex-Treasurer last year provided for the following amounts:—

	£
Consolidated Revenue	1,800,000
Trust and Special Funds	800,000
Loan Fund	300,000
	£2,900,000

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The amounts set out in the present Bill are—

	£
Consolidated Revenue ...	1,600,000
Trust and Special Funds ...	800,000
Loan Fund ...	600,000
	£3,000,000

making a total provision for the two years on account of the various funds of—

	£
Consolidated Revenue ...	3,400,000
Trust and Special Funds ...	1,600,000
Loan Fund ...	900,000
	£5,900,000

It is estimated that this amount will meet the requirements until about the end of October. The amounts appropriated last year by the ex-Treasurer were—

	£
Consolidated Revenue ...	3,600,000
Trust and Special Funds ...	1,700,000
Loan Fund ...	650,000
	£5,950,000

The requirements for consolidated revenue purposes are £200,000 less, and for trust and special fund purposes £100,000 less than the appropriation last year; but an additional sum of £250,000 is required on account of loan expenditure owing to increased activities for the relief of unemployment. It will be seen from these figures that my statement is correct. The amount required for the period under review is £50,000 less in the aggregate. The amount required from Loan Fund has been increased, but the charge on consolidated revenue is £200,000 less, and the charge on trust and special funds is £100,000 less.

There is another point that I wish to clear up. Yesterday the ex-Treasurer appeared to think that I had made some personal reference to him in his individual or business capacity in connection with the wheat agreement; but such was not my intention in any way. When the Leader of the Opposition was speaking about the wheat agreement, I inquired from him, by way of interjection, about the £9,000 that was outstanding, and I also interjected that the ex-Treasurer knew all about it. Obviously the ex-Treasurer knows all about it, because under that agreement the Treasurer had the administration of the fund. I am referring to him in his capacity as Treasurer during the period of the agreement. A most extraordinary thing about this agreement is the attitude of the ex-Government to it. On several occasions last session the present Secretary for Agriculture and I asked for information regarding it. I also asked the then Secretary for Agriculture, the hon. member for Cooroora, if he would place a copy of the agreement on the table of the House for the information of hon. members. The reply given was to the effect that the agreement did not affect the Crown in any way; and the Government, not being a party to it, could not place the agreement on the table of the House or make it available to hon. members. I have had the opportunity of perusing the agreement. The agreement could not operate at all were it not for the fact that the Government were a party, and a very important party, to it. As the hon. member for Warwick pointed out yesterday, the basis

of the agreement exists in a statute that can only be operated by the Government. I refer to the Sugar Acquisition Act, which has been on the statute-book for a number of years. Under that agreement the Crown undertakes to do certain things, the millers undertake to do certain things, and the Wheat Board also has certain responsibilities. I want to make it clear, just as I did in 1928, when I was Secretary for Agriculture, that the present Government believe in Queensland-grown wheat being made into bread by Queensland bakers for the Queensland people, that we should endeavour to grow sufficient wheat to meet our own requirements, and that it should be used by our own people in Queensland. Prior to that a considerable amount of our wheat was exported, and wheat from the Southern States was imported into Queensland. In 1928 I pointed out to the millers and the Wheat Board that it was possible for some agreement of an equitable character to be arrived at which would be fair to the growers and the millers, and at the same time protect public interests. That is a principle that I do not think anyone will cavil at. The only basis for argument under the agreement is the terms of the agreement—not the principle. I have always held that in the agreement now under revision certain parties got the heavy end of the stick; that they obtained advantages that were in excess of the advantages they ought to receive, and that, in proportion to the amount the consumer paid for flour, the wheatgrower should be receiving more for his wheat. Be that as it may, the position with regard to the agreement and the money I have mentioned, which I said the Treasurer knew all about, is set out in the following statement:—

“SUGAR ACQUISITION ACT—RE FLOUR.

“Surcharge of £3 per ton on stocks of wheat and flour held by millers, bakers, and others on date of proclamation, 16th January, 1931—

	£	s.	d.
Amount paid to Treasury ...	41,806	9	8
Paid to Wheat Board ...	£38,000	0	0
Cost of collection, etc. ...	1,006	13	6
	39,006	13	6

Balance in Treasury, which will be paid to Wheat Board (less costs, etc.) ... £2,779 11 2

“In July two of the milling companies, following their own investigation of their accounts, paid a further sum of £1,846 1s. 8d. to the Treasury on account of stocks on 16th January, 1931. Following further investigation by an audit inspector of the accounts of all milling companies, claims totalling £6,222 17s. 10d. have been made on millers in respect of such stocks. These claims are on account of a suggested wrong method originally used for calculating stocks of flour and wheat on hand on 16th January, 1931.”

I was correct the other day in saying that the ex-Treasurer knew all about this matter, because the administration of the fund is under the control of the Treasurer. I did not then, and do not now, intend to make any reflection in an individual sense on the ex-Treasurer. My remarks were intended

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as applying purely to him in the course of his ordinary ministerial administration. It is the duty of the Treasurer to see that the agreement is carried out in its entirety, and that any sums due to any party under the agreement are paid to those entitled to them. So far as I am concerned, that is being done at the present time.

Mr. SIZER: That was always so.

The TREASURER: It was not always done. An audit inspector was put on to the matter by the present Treasurer, and his action obtained the result I have quoted.

Reference has also been made in this debate to the Mount Isa Company. It is to be deplored that for political reasons certain hon. members opposite have at various times in this House seen fit to make statements affecting the standing of the Mount Isa Company. You may remember, Mr. Speaker, that a debate took place in this House on one occasion which had very serious effects overseas. People, either in Australia or abroad, who do not know certain hon. members of this House may be inclined to take their statements seriously; and a statement taken away from its surrounding circumstances may be interpreted in a manner entirely different from what was intended. The net result of that debate, which took place on the eve of a Federal election, was that the Mount Isa Company, having a debenture issue of £500,000 in London, was seriously embarrassed by the statements which were made by certain hon. members who are now in opposition. As a consequence, in order to remedy the difficulty that had been created, the Moore Government agreed to guarantee the debenture issue and the interest on the debentures. That was done as a gesture of good faith and an indication that the people of Queensland believed that this company was a sound concern, and that its assets were such that it was worth investing in. I am not saying there was anything wrong with that; but the necessity for it arose because of foolish statements based on political malevolence made by certain hon. members of this House. It is well known that the price of lead and silver has fallen very considerably recently; indeed, I do not remember the price of lead being lower at any time than it is at present. It certainly is not a payable price. Approximately 6,000 men are directly or indirectly dependent for their livelihood upon the operations of this company, and the closing down of this concern would have very serious repercussions on the industrial life of the State. In its desire to carry on, the company approached the Government asking for certain concessions, pointing out the serious difficulties of carrying on under present circumstances, and asking if the Government could see their way to make some remission of charges during the present period to enable the company to continue operations. Negotiations proceeded as between the Minister for Transport, the Commissioner for Railways, and the general manager of the Mount Isa Company; and, as a result, a certain decision was arrived at, which I conveyed to the company in the following letter:—

"In reference to your letter of 27th June and your recent interview with the Hon. the Minister of Transport and the Commissioner for Railways when, on behalf of Mount Isa Mines Ltd., you

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requested certain concessions on account of the present low value of metals and the consequent inability of the company to carry on under present conditions, I have to advise you that after consultation with the Minister and Commissioner, I have decided to offer you concessions as specified hereunder, provided your company on its part is prepared to carry out the obligations therein imposed upon it, that is to say—

1. Cancellation of £13,000 now owing for year ended May 26th, 1931, on account of loss on Mount Isa-Duchess line and favourable consideration to this item for the current and future years.

2. A monthly rebate on ledger account on the basis of continuance of operations at approximately the present rate of output price will apply when the London spot price for lead is—

	Rebate. £
At and below £10 per ton ...	5,000
Above £10 and up to £11 per ton ...	4,000
Above £11 and up to £12 per ton ...	2,000
Above £12 and up to £13 per ton ...	1,000
Above £13 per ton ...	nil

3. If and when Mount Isa realises more than £23 London per ton of lead, the monthly rebates previously granted will be repaid to the Government on the basis of 5s. in every £1 received by the company from all metal sales over and above a sum representing £23 London per ton on all lead produced by the company from its mines during each period of six months next herein referred to, such payments to be made in respect of each period of six months after 1st July, 1932, the first period to commence on 1st July, 1932.

4. London prices as specified herein are considered to represent the average spot price per calendar month.

5. This arrangement to take effect from July 1st, 1932.

6. The position to be reviewed at the end of the current calendar year.

7. This arrangement is subject to the Chief Railway Auditor making an inspection of your company's accounts.

"I shall be glad to be informed at your early convenience whether your company is prepared to accept this offer with its concomitant obligations."

It will be seen from that letter that everything that has been done has been done in a fair and reasonable manner. The negotiations were carried out between the Minister for Transport and the Commissioner for Railways; and the substance of my letter was entirely based on the recommendations of the Commissioner for Railways, and is subject to the condition upon the facts as set out by the company being certified to by the Chief Railway Auditor.

An OPPOSITION MEMBER: Have they accepted that?

The TREASURER: Yes. It is subject to review at the end of the calendar year. It is subject also to reduction as and when the price of lead increases. In other words,

for every £1 per ton lead increases in value the amount of rebate falls by £1,000 per month. When lead reaches a certain price, the company has to commence repaying these concessions at the rate of 5s. in every £1 per ton that lead realises in excess of the price stipulated here. The alternative to a concession of that kind is the closing down of that industrial plant. The Mount Isa account due to the Railway Department for twelve months ending 30th June last, was £169,809 3s. 1d. To close down that plant would mean a loss in revenue to the Government of £23,310 per month. One serious result would be that a large number of men would be thrown out of work—not only the men who are directly employed by the company, but also the men who are carrying on ordinary business at Mount Isa and their employees. There are also the men working on the railways, on the wharves, and in the coal mines at Collinsville. The activities of this enterprise extend into every form of industrial activity; and the closing down of a concern of this kind would be disastrous to the State. I am quite satisfied in every detail with the arrangements that have been made. I say that the company has met the Government very fairly, and has expended its resources in keeping the enterprise going during a period of extremely low prices. That is the position in its entirety. There has never been anything to hide, and there has not been anything sinister about it in any respect; but I want to warn hon. members that it will be impossible for any Government to do anything for industry at all if sinister motives are immediately alleged in the event of any agreement being arrived at between a large trading concern and the Government. Every Government makes arrangements with one industry or another. It is part of the ordinary process of government; but to couple any of these concessions with sinister suggestions, as some people with base minds and low souls do, is not only to injure industry but to inflict injury on the State. If any member of the Opposition has any charge to make against the Government, let him formulate it and make the charge in the proper way, and it will be investigated to the uttermost. That is a definite offer. Let the Opposition formulate their charges, and they will be investigated in every detail.

Mr. EDWARDS: I will make one now against your Government. Your policy is ruining Queensland.

The TREASURER: That is the kind of interjection one would expect from the hon. member for Nanango. He reminds me of a statement made by a man some years ago in reference to taxation—that, if there were a tax on brains, certain members of the Moore Party would be entitled to a refund. That applies very definitely to the hon. member for Nanango.

Mr. COSTELLO interjected.

Mr. SPEAKER: Order!

Mr. COSTELLO and Mr. DEACON interrupted.

Mr. SPEAKER: Order! I want to remind the hon. member for Carnarvon to obey my call to order and cease interruption; likewise the hon. member for Cunningham.

The TREASURER: I have outlined the main features of the Bill, and replied to the main questions that have arisen. It is the desire of the Government to use their

financial resources in the interests of the State, both for the rehabilitation of industry and for the provision of useful employment for our people. Our policy will be directed in that way, and will be framed on the basis of the mandate given to us by the electors.

Mr. PETERSON (*Fitzroy*) [11.49 a.m.]: Mr. Speaker—

Mr. SPEAKER: The Treasurer having replied, the debate is closed.

The TREASURER: I asked if anybody else wanted to speak.

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

COMMITTEE.

(*Mr. Hanson, Buranda, in the chair.*)

Clause 1—"Appropriation"—

Mr. SIZER (*Sandgate*) [11.50 a.m.]: The Treasurer has not given us any information whatever with regard to several important matters raised bona fide during the debate. He has not, for example, given us one word of information as to how Queensland is to bridge the gap between revenue and expenditure, and how the estimated deficit may be achieved; nor did he give us any information as to why the sum of £50,000 allocated out of ordinary funds had been transferred to be financed out of the unemployment relief fund. Throughout his long speech, moreover, the hon. gentleman did not give us any information as to why he reviewed railway freights in favour of the Mount Isa Company—to which I have no objection—but increased them on the poor pastoral industry, which is a bigger industry than Mount Isa and entitled to equally as low freights.

An OPPOSITION MEMBER: And on farm produce.

Mr. SIZER: Yes. We are entitled to know why Mount Isa was treated in one way and the poor pastoral industry, on which we depend so much, was treated in another way. That is what the ex-Secretary for Railways wants to know. I personally differed from my colleague, and I could not understand the method adopted by the Railway Department in arriving at the interpretation it placed upon the agreement with the Mount Isa Company. No matter how much the company paid, it would not wipe out its indebtedness. It could go on indefinitely. But, although I did not see eye to eye with my colleague on that matter, the point I am concerned about now is why Mount Isa has been treated more favourably than the wool industry.

We are also entitled to know whether the policy advocated by the Government, when in opposition, as to the taxation of people earning under £2 a week or £104 a year, and an amendment in that direction was definitely moved last session by the present Minister for Transport, is now going to be adopted.

We also want to know where the Government stand on the other point I raised in regard to unemployment relief tax. A person can earn up to £104 per annum and still pay no tax, whilst another person can earn only £50 per annum and be called upon to pay at the rate of 9d. in the £1. A worker can earn an aggregate annual sum of £20, at the rate of £2 per shift, and be called upon to pay at the rate of 1s. in the £1.

Mr. Sizer.]

These anomalies should be promptly adjusted, and the Treasurer should give us some indication of the intention of the Government in respect of the matter. Yesterday he stated that the Moore Government had brought 80,000 new taxpayers into the field of income taxation.

The TREASURER: Apart from those taxpayers who paid the unemployment relief tax.

Mr. SIZER: That is so. He claimed that the Moore Government had imposed a wrong on a large number of people. If that be a wrong, is it proposed to continue it, or is it proposed to relieve the people concerned of this impost? We cannot be charged with being unduly inquisitive in asking for this information. We listened patiently to the long speech delivered by the Treasurer on generalities, and we are now entitled to information upon the specific points mentioned by me.

Mr. WIENHOLT (*Fassfern*) [11.56 a.m.]: There are some matters upon which I wish to be quite clear; and no doubt the new members may also desire exact knowledge of the matter. At any rate, the country is entitled to know the true position. I believe I am right in asserting that Parliament originally must first grant to the Government authority to borrow, and Parliament must later give the Government authority to spend that money. I take it that the Loan Council has now received the necessary power and authority to do the borrowing.

The TREASURER: Subject to certain reservations. The States can borrow under certain conditions.

Mr. WIENHOLT: Parliament has lost the right to grant authority to borrow, but retains power to give authority to spend. I object very strongly to the Loan Council. I have previously voiced my objections, and the Treasurer is quite right in saying that in that objection I take a lone hand.

The TREASURER: The Loan Council exercises functions not conferred upon it by statute, but acquiesced in by way of agreement.

Mr. WIENHOLT: Obviously so. It was stated over and over again during the last election campaign that the Treasurer would not be able to obtain money from the Loan Council unless he first approved of the Premiers' Plan. That was continually stated, and it has given a false impression.

Mr. SIZER: It is correct.

The TREASURER: It is false.

Mr. WIENHOLT: Any one Treasurer could take up an attitude at the Loan Council which would prevent other States from obtaining the funds that they required. I believe that the New South Wales Government asked for no less a sum than £22,000,000 and to get that they are not likely to be concerned about the political situation of any other State. The New South Wales Government might be urgently in need of this enormous amount of loan money, but they could be blocked by a dissenting Premier in their endeavour to secure it. The principle upon which allocations are made is that the more a State borrows the more it can secure through the Loan Council. That is utterly unsound finance. The press generally should be very careful in publishing information regarding the financial position of our

[*Mr. Sizer.*

State. Again and again I have seen big headlines in the press—"Queensland's good position—credit of £2,000,000." That is entirely misleading. Both the loan account and the consolidated revenue account should be kept distinct in the press to enable the people to scrutinise and analyse the position. When the late Government assumed power, they found nearly £5,000,000 at credit in the Loan Fund. That money was gradually used, though not as fast as some hon. members now sitting on the Treasury benches desired—until that fund now shows only a comparatively small credit balance. We saw at times in the press big headlines—"Queensland's good position—credit of near £2,000,000." That reminds me of a person going to the races with £10 spending £8 and yet claiming he returned home with a credit balance of £2. The Government should declare clearly to the people how their revenue account stands, and what increase or otherwise there is in the separate revenue and loan account.

I did not like to interject at the time, but I would like to ask the Treasurer, since he has discussed the assistance provided by the Government to the Mount Isa Company—I personally consider that the manner in which the Government assisted the Mount Isa Company was better than offering any guarantee—whether any Government liability is outstanding in connection with the original guarantee which the late Government gave. I realise that the actions of both the late and the present Government were taken in order to help Mount Isa.

The TREASURER: The guarantee given by the past Government has expired. It had its desired effect.

Mr. WIENHOLT: I realise that both the present and the late Government granted concessions and gave a guarantee with the object of assisting this important company, which deserves well of Queensland. I do not think I have wasted the time of this Chamber in asking that the position should be made quite clear now in so far as any possible outstanding guarantees to Mount Isa is concerned.

Mr. PETERSON (*Fitzroy*) [12.3 p.m.]: According to the hon. member for Fassfern, the Government should not lend anything to prospectors or to any industry where there is a risk at all. If we followed out that dictum, we as a State would never advance. I am quite in accord with the action of the Treasurer in lending assistance to the Mount Isa Company, or to any other company in a similar predicament. The Moore Government gave a temporary guarantee in connection with the Mount Isa Company, which assisted materially in stemming the depression in that part of Queensland.

A great deal of capital can be made by an hon. member pointing out in this Chamber how the State can get along without borrowing. Of course the State can do so if it has plenty of money in the bank, and provided there is no call upon that money, or if the bank does not make any call upon the State. It is within the province of the State to grant temporary assistance to industries employing large bodies of men who may be temporarily up against it with the object of assisting them over their difficulties. The Government helped the Mount Isa Company over its difficulties; and I take no umbrage at their doing so.

I agree with the hon. member for Sandgate, who asked why the Government should be prepared to grant concessions to Mount Isa—of which I said I approved—and at the same time withhold assistance to those people situated in country electorates which have been ravaged by droughts, and at the same time increase fares and freights not only on the produce which they send to market, but on the necessities of life which they require in their home life. That is what we want to get at. I hope that the Treasurer will as early as possible give back the concessions which he has taken from the wool industry. As a matter of fact, people in the wool industry are more down and out than even Mount Isa or the gold mining industry. The cattle industry, too, is going through a cruel time. Taking it generally throughout the State, our agriculturists are experiencing great difficulties because of drought and low prices; therefore, it does seem a little anomalous that, while the Government on one hand are prepared to assist Mount Isa, on the other hand they should increase fares and freights and place added burdens on a particular class of producer who has been so vitally affected by prevailing conditions. I do not speak in a carping spirit. I commend the Government for their assistance to Mount Isa, and hope they will assist any legitimate company which functions with the object of developing the State and providing work with decent wages and conditions to our people.

Mr. KENNY (*Cook*) [12.5 p.m.]: I have sought information from the Treasurer, and I have also endeavoured to elicit it by way of questions, but on each occasion the hon. gentleman has shuffled. This morning I asked him a question, and he referred me to the Secretary for Public Lands. I gave notice of the question to that hon. gentleman accordingly. The fact remains that the information that I sought should be before this Chamber now. I desire to know if the money to assist tobacco-growers is to be provided under this Bill. Last week I asked the Treasurer if he would consider the possibility or desirability of making money available from the money to be devoted to the building programme—I understand £100,000 has been made available for that purpose—to the tobacco-growers for the purpose of erecting kilns or barns. His reply was that ample provision would be made through the Agricultural Bank. This morning I asked the Treasurer a question as to the amount of capital or financial backing that an applicant for a tobacco farm required to have, as to when the selector of a tobacco farm could apply to the Agricultural Bank for financial assistance, the maximum amount that might be granted, over what period it would be repayable, and other information concerning personal residence and improvement conditions. My reason for asking the question is that, when money is available for a revival in the building industry, I maintain that money would be much better spent in avenues that will increase the wealth production of this State. Painting and repairs to buildings will not increase wealth, whereas increased tobacco production will be an asset to the State; so that I contend that advances should be made to tobacco farmers, and any other farmers for that matter, for the purpose of effecting improvements to their properties. I know that applications from

tobacco growers for advances are being turned down by the Agricultural Bank. I have in my possession a letter concerning one applicant who has been on a block since October last year. He has spent £600 on the property; but, through adverse conditions, is now facing bankruptcy and the possibility of having to walk off his block. If, however, an advance were made to him, he would be able to carry on. The position of that man is similar to that of others throughout the North, where many men have spent £400 to £500 of their own money and now require financial assistance to make a success of the business they have undertaken. Unfortunately, applications for advances to the Agricultural Bank from such men have been turned down. I should like the Treasurer to give me information on the points I have raised, because the letter to which I have referred states that the applicant is not eligible for financial assistance until he erects his own kiln and barn. Surely money advanced for the erection of kilns and barns would be a better expenditure from the point of view of the State than expenditure under a building revival scheme, seeing that the Treasurer would be enabled thereby to obtain the revenue that he is in dire need of.

During the debate yesterday reference was made to settlement of tobacco-growers on the Beerburrum area; and I take it that an amount is being appropriated under this Bill for that purpose. I agree with the ex-Secretary for Public Lands that we have not proved that tobacco can be grown successfully at Beerburrum. We know the calamity that befell the returned soldiers who were previously settled in that area, which afforded conclusive proof that the land was not suitable for settlement. I was one of a party appointed by the late Government to inspect the Beerburrum settlement to see what could be done to relieve the plight of the settlers in that area. From my knowledge of tobacco land, and from what I have seen since the commencement of operations in North Queensland, I am convinced that it is not sound to put tobacco-growers on the Beerburrum land. In the first place, the rainfall there—approximately 70 inches per annum—comes at the wrong period of the year for tobacco-growing. Before the Government embark on any tobacco settlement policy in respect of the Beerburrum area, further investigation should be made. On the other hand, we have proved conclusively that in the Mareeba and other districts in North Queensland tobacco can be grown successfully. In that connection I have written to the Secretary for Labour and Industry asking him to consider a scheme similar to that suggested for Beerburrum—a scheme that would enable the settlement of locally unemployed married men with families on suitable tobacco areas in the Mareeba district. So far I have received no reply. I also asked a question of the Premier in regard to the provision of roads in the Mareeba area. In a number of instances the men on those tobacco farms are not able to get to town in a flood season, and they are not able to get the machinery required out to their properties.

Mr. O'KEEFE: Have they no local authority there?

Mr. KENNY: Yes; but, when land is opened up for settlement, the responsibility rests on the Government to provide access

Mr. Kenny.]

to those lands. The past Government, when opening up tobacco land, did agree, on a suggestion from myself, to go into the whole system of roads with a view to providing access to those farms. The Premier himself visited the Mareeba district, and he stated on the public platform that it was desirable that better road facilities should be made there, and that water should be provided on the different blocks before the land was opened up. He said that, if he were returned to power, he would see that that was done. I asked a question this morning in regard to the matter, but did not receive a direct answer. We are entitled to know what action the Government intend to take in that connection. If the hon. gentleman says that provision is made in this appropriation to provide road access to these farmers, that will be all right; but we are entitled to know what action he has taken. When the hon. gentleman visited Mareeba, he said he would make provision for water for settlers in the tobacco area in the matter of sinking wells. If the amount is included in this appropriation, we shall be satisfied, but the information has not been forthcoming. It is up to the Treasurer to give us the fullest information before this appropriation is passed. The tobacco-growers whom he tried to mislead during the election campaign are entitled to know what he is doing in the matter. Instead of spending money on painting and repairs to old dwellings, it could be more efficiently spent on improving the facilities on the land, thereby increasing the wealth production of the State. With the ordinary amount available for the Department of Agriculture it is not possible to do all that is required to develop the tobacco industry in Queensland.

Mr. SIZER (*Sandgate*) [12.14 p.m.]: The Treasurer used his knowledge of the financial agreement and the functions of the Loan Council this morning; and I want to ask him what State authority exists which would have permitted him to raise his Revival Loan of £2,500,000 without the sanction of the Loan Council? If he consults his legal representatives, they will tell him that there is no State authority which could have given him that power. Part V. of the Financial Agreement permits of the States borrowing under the conditions laid down by the Loan Council; but the securities issued are not State securities but Commonwealth securities; and, unless the Commonwealth Government issue those securities, no moneys can be raised. I defy the hon. gentleman, with all his knowledge of the Loan Council and the Financial Agreement, to dispute what I say. Before he could have raised it, he would have to get the permission of the Loan Council.

The TREASURER: Have you any reason to believe that the Loan Council would have refused permission?

Mr. SIZER: I think the Loan Council would have granted permission, because they granted permission to the Victorian Government to raise £3,000,000; but that Government could never get on the market because the condition laid down was that the loan should not be more favourable to the lenders than the Australian Conversion Loan; and those would have been the conditions laid down for the State of Queensland. It would then have been the

function of the State to raise the money; and, if the money was available, it would have been the function of the Commonwealth Government to issue the securities; and even after the money had been raised the whole thing would have fallen through if the Commonwealth Treasurer had refused to issue the security, and no securities would have been issued to a Government which did not adopt the Premier's Plan. That is plainly set out, and there is no State authority under which the Treasurer could have operated. He would have had to use the machinery of the Loan Council under Part V. of the Financial Agreement. The hon. gentleman can consult his legal advisers, and I defy them to show any State authority whereby the hon. gentleman could have honoured his pledge in regard to the £2,500,000 State Revival Loan. The new idea apparently is that everything the Government do now is going to have the prefix "revival." If the policy of the Government is to be as has been suggested, then before we complete this session it will not be a case of revival—everybody will be asking for survival.

Mr. DEACON (*Cunningham*) [12.18]: The hon. member for Sandgate is entitled to an answer to his question as to why the Government made a distinction between the Mount Isa undertaking and other industries. It is a most important question.

The TREASURER: Why did you make a difference between Lahey and other timber-getters?

Mr. DEACON: We did not do that. If the hon. gentleman suggests that we did, I deny it. It was put up for public tender.

The TREASURER: No tenders were received, and Lahey's did not come in until later.

Mr. DEACON: A tender was let to a Northern firm, but they did not go on with it, and then Lahey's offered to take it at the same price.

The TREASURER: Lahey's never tendered. It was given to them by private treaty.

Mr. DEACON: I know that the present Government are very glad that Lahey's did take it. They were only too willing to let them go on with it, and they would object very strongly if they tried to get out of it. However, we want to know why the Government extended treatment to Mount Isa different from that accorded to other industries. One could easily see that what was in the Treasurer's mind was that at Mount Isa the money was going in the direction of paying wages to workers from whom they would get votes, and in the other case it would go to people on the land, who were not going to get any consideration from the Government. Not only are they up against bad prices for their wool so that they cannot pay wages, but they are also faced with drought. When it comes to a case of being able to pay wages, it is everything with the Government. These settlers are just as much entitled to consideration as the Mount Isa Company as if they had been able to pay wages. The hon. member for Sandgate is entitled to a reply to his question.

Mr. EDWARDS (*Nanango*) [12.20 p.m.]: There is no doubt that the Government are quite entitled to assist a concern like the Mount Isa Company to keep going and to keep the men there employed; but, on the other hand, it is quite wrong to lose sight

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of what has actually happened elsewhere in the State of Queensland. We are going through one of the most difficult periods I have known in this State for thirty years. We have heard the statement made this morning regarding revenue and the possible deficit; and the Treasurer will find during this year that he is facing one of the most difficult periods we have ever experienced in this country. As the hon. member for Cunningham has said, the graziers of the State are in grave difficulties, not only because of poor prices but also because of drought conditions. The same thing applies to the more closely settled areas of the State, where beautiful herds of cattle have been built up in our dairying industry. Those herds are most valuable to the State, but they are on the verge of dying. I asked a question this morning as to whether something could not be done. I wanted to interest the Secretary for Agriculture, but I was referred to the Agricultural Bank and to the associated banks; and the suggestion was that they were doing all that was possible. For the good of the State, the Government—the Treasurer in particular—should interest themselves in this matter, because indirectly a great many more people and their families have their welfare at stake in the different farming industries than in a concern like Mount Isa. Once they go back it takes many years to build up again. The Government are not justified in picking out one concern for assistance and allowing others to drift.

It is unfortunate that the Government should pursue an entirely wrong policy in connection with the primary industries. They saw fit to increase the railway freights upon primary products at a time when primary industries were battling for their very existence. If they care to investigate the matter, they will discover that the primary producers experienced a longer dry period during the growing months of last year than ever before in the history of Queensland to my knowledge. Many districts did not enjoy rain until April last, when it was too late to grow sufficient product to meet winter requirements. However, the producers endeavoured to struggle through the winter months, but their stock are now on the verge of starvation. I earnestly appeal to the Treasurer and to the Secretary for Agriculture to render every possible assistance to these producers. They must bear in mind that it is the duty of the Government to assist in the development of this State for the benefit of all over the years that are to come. The position is much more serious than the Government appear to realise. I do not envy the Treasurer his present official position. He will realise only too well that times are most difficult when he endeavours to obtain revenue from the people to whom I refer. The country is passing through the most difficult period ever experienced in its history; and I again appeal to the Government to be ever watchful of the conditions of the man on the land. It is recognised by all Governments that the real wealth of a country comes from the soil, and that it is to the land that we must look for a solution of our difficulties. The Government should concentrate their attention upon the difficulties that now confront the primary producers, for only by assisting these people will it be possible to replace the unemployed in remunerative employment.

Mr. CLAYTON (*Wide Bay*) [12.28 p.m.]: I propose to bring vividly before the notice of the Government the appalling conditions that obtain, not only in city areas but also in the country districts of the State. I have an intimate knowledge of the Wide Bay and Burnett districts; and I am in a position to inform the Government that the settlers in those areas have been compelled to remove their dairy herds to relief country on the coast between the Burrum River head and Tewantin. At the present time no less than sixty herds, the property of the dairymen in the Wide Bay district, are being kept alive on this wallum country. It is useless to hope for any return from these herds in their home localities; but the dairymen are very grateful that relief country is available on the coast for their starving stock. The Wide Bay and Burnett districts have been subjected to a heavy diminution of rainfall; and it will be the unfortunate duty of members representing those areas to approach the Government in the near future to ask for assistance to enable the dairying interests to keep some of our best dairy stock alive. Quite a lot has been said in this Chamber about the need for taking a keen interest in the unemployment problem. I readily agree that we should do everything possible to assist the unemployed; but I do strongly urge the Government to provide assistance to those primary producers who have laboured to build up efficient dairy herds over a period of years to enable them to preserve those herds from destruction. It will be necessary to grant State aid if the herds are to be kept intact. One farmer in my district is spending as much as £3 a day to keep his dairy herd alive; yet his cream cheque last month only amounted to £9. That is an illustration of the state of affairs existing in the dairying industry. Some hon. members opposite might contend that this is because of the deflation policy of the Moore Government; but the real fact of the matter is that it is because the world's prices for butter and cheese are such that the income of dairymen for some time past has been greatly diminished.

The position of the sugar industry in Southern Queensland also is very serious. The Bauple sugar-mill in my electorate should be crushing about 23,000 tons of sugar-cane this season, but it will not operate at all, and the 7,000 tons of sugar-cane which will be harvested in that area will be treated by the Isis central sugar-mill. Hon. members will see how serious the position is. The Maryborough sugar-mill, which usually runs about sixteen weeks, will not run for more than seven weeks this season. That all tends to show the Government that the primary producers are going to be up against it from drought and other conditions, and that their position must be considered. I trust that the Treasurer and other members of the Cabinet will, when they are called upon in the near future, give sympathetic attention to requests for assistance to primary producers to assist them out of their present difficulties.

HON. W. H. BARNES (*Wynnum*) [12.53 p.m.]: I want to express my surprise that hon. members like the hon. member for Toowoomba, who must be deeply interested in agriculture, are somehow or other keeping to their seats, and regarding matters affecting the agriculturist as of no account

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at all, and as if they have no interest whatever in matters which so vitally affect the interests of the State. Anyone who has travelled lately must realise the gravity of the position of the man on the land and appreciate the remarks of hon. members on this side of the Chamber. I rose in perfect good faith to put right the hon. member for Toowoomba and other hon. members on that side representing country electorates by indicating that their duty at this particular time is to urge the Government to do something for the primary producer.

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [12.34 p.m.]: The hon. member for Sandgate referred to certain anomalies respecting the unemployment relief tax. These anomalies exist in the legislation now on the statute-book, and are being considered in the preparation of an amending measure. I am glad that since the election the hon. member has been able to discern a wrong principle which existed in the legislation of the late Government. The hon. member also raised the question of the advance made by the State Employment Council in connection with the Bowen coke ovens. That advance was considered in the light of the expenditure of wages in proportion to the cost of the scheme. The application for this advance was made to the late Government.

Mr. SIZER: We voted the full amount.

The TREASURER: The Government of which the hon. member was a member voted quite a lot of money, including £300,000 to the Agricultural Bank, which they did not spend. In reality, there is no contract at all in relation to this advance for the erection of coke ovens.

The same thing applies in the timber matter referred to by the ex-Secretary for Public Lands. It is true that tenders were called in that matter, and that later on a certain tender was accepted; but the successful tenderer did not proceed with the contract. Then the ex-Minister dealt by private treaty with a certain firm, but no contract exists. The file is very voluminous, and it would appear from it that an attempt was made to get more and more concessions.

Mr. R. M. KING: Was there not a draft agreement?

The TREASURER: There is a draft agreement, but that does not constitute a contract.

Mr. R. M. KING: But it sets out the terms on which the work was to be undertaken.

The TREASURER: I have been looking into the matter, and find there is no contract, consequently, the whole position can be considered de novo in the light of public interests.

The remarks of the hon. member for Fassifern concerning the state of the public accounts is true. The manner that the late Treasurer devised for stating the public balances was such as to lead people to assume that a credit balance existed where, in fact, it did not; in other words, it was devised in such a way as to mislead the unwary. Of course, it displayed the agile wit of the hon. gentleman who was Treasurer in the Moore Government; but it certainly led people to believe that the financial position of Queensland so far as the funds were concerned, was better than it

really was. I shall consider a different method of stating the position.

On the question of railway fares and freights, what actually happened in regard to the wool and other industries is that during May last, on the eve of the State elections, the late Government made a reduction in fares and freights without the support of and without consultation with the Commissioner for Railways. The rates which previously existed are now operating, so that there has been no actual increase in the freights on wool and other primary products. We merely restored the parity which existed prior to the political move made by the late Government on the eve of the election. We found that the Treasury could not afford to meet the reductions, which were made without reference to the financial position of the State or to the views of the Commissioner for Railways on the matter. So much for the party on the other side, whose members talk so much about the abolition of political control in the railways!

In regard to agriculture generally, the Government are fully aware of the difficulties of the agriculturists, and will use every effort they can, with the resources at their disposal, to assist and develop agriculture. When the Labour Government were previously in office, they gave assistance to agriculture, which developed considerably during the Labour regime. No matter what may be said for political purposes, there can be no doubt that the Labour Government were sympathetically inclined to the men engaged in the real problem of wealth production—the men on the land. We will continue that policy in every way.

Mr. KENNY (*Cook*) [12.40 p.m.]: I regret that the Treasurer has not seen fit to reply to the queries which I raised, both with regard to tobacco growing in Queensland and to the Financial Agreement. The Treasurer has stated that he will do his best for the agriculturist, and he has also told us that, when the Labour Government were returned, they found that the reductions in railway fares and freights had not been approved by the Commissioner for Railways, and could not be borne by the Treasury. What the hon. gentleman has not mentioned is that, whilst he increased the freights in the country districts, he effected reductions so far as the metropolitan and suburban areas were concerned. The country districts strongly object to that differential treatment. If there is a genuine desire on the part of the Government to encourage the extension of primary production, the first essential is to reduce the railway freights. North of Rockhampton, under the operation of Schedule 2a, we are suffering a disability as great as 50 per cent. over and above the amount paid in freight from Rockhampton to Longreach. If any extra revenue is required from railway receipts, then the people of the metropolis—and they number 30 per cent. of the population—should bear their fair share. It is useless the hon. gentleman trying to shuffle on the question; the fact remains that differential treatment has been given as against the country districts.

I regret that the Treasurer has not answered the queries which I put to him. The electors of Queensland are entitled to know what is going to be done. I am surprised that other North Queensland members who are occupants of the Government

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benches maintain silence. I would urge those hon. members to stand up for the districts they represent. They should not be silent to-day and allow their leader to refer to the increase in freights to country districts, and not say anything about the reductions to the people in the city. I would ask even at this late hour that the Treasurer give the information asked for by hon. members on this side.

Mr. TOZER (*Gympie*) [12.43 p.m.]: As a country member, I object to any distinction being made between the cities and the country. I understand that there were two reductions in the railway freights made by the late Government. The Treasurer stated that prior to the elections certain reductions were made, and that they have since been restored. What I understand is that the whole of the 17½ per cent. reduction has been cancelled so far as the country people are concerned. As a result, the people in the country have to pay increased railway freights, while the people in the city of Brisbane pay no increase at all. That is a distinction, and I submit that there should be no distinction in taxation. If you treat one part of the State in one way and another part in another way, you are going to stir up the country against the city. Instead of doing that we should endeavour to get the two sections to work together. I heard the Treasurer say that, when the Labour Government were in power previously, they materially assisted agricultural settlement. Do they consider that they assisted agricultural settlers by putting a land tax on them? They put the land tax on in 1915. Why should the country people pay a land tax? It is a tax on capital; and why should the Government tax capital? The land tax should be taken off. People who reside on the land and those hon. members who represent country districts should know that the settlers on the land have all they can afford to pay when they pay their shire rates. In many cases the settlers cannot afford even to pay the shire rates; yet they are compelled to pay a land tax in addition, and some have to pay a super land tax. That is unjust to the man on the land. Unfortunately, at the present time, owing to the act of God, the season has been against the man on the land. In some districts there has been no fair rainfall since 1931, and the grass has gone off. Fodder that the ordinary person tries to grow would not grow, with the result that the dairy farmer is up against it. Many of them have had to take their cattle away to the coast. The cattle are poor when they get there; and, owing to the want of rain, most of the waterholes and creeks have dried up, and the cattle get bogged when trying to get water. They have to be dragged out, and a cow generally dies after you drag it out. The owners of this stock have to camp with the cattle, and they are absolutely up against it. We talk about the unemployed; but many of these people have to live on less than the unemployed are getting. In many instances the cream cheques have disappeared altogether, and the dairy farmer has to live on the assistance he can get from the storekeeper. In some cases the farmers could not get their cattle away to the coast, and they have had to allow them to die. That must have an effect on the Government revenue, because they lose the income tax paid by these people and other revenues paid by dairy

farmers when in a successful position. I believe that a concession is given in freight on starving stock, but a condition is attached that the owner must bring back all the stock that survive. If his property will not carry the whole of his stock and he brings back only his milkers, he cannot get the concession if he has left his poddies or young cattle on the relief country in order to protect his milkers. Some consideration should be given to such cases.

The SECRETARY FOR PUBLIC WORKS (Hon. H. A. Bruce, *The Tableland*) [12.49 p.m.]: The hon. member who has just resumed his seat had a good deal to say about the position of the farmer. There is quite a lot to be said with regard to the position of the dairy farmers and others, and what the industry has done for Queensland. Under the administration of the Moore-Barnes Government through the Agricultural Bank, not only were the cream cheques of the dairy farmers depleted; but they were seized by the Government at the butter factories for repayments. As a matter of fact, their whole administration through the Agricultural Bank and otherwise has had the result of pushing many a genuine settler off the land, and placing him in the hands of wealthier people who could buy his farm. That is what happened on the Atherton Tableland, as pointed out to me during the time I was touring the electorate.

Again, members of the Opposition failed to tell us that the reduction in railway fares took place only after they had been in power for three years and were asking the electors to return them again. It is one of those political moves that the Tory party always use in order to win support, and should be viewed with suspicion; but, despite this and similar moves, the people of Queensland remembered what they were promised in 1929, and did not again return hon. members opposite to the Treasury benches.

The argument that the Labour Government have not supported the dairyman, or do not assist the man on the land generally, is entirely futile, because fully 50 per cent. of the settlers during the last ten years are on the land because of the policy of the Labour Party and the good wages they got while that party were in power and the liberal land laws they introduced. At all times they got the support of the Labour Party while on the land; and the very fact that I am a Minister of the Crown for an electorate which, after the redistribution, was supposed to have a Nationalist majority of 2,000, and where approximately two-thirds of the people are dairymen or are interested in other branches of agriculture, proves that the man on the land appreciates the Labour policy when a matter is placed clearly before him, as it was by me during the campaign. I repeat that 50 per cent. of settlers during the last ten years and 75 per cent. of the recent settlers are on the land because of Labour's policy.

Mr. O'KEEFE: A very fine type of man.

The SECRETARY FOR PUBLIC WORKS: A very fine type of man indeed. As compared with the rest of the community, their position is very precarious—and naturally they are suffering more where drought prevails; but the policy of the Moore-Barnes Government in attacking the wages of the workers automatically reduced their returns. Before the Moore-Barnes Government got

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into power, the dairy farmers were getting not less than 1s. per lb. for their cream; but the attack of that Government on the wages of the workers destroyed their purchasing power and lowered the price of cream.

Mr. KENNY: How did that affect prices in the world's markets?

The SECRETARY FOR PUBLIC WORKS: We do export a certain percentage of our butter to the world's markets. The reduction in the wages of the workers—that large body of consumers in Queensland—had the greatest effect upon the cream cheques received by the dairy farmers. I admit that the dairy farmers were considerably handicapped by the high prices charged for machinery, separators, and dairy equipment generally, which affected the prices at which they were able to place their product on the market.

Mr. KENNY: The Labour Government were in power during that period.

The SECRETARY FOR PUBLIC WORKS: Yes; but it was the supporters of the Nationalist Party who got the benefits. One ex-Minister of the late Government got £1,500 and another member of the Moore-Barnes Government received £5,334.

Mr. R. M. KING: Mr. Hanson, I rise to a point of order. Is the Secretary for Public Works in order in referring to a matter that is sub judice?

The CHAIRMAN: The hon. gentleman is not in order in making reference to a matter now being inquired into by the Royal Commission on the Dairying Industry.

The SECRETARY FOR PUBLIC WORKS: The matter to which I refer occurred before the Royal Commission commenced its sittings.

The CHAIRMAN: Order!

The SECRETARY FOR PUBLIC WORKS: The transactions relating to the sum of £5,334 occurred before the Royal Commission commenced its inquiries. The cost of dairy machinery to the dairy farmer was high because of the number of people who received commissions in connection with the sales thereof. That factor operated to a much greater extent against the welfare of dairy farmers than any reduction in railway freights. I want to stress the fact that the Moore-Barnes Government were in power for three years before they decided to make the reduction in railway freights referred to. They decided to hold the elections on 11th June, 1932, and immediately prior thereto they also decided, without any consideration whatever being given to the effect of their action upon railway finance, that certain freight rates should be reduced. The reductions were not made on any planned or considered basis, but a lump sum was merely cut off railway freights, and this tended to interfere seriously with railway revenue. That would mean that any additional loss actually incurred in the running of the railways consequent upon these reductions would have to be made good by the people of Queensland by way of taxation.

Mr. CLAYTON: The same would apply to the concession granted to the Mount Isa Company.

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The SECRETARY FOR PUBLIC WORKS: That is true; but that concession was granted only after careful investigation. The Treasurer has already dealt fully with that matter. It was a carefully considered arrangement, entered into after an investigation of the position of the company, and after due weight had been given to the desirableness of retaining many thousands of men in employment. The Government deemed it advisable to maintain these miners and others in direct employment; and hon. members opposite should not forget that these workers assist in constituting that large body of consumers upon whom the dairymen rely for the consumption of their butter. It was in the interests, not only of the miners and others directly employed, but also in the interests of the dairymen on the Tableland that these works should continue to operate. If one can judge from the speeches delivered by hon. members opposite, they would have been loth to give the same consideration to the Mount Isa Company, with the result that 1,000 men directly employed and another 2,000 indirectly employed would have been thrown out of employment, which, in turn, would have resulted in a diminished demand for the product of the farmer, and this, in turn again, would have reflected itself in the cream cheques. The destructive policy pursued by the late Government has been proved unsound throughout the centuries. The result of the policy was as it has always been. The vicious attack upon the workers and upon their conditions automatically reflected itself in the returns to the primary producers, particularly in the case of the dairymen. The Opposition may talk about the position of the man on the land; but they must not forget that the man on the land realises that the policy of the Labour Government is in the best interests of those associated with the soil. Their direct attack on the workers affects the interests of the primary producers, a result which they probably did not foresee. The effect of the policy of the late Government on the man on the land has been extremely serious, probably much more serious than hon. members have stated.

On the other hand, we have in the Federal sphere a Tory Government similarly affecting the people on the land from another angle altogether. The Federal Government are a party to an agreement executed with the Queensland Labour Government of the day covering the sugar-growers of Queensland. This agreement was entered into between the two Governments; and any attempt to interfere with that agreement is nothing more or less than pure repudiation. The idea behind the minds of the Federal Government in attacking the price sugar-growers receive for their cane is to get at the wages received by the sugar-workers. They take the alarming outlook—which is only the so-called Nationalist Party outlook—that, because certain industries are not prospering, all other industries shall be brought down to the level of the poorest industry. They should adopt a wider viewpoint, and endeavour to raise the less prosperous industries to the status of the most prosperous industry. A reduction of 4d per lb. in the price of sugar will mean that at least one-third of the sugar-growers in Queensland will be driven off the land. Those men will consist chiefly of those who

have mortgages on their land and are now struggling to establish themselves in industry. They will be thrown upon the unemployment market, and will add to our unemployment difficulties. Those growers who have been connected with the sugar industry for many years, who have paid off their farms and have a credit balance in the bank, will be able to stand a reduction of $\frac{1}{2}$ d. per lb. in the price of sugar, as will also those persons who lend money on mortgages to the farmers. The mortgagee class will show a profit out of a reduction in the price of sugar, because they will foreclose on the land which is mortgaged to them, and by this means will be enabled to work the land under lease. The policy of the Federal Labour Government will lead to the destruction in part of one of the finest industries in this State—an industry which William Morris Hughes, a prominent member of the present Federal Government Party, and Stanley Melbourne Bruce, one of the leaders of the present Federal Cabinet, eulogised prior to the Federal election when visiting Townsville some years ago. It is surprising that the people of Queensland are doing so little to resist this attack. I would have thought that the whole of the people of this State would have risen up in arms to resist this attack on one of our leading primary industries. When federation was inaugurated, it was stated that the objective of the Federal Government would be to populate our great northern coastline so that it should be the first line of defence in the event of an attack on our continent. This great principle is being lost sight of by the Federal Government in their desire to bring the wages of the workers to as low a level as possible and increase unemployment. Their policy is one of destruction and despair; and it is almost impossible for a man of normal intelligence to conceive that any body of elected representatives of the people, especially those who are believed to be capable of representing the people in the Federal Parliament, should adopt a policy of that kind. I want to stress the point that the politicians behind this move are the colleagues of hon. members opposite. The policy of the Opposition as I have outlined it entirely disproves the statements reiterated by the Nationalist Party that they are the true representatives of the primary producers, thereby inferring that a Labour Government aspires to conserve the conditions and wages of the workers and not those of the primary producers. We must look after the worker first, because in doing so we are establishing a market and a price for the primary producer. That should be obvious to a ten-year-old child; yet we have the Federal Nationalist Government, colleagues of hon. members opposite, adopting the policy they are pursuing to-day in regard to the sugar industry. Quite apart from political parties altogether, I regret that industries of this kind are not given the assistance they should receive, instead of being attacked, because that form of attack can only mean that people who have put in many years of work in a national industry will reap none of the benefits to which they are justly entitled.

Mr. DEACON (*Cunningham*) [2.7 p.m.]: I was surprised to hear the Secretary for Public Works make the assertion he has made, because it must be obvious to all hon. members that the Opposition do not complain of assistance given to the Mount

Isa Company. What they do complain of is the differential treatment meted out to the Mount Isa Company as compared with the treatment of the primary producing industries. A most erroneous statement made by the hon. gentleman who has just resumed his seat is that the Moore Government did not give any assistance in freight reductions until immediately preceding the elections. The hon. gentleman knew that his statement was wrong, because we gave different reductions throughout our term of office. The last reduction of 5 per cent., which was made immediately before the elections, although it was not made on that account, was made because it was due.

Mr. W. T. KING: It synchronised with the election; it happened to be a coincidence.

Mr. DEACON: That does not matter; the fact remains that it was due to the industry. An all-round reduction of 33 per cent. in costs was aimed at, and the 5 per cent. reduction merely brought railway freights into conformity with that aim. If the present Government contend that the reduction was wrong, why are they continuing that reduction in the case of the metropolitan and suburban areas? What have hon. members opposite to say to that? They are singularly silent now. Of course, they are getting the benefit; but they want the producers up country to pay the extra rates so that the people in the cities can travel cheaply.

Mr. W. T. KING: That statement is not correct.

Mr. DEACON: It is correct. It is also correct that we made a general reduction in railway freights and fares before the election; and it is equally correct that the present Government withdrew the reduction so far as the country districts are concerned, whilst allowing the position in the metropolis and the suburbs to remain as at present. The primary producing interests of Queensland are as important as, if not more important than, the industry at Mount Isa, quite apart from the fact that their need for relief is greater. In the face of these facts, a concession is extended to the Mount Isa Company, but is denied to the primary producing industries of the State.

Mr. W. T. KING: That is a general statement.

Mr. DEACON: It is correct; and, if the hon. member can show that it is wrong, let him justify his statement.

Another erroneous statement made by the Minister is that during our term of office the Agricultural Bank instituted the system of liens on cream cheques, the enforcement of which system was driving people off the land. As a matter of fact, the system of liens on cream cheques was a feature of Labour Administration since 1915. It has been a regular part of the bank's business to advance money by way of liens on cream cheques, and that system is in operation at the present time. It is all piffle, and the hon. member should be in a position to make a better defence, because he knows the position is different from that which he stated.

Then hon. members opposite blamed us for keeping up the price of bread, but they have not reduced it, because they know the accusation is not true. They have also charged us with reducing the price of butter by lowering wages. We certainly were

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forced to lower wages because the money was not there to go round; but they left the position as they found it. We reduced the salaries of public servants, but they have let the reductions stand. In any case it did not make a bit of difference in butter prices, because the price of butter is ruled by the export price. The butter producers are getting a little more for the local consumption, and have been all along; and our policy will be continued so far as butter prices are concerned. At times the local price goes a little higher and at times a little lower; but, as a rule, it remains pretty well the same. It cannot follow all the fluctuations of the London market; but, in the main, it is ruled by the export price. If that were not so, we would find butter being imported into Queensland. The main point we were contending for all the morning was that similar treatment should be meted out to all industries—not having one industry hampered—not having one industry getting something to which it is probably entitled while another industry in the same position is treated differently. Give them all the same treatment! If this country is to get out of its difficulties, we must foster every industry, and not single out one for preference simply because it is paying a large amount in wages, and let the others go.

Mr. PLUNKETT (*Albert*) [2.15 p.m.]: As a country member I want to enter my protest against the discrimination in regard to the increase in railway rates. I listened to the arguments of hon. members opposite; and it struck me that they were out for political propaganda rather than to argue the justice of the case. Some hon. members opposite say that the reduction in railway freights made by the late Government before the elections was really a bribe. If it was a bribe to reduce the freights, then it must still be a bribe to continue the reduced rates to one section of the people. If the reduction to the people in the city was not justified, then, by continuing the reduced rates, the Government are doing a great injustice to the people in the country who have to pay increased rates. After all is said and done, who pays the increased rates? When I realise that rates outside the metropolitan area have been increased, and when I also recognise that the fees under the Brands Acts, which are only applicable to the country, have been increased, I realise that any increase in taxation only applies to one class. That will give the country people an opportunity of feeling that they are the class set apart for increased taxation. In my opinion, taxation has more than reached saturation point; and the only chance the Government have of maintaining taxation and getting away with it is to tax on an equitable basis; and the increases we have had lately are anything but equitable; therefore, the people are justified in saying this is class legislation. If we continue along those lines, instead of creating that co-operation that every Government should bring about, and have unanimity between all classes for the general welfare of the people, we are going to drive the people into sections, and as a result we shall have chaos. It is wrong to increase taxation or railway freights on any one section of the community. No doubt it will be said that taxation has been increased on those people who can best afford to pay; but, if we analyse the position, we must acknowledge that all

wealth comes from the land. According to some of the speeches on the Address in Reply, hon. members seem to think that the city is the pivot of the wealth of the country. I deny that emphatically, and say that the cities and the towns of Queensland are but a reflection of the production of wealth in the country.

The TREASURER: All industry is dependent on the land.

Mr. PLUNKETT: That is one more reason why we should not have legislation to impose burdens on one section of the community for the benefit of another. That is one more reason why the Government, whose responsibility it is, should see that, if taxation is increased, it should be imposed as equitably as possible. I say with all sincerity that the producers of wealth in this country, more especially primary products, are facing one of the blackest outlooks they have had for quite a long time. Because of financial conditions—low prices and other things—the producers are very much concerned about what is going to happen.

Mr. MAHER: But the change of Government is going to give them high prices.

Mr. PLUNKETT: Not only low prices, but also weather conditions are such that very many producers do not know how long they are going to exist financially; and, if possible, some concession should be made to them. I have no objection to the Government assisting the Mount Isa undertaking in order to enable it to keep going. It is the Government's job; but the same principle should apply in other avenues; and, if any concession can be given to anybody, the primary producers of this country must not be forgotten; and they have been forgotten in one small way in the increase in railway freights, whilst people living a few miles from the cities escape scot-free.

The Secretary for Public Works went out of the State altogether, and referred to something that the Federal Government were doing, and talked about Mr. Bruce. I do not want to do that. I do not think it carries any weight. It may be good political propaganda, but it does not solve our problems. In addition to the increases in fares and freights and in the fees under the Brands Acts, many producers are badly hit by the unemployment relief tax. They are not earning anything at all, and are only carrying on their occupation by the good will of the banks, because they have an asset to mortgage. Yet, under these circumstances, and although they are facing the blackest outlook they have had for a long time, they are called upon to pay an unemployment relief tax—and an increased one, too—although they cannot possibly get any relief work themselves. It is time the Government considered how very unfavourably the producers are situated.

The Secretary for Public Works talked about high wages, and how they enabled people to get higher rates for their products. Quite right; but his statements based on that were not sound arguments. It may be good propaganda to say that this side wants low wages; but will anybody seriously contend that a man who produces—and this side represents the producers to a greater extent than anybody else—wants to keep wages down when the people who get those wages buy his products? It is not natural.

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We all know that the higher the wages people get and the better conditions they enjoy the more they can buy and the better prices they can pay, and there is no doubt that we want that. The hon. gentleman talked about the higher prices the producer got for butter when his party were in power previously; but one must take into consideration all the facts of the case. For example, for the past three years more than 70 per cent. of the butter manufactured in this country has been exported. The Secretary for Public Works claimed that high wages enabled high prices to be paid for butter; but to follow that argument to its logical conclusion one has only to increase wages sufficiently high to absorb locally the 1,000,000 boxes of butter exported last year. Such a contention is not based on sound premises. Australia sent a number of representatives to Ottawa to bargain and to secure benefits for the primary industries of this country; but we are not going to achieve any material advantage if we secure a benefit on the one hand and wipe it out on the other. I have in mind the action of the Government in increasing railway freights. I give the previous Labour Government all credit for having assisted the farmers to organise their industries. It was claimed that the assistance would eventually prove to be a two-edged sword. Immediately the industries were organised a rural workers' award was imposed. It is not much use assisting the farmers to organise, and then stultifying the effect of that organisation by imposing a rural workers' award. If there is to be increased taxation, then let it be equitably borne by the people as a whole. The people in the country have been subject to unfavourable climatic conditions and to low prices; and they strenuously object to being singled out for an additional taxation burden. On their behalf I strongly protest against such action, which, to say the least of it, is unfair and unjust.

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [2.27 p.m.]: The remarks of members of the Opposition in connection with the alleged discrimination in the fixation of railway freights are rather interesting. There can be no discrimination, provided lead bullion is carried at the same rate throughout Queensland. The rate which is to be applied in the interests of the Mount Isa Company is for the conveyance of lead bullion only. Hon. members opposite who talk so glibly about no discrimination in connection with railway freights either do not know the facts or they ignore the whole system and practice of railway management. There is discrimination, if one likes to use the term in its application to the different freight rates operating in Queensland. Is it to be suggested that the lead bullion rate should apply generally to all goods carried in Queensland?

Mr. EDWARDS: That is not the argument.

The TREASURER: If that is the argument, then let us have it. If that principle was adopted, it would mean a general increase on all rates applied to the farming community. Do the alleged leaders of the farmers in this Chamber claim that there should be a general rate for all farm products and general merchandise? Is it their argument that the lead bullion rate should apply to wool, to butter, and other items? A special rate is fixed for a number of

items. Fertilizer imported from the Southern States is carried from Wallangarra as far north as Cairns for about 4d. per train mile per ton. In some cases freights are charged according to cubic measurement and in other cases according to weight. Cream is carried on the basis of the contents of the can; and empty cans are returned free of charge. In addition, dairymen are permitted to consign their cream to any factory, irrespective of distance, for the freight rate laid down. If hon. members opposite claim that the same rate should be applied to all classes of freight, then they will find themselves in a very great difficulty indeed.

Mr. R. M. KING: That is absurd.

The TREASURER: The hon. member for Logan interjects that it is absurd. It is quite true that it is absurd; but the absurdity rests upon the people putting forward the argument. If there is anything at all in the argument that hon. members opposite have been flogging threadbare, it is in favour of an equal freight rate, irrespective of the class of merchandise, and irrespective of the product that is being carried. If their argument means anything at all, that is what it means. If the freight rate per ton per mile charged on lead bullion was applied to primary products generally, then the farmer would be the heaviest loser. The real point must not be lost sight of. That is this: On the eve of an election the late Government reduced freights and fares without consulting the Commissioner for Railways, without asking his advice in any respect, and without having regard in any way to the position of the Treasury or the effect it was going to have on the Budget. That is the position. It would be eminently desirable to be able to reduce freights and fares and also to reduce taxation. Quite a number of things are desirable; but inclinations in this respect are limited by one's capacity to do certain things. To the extent that the railways grant concessions that cost money the budget equilibrium is disturbed. The Railway Department merely restored the freights and fares operating prior to the election—reductions made by the late Government.

Mr. KENNY: That is not right.

The TREASURER: Hon. members opposite are most illogical with regard to the question of the cities. They are the people who, on the election platform, deplored what they characterised as "class warfare." They deplored the fact that certain people were attempting to set one class in the community against the other.

Mr. EDWARDS: You did that.

The TREASURER: Yet to-day we find these alleged representatives of the farmers attempting to raise the question of the town versus the country.

Mr. PLUNKETT: You have done it.

The TREASURER: Nothing could be more absurd than that, because all sections of the community engaged in useful service are interdependent; and the best market the Australian farmer has is the Australian market; and to the extent that this market is limited, or diminished, so is the primary producer affected. That is recognised in almost every Australian product which receives a higher local price than the exportable surplus commands on the world's market. Anyone who endeavours to raise

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any discriminatory cry about the town versus the country is not doing the country any service, and his actions are likely seriously to disturb industrial relations in the community. If the population of Brisbane is reduced by one-half, where is the produce of the farmers going to be sold? It would mean that a higher proportion of the product would have to be exported. Why, if the industry generally, from the point of view of its efficiency, had been left to minds similar to those of alleged Country Party representatives, it would still be cultivating with forked sticks. The industry is dependent on the engineer, the scientist, and the chemist. All industries are interdependent. It is logically absurd to try to discriminate between one section of the community and another. It is interesting to note that the consensus of opinion of the Opposition is that all farmers and graziers' products should be dealt with on the same basis as the freight rate charged on lead bullion.

Mr. R. M. KING (*Zogán*) [2.35]: It is rather amusing to hear the Treasurer breaking forth again into one of his diatribes, and living up to his reputation as a class-conscious politician, and the reputation of his party of practising class-consciousness. He said that before the election this party advocated the elimination of class-consciousness, and yet came into this Chamber desirous of raising the class-conscious issue by endeavouring to set the city interests against the country interests. We have done nothing of the kind. That has been done through the actions of the Government, who are living up to their reputation by trying to make a cleavage between the two sections of the people, the employer and the employee. As I have said, they are living up to the reputation which they have won, and which they so deservedly are entitled to. The Labour Government have always proved themselves to be a lopsided Government, who can only see one side of a case—the employees' side. They never recognise that the employer has any rights or privileges. They do, however, recognise that the employer has obligations, but they do not even recognise that the employee has obligations. Any suggestion of class-consciousness is to be found in the ranks of the Government. They practise it at all times.

In his remarks a few minutes ago the Treasurer put forward the absurd contention that the Opposition believe that all railway freights should be on a certain basis. The hon. gentleman spoke with his tongue in his cheek, because we know that experts fix the bases of railway freights; and we know, too, that the basis has been departed from in one particular direction to suit a company carrying on business in Queensland. Personally, I have not the slightest objection to the Mount Isa Company receiving concessions. One has to recognise that the Mount Isa Company is a large company with an invested capital of £4,000,000 and employing hundreds of men. A Government would be absolutely failing in its duty if it did not do everything reasonably possible to keep such an industry going. When the Moore Government were in office, they did certain things in order to keep that company operating, and the Treasurer admits that the right thing was done. I am not finding fault with the Treasurer or his Government for doing what they have done in connection with Mount Isa; but I do say

that the basis of railway freights so far as the Mount Isa Company is concerned has been departed from and a differentiation made as against the freights connected with other industries. At the same time, we have the biggest industry in the State—the wool industry—absolutely ignored. The wool grower is practically down and out; and, unless something is done very soon to mitigate the conditions under which he is carrying on his work, I am afraid the wool industry will be lost to Queensland.

Mr. MAHER: The trouble is that the wool industry has not enough votes.

Mr. R. M. KING: That interjection merely indicates the prevailing opinion that the present Government are class-conscious.

There is one question which the Treasurer has not answered, and I press him for an answer. When he appealed to the country, he had this illuminating paragraph as part and parcel of his policy speech—

"Labour will pursue a financial policy in keeping with the resources of the State. A special loan of £2,500,000 from Queensland citizens will be invited, and Queenslanders will be asked to become partners in this onward drive to better times. The money so raised will be utilised for reproductive works."

What have we heard about that "Revival Loan" since? All we know is that the loan has gone to the clouds. On his return from the Loan Council, the hon. gentleman said that he had obtained £940,000 from that body on account of this "Revival Loan," although the hon. gentleman had definitely stated that the loan would be raised in Queensland and Queensland citizens would be asked to contribute to it. During the election campaign the hon. gentleman maintained a sphinx-like silence when challenged to answer this question—

"(a) On what clause of the Financial Agreement do you rely to obtain this loan:—(a) With the approval of the Loan Council; or (b) without the approval of the Loan Council?"

"(b) What securities would be issued to the investors?"

The hon. gentleman has been asked to answer the question in this Chamber; but still he refuses to give the information. The reason is obvious; he cannot answer the question. Time after time during the election campaign the hon. gentleman was told that it would be impossible for him to raise such a loan without the consent of the Loan Council; but the hon. gentleman retorted that he knew all about it; that he had taken part in the framing of the Commonwealth and State Financial Agreement Ratification Act; and knew how to get out of the difficulty. Part V. of the Act which was assented to in April, 1928, dealing with borrowing by the States, provides—

"For any purpose (including the redemption of securities given or issued at any time for moneys previously borrowed or used in manner stated in this clause) a State may, while Part II. or Part III. of this agreement is in force—

(a) Subject to any maximum limits decided upon by the Loan Council from time to time for interest, brokerage, discount, and other charges, borrow moneys within the State from authorities, bodies, funds, or institutions (including Savings Banks) constituted or

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established under Commonwealth or State law or practice and from the public by counter sales of securities; and

(b) Use any public moneys of the State which are available under the laws of the State.

"Any securities that are issued for moneys so borrowed or used shall be Commonwealth securities to be provided by the Commonwealth upon terms approved by the Loan Council."

That is quite clear. If the Treasurer can get over that and give an explanation, we wonder why he has not done so in the past.

The TREASURER: Who is trying to get over it?

Mr. R. M. KING: The hon. gentleman put it over the public.

The TREASURER: You are not the public.

Mr. R. M. KING: I am one of them, and I have equal rights with the rest of the public. I represent a fair number of electors, too. The Treasurer has in no way attempted either to answer the public challenge that was issued to him during the election campaign, nor did he see fit to give the information in this Chamber when he was asked for it, although he should do so; and we as an Opposition and members of Parliament as a whole are entitled to receive that information. If the Treasurer had any grounds whatever for making the assertion that he could get this money without the consent of the Loan Council—

The TREASURER: When did I say that?

Mr. R. M. KING: The hon. gentleman has said it all along.

The TREASURER: I did not say it.

Mr. R. M. KING: It is all very well to say "no," but the Treasurer did say it, and I have a distinct recollection of him saying it. I again ask the hon. gentleman to oblige the Committee by giving the information we are seeking—that is, to answer the two questions which have been put to him.

Mr. COSTELLO (*Carnarvon*) [2.46 p.m.]: Hon. members on this side charge the Government with discrimination in certain instances. We on this side have no objection whatever to the Government making arrangements with the Mount Isa Company to assist it over a critical period. When hon. members on this side were in charge of affairs, they did the same in order to foster industry and primary industry in particular; but we do object to discrimination being shown against those people who built up this country and made it prosperous so that some of the young members opposite are able to earn a good living. No consideration has been given to the primary producer—to those engaged in the wool and cattle industries of the State—but the Government have increased the freights in regard to those industries. No one can say that any industry is in a more parlous condition than the wool and the cattle industries. Can anyone say that Mount Isa is worth more to Queensland than the wool industry? He cannot. Mount Isa may only be a flash in the pan, but the wool industry carried Queensland for years; and we are looking forward to the time when it will restore prosperity to Queensland again, and it is the duty of every Go-

vernment and of every public man to stand by that industry.

Mr. KEOGH: What did the Moore Government do?

Mr. COSTELLO: The Moore Government watched the interests of the industry, which is carrying the burden to-day, and which is in need of assistance as well as the Mount Isa Company. Unfortunately the Secretary for Public Works, new in his position, endeavoured to speak to the industrialists of his early associations as well as to his new friends—the dairymen—on the Tableland; but he is not really concerned about the primary industries of this State. He was more concerned about making up some sort of political argument; and for that reason he dragged in the sugar industry, which has no bearing on the question before the Committee. What we are protesting against is the discrimination between two industries, both in a very parlous condition—the production of silver-lead and the production of wool and cattle. Would any Government throughout the length and breadth of Australia other than the present Labour Government of Queensland dare to increase the freights on wool just at the present time? Prices are lower than ever before in the memory of the present generation; yet this is the time the Government choose to reimpose the 5 per cent. on freights which was taken off by the late Government. I warn hon. members opposite that they are going to lose revenue, because road transport will carry the wool to market at a much cheaper rate than the railways are asking to-day. The late Minister, the hon. member for Murilla, saved the railways for Queensland. He was the first man who, against his own friends, placed the railways on a sound foundation; yet he reduced fares and freights paid by those people who were the pioneers of the country. We are not concerned about stimulating antagonism between the city and the country; but we are not going to allow the Government to put it all over us every time, in the interests of Brisbane, without a protest. As a protest, therefore, I beg to move the following amendment:—

"On page 2, lines 20 and 21, omit the words—

'six hundred'

and insert in lieu thereof the words—

'five hundred and ninety-nine.'"

As a representative of the primary producers, I move that amendment as a protest against the Government's discrimination between two classes in the community.

The CHAIRMAN: I do not propose to accept the amendment, which is entirely out of order. The amount now being dealt with in the clause is founded on the resolution already agreed upon in Committee of Supply, and cannot be altered at this stage.

Mr. NIMMO (*Oxley*) [2.52 p.m.]: I want to add my protest against the consideration that is being meted out to the Mount Isa people as compared with the increase in freights in connection with the wool industry. If we do anything to jeopardise the interests of that industry, the whole future of Queensland is gone. We have to remember that during many years we have built up an industry which produces the finest wool in the world, and that by that means Queensland and many of our workers have

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in the past enjoyed prosperity and good wages. When we realise that every penny per lb. in the price of wool represents £550,000 to this country, we must appreciate what is means to Queensland; yet the Government, in their first few weeks of office, attacked that industry by increasing the freights on that wool. Within the last few weeks I made it my business to go as far as Longreach and investigate the position of the producer; and I find that the small settlers there are bearing a terrific burden. Those people are living under worse conditions than any worker in the cities. These people, who were placed out there by a Labour Government on 5,000 acres—an area much too small, if they are to make a living—are simply hanging on. A property of 10,000 acres has a carrying capacity for 4,000 sheep. If the grazier is lucky, he will shear 80 bales of wool, for which he will receive £800 calculated at the existing price of about £10 per bale. Out of this amount he must pay his rent, amounting to 2½d. to 3d. per acre, water charges amounting to 2d. per acre, and railway freight, claiming the exorbitant amount of £120 out of £800. That is far too much for the Railway Department to collar in accordance with the new rate.

The MINISTER FOR TRANSPORT: What is the distance?

Mr. NIMMO: From Longreach. Then he must pay his local authority rates, shearing costs, the cost of carting the wool up to thirty miles to the nearest railhead, and other costs. The Railway Department will have to give sympathetic treatment to these people.

The MINISTER FOR TRANSPORT: So it has.

Mr. NIMMO: When wool had reached peak prices, in 1925 or 1926, the Labour Government decided that the industry could carry heavy freight charges, so they were imposed. It is imperative now that these charges should be materially reduced in the interests of those who are suffering grave disabilities. The people in the West must carry the freight burden imposed upon goods transported to their districts. The cost of living has been increased, not only to the settlers, but also to those who might be working on the properties. The selector, being unable to afford the cost of additional labour, must work this large property himself with the assistance of his wife. The only labour that he employs is a contract shearer to shear the sheep for him. I trust that the Minister for Transport will look into this matter immediately. A toll of £120 out of £800 taken by the Railway Department is far too heavy. Is this industry not to be permitted to function? The selectors are hanging on hoping for better times. Three reductions were made in freights during the regime of the Moore Government; and, had that Government continued in office, the freights would have been further reduced until they had reached a reasonable level. Unfortunately, the Moore Government were defeated at the polls, and the first act of the new Government was to impose additional freight on wool.

The MINISTER FOR TRANSPORT: Does the hon. member say that the present Government wiped out all the reductions?

Mr. NIMMO: No; but the Government have made a start. They contemplate introducing the forty-four-hour week in the Railway Department; which simply means that

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additional revenue to an amount of £254,000 will have to be obtained to enable that to be done. That will mean a further increase in railway freights. I entirely agree with the hon. member for Logan that the Government are a class-conscious Government, pandering to one class. The sooner they cease their activities in this direction the better it will be for Queensland. Listening to the Secretary for Public Works to-day, one would think that there was no depression in Queensland, and that everything was quite all right. Why, we are passing through very serious times indeed. Revenue has declined at an alarming rate in this State. The amount obtained during 1930-31 was £15,000,000, whereas the amount secured during 1931-32 barely reached £13,000,000, a huge drop in two years. How are we to continue our present rate of expenditure in the face of such a huge drop in revenue? Revenue is still declining; and the Government will create a very serious position indeed if they attempt to foster the principle of a forty-four-hour week in the railway service. It is imperative that we should ask who will pay for this concession. Simply the people. If the forty-four-hour working week were restored on the Brisbane tramways, the extra expense can be met only by an increase in fares, or by an increase in the rates levied by the Brisbane City Council. The Government are going the wrong way about benefiting the working men of Queensland; and, unless they change their policy and attitude, they will head right for the rocks. Although I am pleased that certain concessions have been given to Mount Isa—

Mr. FOLEY: You don't want to squeal about it.

Mr. NIMMO: I do not disagree with the principle, but I am squealing all the more because the principle is not applied to the country people, who are as seriously affected. We have no quarrel with the concession given of the Mount Isa Company; but what about the thousands of workers engaged in the wool and farming industries? Are they not deserving of similar consideration? The concession to Mount Isa has been granted because the closure of those mines would affect genuine dyed-in-the-wool unionists. They have been singled out for special treatment at the expense of the pioneers of the State. I urge the Government to reconsider their policy, and hand out even-handed justice to all sections of the community.

Mr. MAHER (*West Moreton*) [3.2 p.m.]: As this is the first occasion I have spoken since this Parliament assembled, I take this opportunity, Mr. Hanson, of adding my meed of congratulations to you on attaining the office of Chairman of Committees. Knowing you so well personally, I have the utmost confidence that you will exercise your functions with impartiality to all sections in this Parliament.

I desire to bring under the notice of the Minister of Transport a matter which is causing a great deal of concern in my electorate. It relates to the disallowance of the reduction in railway fares and freights made by the late Government in May last. During the term of the previous Government the then Secretary for Railways, no doubt in collaboration, and perhaps on the advice of the Commissioner, decided to close down the Laidley-Mulgowie section of railway. This section is only 8 miles in length.

At that time this district was not part of my electorate, and I do not understand the motives associated with the action of the Minister. In the light of what I have discovered since, I am distinctly opposed to the decision to close that branch railway. The ex-Minister visited the Laidley and Mulgowie district, and discussed the subject with practically the whole of the residents of that district. As a result it was decided to continue operations on that section of the railway conditionally on a surcharge of 2s. 6d. per ton being imposed on the goods handled. Subsequent representations made to the Minister and Commissioner resulted in this surcharge being abolished at the same time as the reductions in wool and other freights were made. This railway is only one of sixty sections which, according to the Commissioner's report, pays neither working expenses nor interest on capital. Some of the other fifty-nine sections are losing a great deal more money than the Laidley-Mulgowie section; yet not one of those sections has been called upon to pay a similar surcharge on freightage. I appeal to the sense of fairness of the Minister on this matter, for it is not fair to single out this section for the imposition of such a surcharge. It will be recognised that the people of the district have a substantial grievance against the Government and the Commissioner.

The MINISTER FOR TRANSPORT: Did a deputation agree to that?

Mr. MAHER: Yes; they had no alternative. At the point of the bayonet they had to agree or have the line closed down.

The MINISTER FOR TRANSPORT: Do you agree with the action of the ex-Minister in holding a bayonet to the deputation?

Mr. MAHER: No. No doubt the hon. gentleman was influenced in his action in regard to the line by the advice of the Commissioner for Railways; but, even if he were wrong, two wrongs do not make a right, and I appeal to the Minister to remedy the matter. The line cost £24,218. The revenue last year was £883, the expenditure £1,733, so that there was a loss on working of £850, and an interest loss of £1,162. The line is only credited with the amount of freight which originates at Mulgowie and terminates at Laidley. The district of Mulgowie may put freight on the railway worth £3,000 or £4,000 a year; but, because the freight has its destination at, say, Townsville, Brisbane, or Toowoomba, the line does not get credit for the freight which originates at Mulgowie, but only for the amount of freight between Laidley and the commencement of the line at Mulgowie, a distance of 8 miles. I make this protest in the name of the people of Laidley and Mulgowie. These people are struggling under difficult conditions by reason of the prevailing drought; and they are subjected to heavy taxation, and are likely to be more heavily taxed in future. I urge the Minister to see whether he cannot do something in collaboration with the Commissioner to remove the surcharge of 2s. 6d., because it is grossly unfair that one line should be singled out for such harsh and unfair treatment.

I join with my colleagues representing the primary producing districts in lodging a very emphatic protest against the discrimination which has been shown to the primary-producing interests, particularly the wool industry, by the Government's recent

decision. It is beyond my powers of comprehension how, if the Government did decide to cancel the reduction in freight effected by the previous Government, they can discriminate in the way they have done. After all, what is sauce for the goose is sauce for the gander; and, if it is right to cancel the reduction in freight affecting wool, then it is also right to deal similarly with other freights. If some hon. members on the Government side cannot understand the great value of the wool industry, at least the Premier and his Ministers do understand the position; and they should show some consideration for the woolgrower under present conditions. It has been said with perfect truth that for years the wool industry has been carrying Queensland and Australia on its back. That great industry has enabled this country to maintain the marvellous standards of living which we had in the past. Hon. members opposite were inclined to take credit for that, as though the position were brought about by some kind of magic. The fact remains that the higher standard of living to which we became accustomed was due to the extraordinary prices being received for wool and other primary products that were being exported overseas in those halcyon days. Those days have gone, and we have to make the best of a most extraordinarily difficult situation. No one is entitled to a greater measure of sympathetic consideration from any Government than the woolgrower who is struggling away, just keeping his head above water, and in many cases not able to do that. At most, the woolgrower is just able to pay interest on his overdraft and his shearing costs; and in many cases he cannot do that. To restore the reduced freights on the wool industry under such circumstances is really harsh and cruel, as that industry is, perhaps, the greatest source of productive wealth in Queensland.

I would like also to draw pointed attention to the question I asked in the House the other day as to whether any relief could be given under present drought conditions to farmers in the West Moreton and in other parts of the State where drought conditions apply. To-day there are many farmers who have ton trucks and half-ton utility trucks, who, owing to the difficult times prevailing, have not been able to pay the registration fee, and the trucks have been used on the farms only for the collection of maize and so forth, and have not been run on the roads. The farmer asks that under present conditions, when he has to buy fodder for starving dairy cattle and has to cart water to keep his cattle alive, that, as a special concession, he should be allowed to use his motor vehicle on the road for this purpose only free of road registration fee. That is a reasonable request. The country would not lose one penny, because they are not able to pay the registration fee, and no fees have been paid to the Main Roads Office. After all, starving stock have a cash value; and, if the farmer is able to save his stock, it enables him to keep his balance, and, when times become normal he will be in a position to employ men again and contribute to the wealth of the State. If the Treasurer would consider that question, he would be making a generous gesture and a very valuable one to many worthy farmers who are in a difficult position to-day. I trust that the concession will

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be granted in spite of the adverse reply given to me the other day.

The MINISTER FOR TRANSPORT: Why didn't the previous Government do that?

Mr. MAHER: When the Moore Government were in power, bad conditions were not ruling in the State, and the present position did not apply. If conditions had been bad, I am sure the then Secretary for Railways would have been pleased to grant the concession.

This morning I asked a question in regard to granting a concession to the heads of families—many of them on the basic wage, or receiving less than £4 or £5 a week—who to-day have three or four sons out of employment, and who have to maintain those sons. It seems to me against all logic and common sense that such family heads should be called upon to pay the unemployment relief tax. It cannot be justified.

The MINISTER FOR TRANSPORT: Didn't you vote for the Bill?

Mr. MAHER: I did, but we did not foresee these things. I did not realise this position until I moved around my electorate during the election campaign, when I was astounded at the number of people who came to me and submitted that point of view. Parents who have three or four sons out of work find it very difficult to get along; yet they are called upon to pay the unemployment relief tax. The position is going to be increasingly difficult in view of the decision of the Government to increase the rate of the tax. I ask members of the Government to give consideration to this important point, and see if it is not possible to ease the hardship which some individuals have to undergo at the present time.

Mr. EDWARDS (*Nanango*) [3.17 p.m.]: I regret, Mr. Hanson, that you did not see fit to accept the amendment; but that does not prevent me from entering a further protest against the action of the Treasurer in refusing to give the information asked for. The Treasurer, when speaking a few moments ago, made two definite points. First of all, he definitely stated that all sections in this State, and, I presume in every other State, were interdependent. That argument can be carried to the extreme. After all, if the Government ruin any particular industry which provides a large amount of employment, it means that they will make the whole of the State insolvent. That is actually the argument which the Treasurer used when replying to the speeches from this side of the Chamber; but it was carried by him to extremes. Seeing that he was for some years Secretary for Agriculture, he has a knowledge of the primary producers, and should know that the greatest difficulties with which any country can be beset confront those industries at the present time, including drought conditions. If the Government leave these people without consideration for too long, they will find that every section of the community who depend upon those industries will go insolvent as well. That is the argument which the Treasurer was using to justify himself in regard to Mount Isa, and in increasing fares and freights from long distances in country districts, whilst leaving them as they are in the cities. Any city representative who advocates that sort of thing is only making a rod for his own back and for those of the

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people he represents. I blame this Government for adopting the wrong attitude from the beginning, for they practically said, "We will increase fares and freights in the country districts, and protect the people in the towns and cities, who support us"; but by doing so they are making conditions a thousand times worse for themselves and their supporters in the towns and cities.

The Treasurer also said very definitely that the people in this State, meaning the people in the cities and large towns, were paying more for the produce they needed in proportion to what the primary producer was receiving than in any other country in the world. All I can say is that there is no truth in that statement. If the Treasurer is in earnest, then he has been misled, and does not understand the position, because the prices which the primary producer is receiving are lower than in pre-war days, although the price of every article used in his industry has increased by 50 per cent., and in some instances by 75 per cent. and 100 per cent., as can be borne out by any figures hon. members choose to look up. If that be so, can it be said that the people of the State are paying higher prices for their produce in comparison with what the producer is receiving than in any other country in the world? I say without fear of contradiction that the Treasurer is absolutely wrong. He and his Government started wrong. I have no regrets at seeing him take over the reins of government; but I do regret the attitude he has taken up and the wrong principles his Government have adopted. They have simply started out to impose further taxation on the people although anybody who realises the conditions of the country must know that the taxpayer is overburdened, and the position is becoming more difficult every day, not only for him but also for the people dependent upon him. They are all interdependent, as the Treasurer said in reference to the sugar industry; and, if any particular industry is broken by huge taxation or increased fares and freights, the Government only make the position a thousand times worse for the people they profess to represent.

The position we are in to-day was gradually brought about during the fourteen years' reign of the Labour Government. I have always said that a State like Queensland ought to have no unemployment, because we have land awaiting development. It cannot possibly be developed successfully if we place burdens such as those I have mentioned on the primary producers and relieve the city dwellers. That policy is entirely against the best interests of the State. It tends to enhance the value of city property at the expense of the country property, with the result that investors will not utilise their capital in the development of the country.

Reference has been made by hon. members opposite time and again to the unfortunate working man, the unfortunate widow, the unfortunate washerwoman, and the unfortunate newsboy, but only for political propaganda. The Minister for Transport can regard the matter as a joke, but it is not a joke to me. He represents a country constituency, and he should see that country people are not called upon to carry the additional freight burden. In not one case out of ten will it be found that the primary producer who has built up a herd of cattle

or has bought an area of land under cultivation is free from debt. He must pay his interest charges, his rates, and his taxes. If he falls behind in one year, he must make up the leeway the following year. The State will be at a tremendous loss under prevailing conditions, because it takes some years for a primary producer to build up once he has been forced down economically. The position is quite different with the working man. If he is out of work, and then is successful in finding employment, he proceeds along practically the same as ever; but, should a dairyman lose his herd, it will require four or five years before he will again become a revenue producer for the State. I wish to impress that very strongly upon the Government.

HON. W. H. BARNES (*Wynnum*) [3.27 p.m.]: I should like to correct some of the mis-statements that have been made, particularly by new members. Evidently they overlook the fact that the amount of revenue derived from taxation for the financial year 1914-15 was £954,000. There was then no land tax in operation. The Labour Government came into office in 1915, and instituted a land tax; and, when they went out of office, the amount of revenue obtained from taxation was between £4,000,000 and £5,000,000.

The SECRETARY FOR PUBLIC LANDS interjected.

HON. W. H. BARNES: The hon. gentleman would not get anything at all, because he does not believe in paying interest. I am sure that, if I could get the ear of the Treasurer, he would tell me that he had informed the Secretary for Public Lands that he could not make him Treasurer because of his unwise utterances. Did you notice, Mr. Hanson, what a wonderful manufacturer the Treasurer was? Before very long I shall hear of his joining a firm to become a leading manufacturer. I know that you are very keen, Mr. Hanson, and I am sure you must have noticed that, when he rose, he endeavoured to make out that the argument from this side was that there should be only one railway freight rate fixed on the basis of lead bullion.

The TREASURER: That was your argument.

HON. W. H. BARNES: Apparently the hon. gentleman thought that there was a lot of lead in the brains of the members on this side and in the brains of the people outside. He manufactured the argument, and it was wonderful how he did it. He might have convinced some of the new members on his own side; but we did not suggest anything of the sort from this side.

MR. O'KEEFE: Of course you did.

HON. W. H. BARNES: No. We had an interjection from the hon. member who has had to do indirectly with the "basher gang" business. No one suggested on this side that a flat railway rate should be charged. We do not for one moment take exception to the Government refraining from increasing the freights and fares in the suburban areas; but we do say—and this the point I wish to emphasise—that, if it was not right to increase freights and fares in suburban areas it was not right to increase the freights and fares on the producers in the country. When the Premiers met at the Loan Council, it was considered necessary to try to help Australia in her time of need; and

their decision practically meant putting their hands out to the producers, and saying, "Come along and help us." The present Government of Queensland practically said to the producers, "We are going to help you by giving you a little dose of physic labelled in some other way," and then proceeded to show their love for them by increasing their freight rates, feeling that they would appreciate their action because the tariff had in some way or other been raised. No one would take exception to the request of the Mount Isa Company being met. The late Government met the Mount Isa Company on one occasion; and no person could come to any conclusion other than that the requests of the company had to be met in order to keep the wheels of industry going. At the same time we stressed the point that the industries of Queensland, especially the wool industry, which is under a very great cloud, should be considered also.

Clause 1—"Appropriation"—agreed to.

Clauses 2, 3, and 4, and preamble, agreed to.

The House resumed.

The CHAIRMAN reported the Bill without amendment.

THIRD READING.

The TREASURER (Hon. W. Forgan Smith, *Mackay*): I beg to move—

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

Question put and passed.

ADDRESS IN REPLY.

RESUMPTION OF DEBATE.

MR. O'KEEFE (*Cairns*) [3.36 p.m.]: Mr. Speaker, in common with other speakers who have preceded me, I have great pleasure in congratulating you on your elevation to the Speakership of this House, in which position the members of this Parliament have placed you. May I express the hope that your health will soon be restored to you so that you may enjoy your honourable office.

To the young members of this Assembly who have already spoken, especially the mover and seconder of the motion for the adoption of the Address in Reply, I offer my congratulations. Before the end of the session I am sure that those hon. members will prove themselves keen and able debaters.

The Governor's Speech mentions the legislation which will be brought down to this Chamber for the attention of hon. members, most of which will be directed to relieving the present unemployment position in Queensland.

This afternoon much has been said by hon. members opposite about certain railway freights being increased to those who are connected with the wool industry. An analysis of the position shows that on the eve of the last election the Moore-Barnes Government, through their Secretary for Railways, decided to relieve certain people of the State from certain obligations in regard to railway freights. Because the present Minister for Transport has rightly decided to cancel the reduction which took place in those freights, hon. members opposite are incensed. No hon. member desires to place

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unduly heavy fares and freights upon the shoulders of the people of the State; but I cannot agree with hon. members opposite that the Government of which they were members had a right, on the eve of an election, to give to a certain section of the people of the State a concession in respect of railway freights that had been formulated on a particular basis. I realise full well what the wool industry has meant to this State, and how the development of the State has been furthered by the expansion of that industry. I realise, too, that the Government of the day are not to blame for the present position of the industry. It is well known that cyclical drought periods are, unfortunately, a feature of Queensland conditions. When these periods occur, the State is asked to assist the pastoral industry; and the State invariably renders that assistance. But it should not be forgotten that certain obligations rest on the shoulders of the people who are connected with that industry. Experience has taught very few of these people to provide for the recurring droughts by way of fodder conservation. I had a little experience of this industry during my younger days, and I realise what droughts mean. Probably no other member in this Chamber knows as much about the position as does the hon. member for Fassifern. May I ask that hon. member, who holds extensive interests in Queensland, what position he makes for fodder conservation in order that he may feed starving stock during dry periods. If those engaged in the pastoral industry are not prepared to do something off their own bat to safeguard their assets, which are also the assets of the State, they have no right to expect the State to find funds from the public purse to assist the industry in periods of difficulty.

Mr. MAHER: The trouble is not the drought; it is the low price of wool.

Mr. O'KEEFE: I realise that the present conditions are not altogether due to the drought; but the drought does play a big part in the trouble we have in the western

portions of the State. We realise, of course, that the main trouble is the low price for wool. In this Chamber, in 1927, I made reference to the drought conditions then affecting our cattle and sheep industry; and I then suggested that it would be a good thing if the Commonwealth Government were to enforce some insurance scheme for the protection of these people against drought. I said then that it would be a good policy if a certain amount received from the sale of wool was placed in a fund as an insurance against the loss of sheep. I also said that a certain amount of land could be set aside for the production of fodder, which should be placed in silos for use in time of drought for the benefit of the people coming under the insurance scheme. If that had been done, Queensland would have been a few million pounds better off to-day. Once such a fund was created, before the stock began to fall off, when a drought was experienced an inspector from the department could be sent out to make an inspection, and, if necessary, order that a certain amount of fodder be sent out without expense to the owner, in order to save the sheep from dying. The State and the Commonwealth, generally speaking, should force the hands of the pastoralist in that direction for the future protection of our people.

It is all very well for members of the Opposition to set up a cry against the present Minister for Transport in regard to the increase in fares. As a matter of fact, the fares have not been increased since the present Government came into office. They were simply restored to the position they were in the week before the general election.

Mr. MAHER: Why did you not put them back in the city?

Mr. O'KEEFE: They were never interfered with in the city. We all regret to know that the great wool industry is suffering, because it means so much to the State. The following table will give some idea of the position of the wool industry to-day:—

	1930-31.	1931-32.	Reduction.
Number of bales of wool sold in Brisbane	457,039	446,077	10,962
Total value of wool clip	£5,758,105	£4,650,292	£1,107,813
Average price per pound of greasy wool	9-28d.	7-73d.	1-55d.

That shows that the value was reduced by 19.2 per cent. and the average price was reduced by 16.7 per cent. According to the preliminary estimate, the number of sheep in the State on 1st January last was 20,873,534, or 1,668,509 fewer than in the previous year. In 1927 the total was 16,642,385. Hon. members opposite say that the trouble with the wool industry arises from the low prices of wool, and every industry, more or less, is suffering in the same way. The present Government are just as sympathetic to the wool industry as the previous Government, who now sit on the Opposition benches criticising our actions.

The Speech foreshadowed certain Bills which will relieve the unemployment difficulty. Nothing evokes more sympathy than the sight of many hundreds of men and women out of work. During the election campaign I had the opportunity of seeing its effect in the

far northern portion of the State. We had many hundreds of young men, many of them natives of New South Wales and other parts of the Commonwealth, travelling the highways and byways in search of employment. Under the regime of the past Government they were forced to walk from police station to police station in order to get a few shillings worth of rations per week. There is no more pathetic sight than to see such men forced to walk barefoot because they could not buy boots; yet the late Government compelled them to do it. Many of them "jumped the rattle"; and at many of the police stations where they were lodged when they were arrested the officers in charge took their finger prints to be sent down here to decorate the criminals' gallery. That sort of thing should not exist in a State like Queensland. It is bad enough to have unemployed; but it is worse to have in power

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a Government who instruct the police force to lock them up and take their finger prints, whereby they can be recognised as criminals for the rest of their lives. Our Government have given instructions that rations shall be given to these men without having to walk from police station to police station. I know some hon. members opposite do not agree with that action, because we have heard them protesting that it is very bad to have a lot of young men congregated in one spot. I, on the other hand, cannot agree that there is any need to force young men to walk the byways and highways in search of food.

We have had three years' experience of the Moore Government; and, notwithstanding all their promises, we have had a greater number of unemployed during the last three years than at any previous period in the history of the State. Amongst the Bills to be introduced this session are many that will go far towards bringing about a better state of affairs. It is the intention to throw open more land, especially in the central and northern portions of our State, thereby providing homes for settlers and creating work for the men who will be employed by them. If the Government are wise, they will at the same time see that roads are built into the areas where the land is to be made available.

It is also pleasing to know that the Secretary for Agriculture intends to experiment in cotton-growing in conjunction with tobacco in the Mareeba district. If any industry got a bad advertisement from an hon. member in this Chamber, the tobacco industry got that advertisement from the speech of the hon. member for Cook this morning. He cried nothing but stinking fish from the time he got up till he sat down. He talked of the hardships in the tobacco industry in North Queensland. As a matter of fact, the tobacco-growers in North Queensland, taking everything into consideration, are doing fairly well. They are still prepared to recommend that their friends and relatives embark upon tobacco cultivation at the prices now prevailing. During the last Federal election campaign, hon. members opposite canvassed for political support for the Nationalist candidates, assuring the tobacco-growers that, if their party was returned to power, tobacco prices would not be jeopardised in any way. In addition, they warned the tobacco-grower to keep this matter in mind, and pointed out to them that they returned Labour candidates at their peril. As soon as Mr. Gullett, the present Minister for Customs, took office, tobacco prices were seriously interfered with, and the Nationalist Party in the Federal sphere adopted a line of action which the tobacco-growers had been warned by Nationalist supporters to guard against, by throwing the Federal Labour Government out of office. The hon. member for Cook was one who unfolded that deceitful story in the North. A few days ago the Leader of the Opposition stated that his Government had made it possible for settlers to embark upon tobacco cultivation. I freely admit that the late Government acted quite properly in the action they took in settling tobacco-growers upon the Mareeba blocks. Twenty-odd blocks were made available at an upset price of £1 per acre, to be paid by way of instalments of 2s. 6d. per acre over a period of years; but that good start was counteracted

by subsequent events, which resulted in the creation of fictitious land values in the area. The ex-Secretary for Public Lands permitted the Land Court in Cairns to make many additional areas available at auction, and the bidding of people one against the other created fictitious land values. The Minister for Customs, Mr. Gullett, immediately declared that he was not going to permit land speculation in the cultivation of tobacco, as had occurred in connection with the sugar industry some years ago, hence the reduction in the price of tobacco. The land made available at the Land Court in Cairns realised up to £15 per acre, or an average price of £8 per acre. Those fictitious land values were made possible by the late Government; and the purchasers are now suffering severely, consequent upon the action of the Minister for Customs in the adoption of his Customs and excise programme. Yet hon. members opposite now have the audacity to rise in their places to chastise hon. members on this side for what is operating to-day. They went to the country in June last and received the verdict of the people—a verdict which was sure and swift. They were told to stand aside so that a Labour Government might at least do the fair thing by the people.

We have another example of what the late Government were prepared to do in the interests of certain people. At Chillagoe last year three different parties decided to take up a certain area within a few miles of the Chillagoe township for the purpose of growing tobacco. This land was held by a brother of the ex-Secretary for Mines, Mr. Atherton, under occupation license tenure—a tenure that is granted only as a temporary title. The holder of an occupation license well knows that, if any applications are received for such land for agricultural purposes, such application must have precedence. That fact is recognised by every holder of an occupation license. A man who desired to take up that area for agricultural purposes had his application refused because of the influence of an ex-Minister. A business man of Chillagoe had resolved to spend not less than £1,000 on a block of land in that area in order to prove that tobacco could be successfully grown in the Chillagoe district, but he was denied that right. The electors of Chillagoe on election day registered a very emphatic protest against the action of the ex-Secretary for Mines in denying that man that just right. Yet we have members of the Opposition attempting to dictate to the Government how they should govern the country! I am quite satisfied that no occupant of the Treasury benches will listen to that advice, because they will recognise the utter futility of it.

During the last few days we have had experience of the attitude of hon. members opposite towards the Government. They have criticised the Government; but have not offered one constructive proposal which would assist the Government of the day to bring about an improvement in the conditions of the State and those people who are unemployed. I regret that a few days ago the Opposition saw fit to make an attack on Mr. J. Scullin, the ex-Prime Minister of Australia, in reference to the sugar agreement. They did so simply in order to conceal the true issues. The Leader of the Opposition told hon. members that the present position in the sugar industry would

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not have arisen had not Mr. Scullin, when Prime Minister, ratified the sugar agreement concluded between Queensland and his Government. The sugar agreement has been in existence since 1915, and at no time has either signatory to the agreement on behalf of his respective Government ever suggested that the agreement should be ratified by Parliament. The Premier truly said that two Governments should be in a position to trust one another in matters of that kind. If the ex-Premier and his party thought it necessary for Mr. Scullin to ratify the agreement, then why did the State Government not ratify it in this Chamber? Why should the onus of ratifying the treaty be on the ex-Prime Minister? The argument of the Opposition is merely designed to cloak the issue. I am quite satisfied that prior to the general election held by the Federal Government there was an understanding between Mr. Lyons, as Leader of the Federal Opposition, on the one hand, and the ex-Premier of this State on the other, in regard to this matter.

Mr. MAXWELL: That is typical of you.

Mr. O'KEEFE: Immediately prior to the Commonwealth elections both branches of the Legislature in Tasmania carried a resolution asking that the Federal Prime Minister be requested to get into touch with the Premier of Queensland with a view to securing an alteration in the sugar agreement for the purpose of effecting a reduction in the price of sugar. Mr. Latham, the Deputy Leader of the Opposition in the Commonwealth Parliament at the time, made a tour of North Queensland and collected data in regard to the sugar industry. At Cairns and other Northern cities at which he spoke he made favourable reference to the industry; but, when he returned to the South, he played a different tune. A similar attitude was adopted by the Leader of the Opposition when he was Premier of Queensland. In certain press references he endeavoured to lead the people of Queensland to believe that he was in sympathy with the sugar industry—

Mr. MAXWELL: So he is.

Mr. O'KEEFE: We have this report of the hon. gentleman's remarks in the Brisbane "Courier" of 17th July, 1931—

"Renewal of the sugar agreement under existing conditions. Addressing a gathering of the Clayfield branch of the C.P.N. and the Clayfield branch of the Q.W.E.L., Mr. Moore said he was not sure that the sugar industry was wise in pressing to keep itself in the same position as it had occupied for five or six years. It would raise a great deal of prejudice if one industry appeared to remain at its peak while others came down."

What did that mean? Simply that the Leader of the Opposition was prepared to throw in his lot with Mr. Lyons, the Prime Minister of Australia, with a view to reducing the price of sugar in Queensland. (Opposition dissent.) The attitude of hon. members opposite lends support to the remarks that I have quoted, all going to show that the Leader of the Opposition and his followers on the Opposition benches have no interest in the sugar industry of Queensland. The hon. gentleman is prepared to sacrifice the industry for the sake of the Commonwealth Government. Let the hon.

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member for Cook, who has had so much to say, deliver in his electorate the same speech as his Leader made at Clayfield on 17th July, 1931. I can imagine the rousing reception that the hon. member would get. Surely the sugar industry is worthy of the support of every hon. member! It is worth so much not only to the people of Queensland but to the whole of Australia.

An examination of the position shows that there are approximately 8,000 cane farmers directly employed in the cultivation of sugarcane in Queensland, whilst the sugar industry, directly and indirectly, supports 30,000 employees. The value of the sugar crop to Australia is £10,000,000 annually, and the assets of the sugar industry in Queensland amount to the astounding sum of £50,000,000. Yet this great industry would be sacrificed by people in the South who failed to realise the true position! In my experience I have not met one person from the South who, on understanding the Queensland sugar industry, has not been converted to the necessity for safeguarding this industry in the national interests. Despite these facts, the Prime Minister of the Commonwealth is arranging a conference at Canberra on 3rd September with the object of injuring the sugar industry. Not one hon. member opposite has voiced a protest. We are doing our utmost to provide work for thousands of poor unfortunate people who have been denied work for a considerable period of time; but our efforts in that direction would be hindered by Southern people, who endeavour to bring about stagnation in the sugar industry, if these Southern people are given their way. A fact which is often overlooked is that many of the people engaged in the sugar industry are residents of New South Wales and Victoria. We are prepared to cater for these people whilst they are in Queensland. We did not deny them the right to secure rations, as the Moore Government did. The Moore Government made them walk from police station to police station before they could get rations.

Mr. KENNY: The Labour Government did the same.

Mr. O'KEEFE: We did no such thing. No matter who started it, the present Government have ended it, I hope for all time. The sugar industry is worthy of more consideration from hon. members of this Chamber than it is receiving. If they were prepared to do their job, they would be out at every street corner, and would even go to the Southern States and advocate the absolute necessity for keeping that industry in its present position, if only for the protection of Australia during a time of invasion. The great railway and main road system laid down by the previous Labour Government throughout the Tableland will be of some value should an enemy endeavour to invade Australia. The industry is worth the protection given to it; and it is the duty of every member to do everything he can to stay the hands of the Commonwealth Government in their attempt to reduce the price of sugar. In addition to throwing a number of men out of employment, any reduction in the price of sugar will affect the capital invested in this great industry. The sugar farmers paid a fictitious price for their farms owing to the fact that sugar went up to £30 5s. 8d. per ton. This made it possible for people to speculate, and the people in the industry should be amply

protected. After the Commonwealth Government have done their job it will be our duty to legislate to give protection to the unfortunate sugar farmer. It will be necessary to have a revaluation of his land, and we shall have to take into consideration not only the amount of money paid for the land but also the amount paid in interest and redemption. The sugar industry is the means of providing our greatest defence in the North; and it is worth the amount we spend to put a spoonful of sugar in our cup of tea each morning. There are hon. members opposite who represent Northern electorates where sugar is grown; and I am satisfied that sooner or later—I hope it will not be too late—they will get up in their places and defend this great industry.

Another matter which is causing a good deal of concern in my electorate is the position in regard to the fishing industry. For some years in the Cairns waters a number of men have been earning a precarious living by means of fishing. Those people who are doing well are the men who dynamite the waters.

OPPOSITION MEMBERS: Oh!

Mr. O'KEEFE: Surely you are not going to blame the Government for that! I desire to see an amendment of the Fish and Oyster Act to prevent this practice. It has been shown conclusively by experts that it is possible to detect fish that have been dynamited, and I hope that, if a person is found in possession of fish that have been dynamited, he will be prosecuted. I have had many depositions during the last twelve months from the people concerned, and I have arranged for an expert demonstration before the press and the public. As it has been shown that experts are able to detect fish that have been blown up by dynamite, I desire an amendment of the Act to enable an expert's evidence to be accepted in the police court, and if he says that fish have been dynamited, then the person responsible should be prosecuted.

Mr. SPEAKER: Order! The hon. member has exhausted the time allowed him under the Standing Orders.

Mr. FADDEN (*Kennedy*) [4.17 p.m.]: Mr. Speaker, at the outset I desire to offer you my congratulations on your appointment to the high and honourable position which you have so efficiently filled. I trust that your health, which is causing you such great concern, will be speedily and fully restored.

I have listened with great interest to the various speeches that have been made in this House during the last few days; but I am still of opinion that the great issues which hon. members of this Assembly have to face, namely, unemployment, price restoration, and currency reform, remain yet unsolved. The unemployed still hump their swags from one end of the State to the other; the primary producer is still reluctantly compelled to sell his product at 50 per cent. of the cost of producing it—or less—and we still criticise and carry on the electioneering propaganda that should have been forgotten on 11th June last.

OPPOSITION MEMBERS: Hear, hear!

Mr. FADDEN: It appears to me, as one who has come in here with an open mind, with a conscientious desire to do the best possible for those who sent me here, and to contribute my quota of co-opera-

tion to a Government who will have a very hard row indeed to hoe, that it is the duty of all parties in this House to merge their best efforts in consultation and action, for out of consultation there arises co-operation; and out of co-operation may be created that understanding that should bring about accommodation in the interests of solving our great problems, particularly putting men back into profitable work and into wealth-producing capacity for the revival and rehabilitation of industry. I consider this is the time of all times for mass co-operative effort in government and country; and surely the experience we have at the back of us, the amount of money we have spent on education, and the intelligence that we should possess, should enable us to call a halt to this continual recrimination, propaganda, and resurrection of history. I consider that we have to take radical and non-contentious steps in the interests of the unemployed; that, in a crisis such as the nation is going through we should refrain from endeavouring to maintain a reputation for consistency; and we should be prepared to sacrifice certain articles of faith in the interests of the community and in the interests of our country.

HONOURABLE MEMBERS: Hear, hear!

Mr. FADDEN: It is a well-recognised fact that the motive power of the prosperity of this State lies in the maintenance and development of our primary industries. Can that maintenance and development take place if the industries of this State are to be subjected to crushing taxation and to injudicious interference to the uneconomic capacity to which they can be borne? I maintain that every £1 taken out of industry and given to government is to the disadvantage of the State as a whole. I maintain that industry can do more with £1 than the Government can do, because there is the psychological aspect, so far as the Government is concerned that it is the invisible "boss." I think, therefore, that the time has come when we should co-operate and endeavour to give our best efforts unceasingly and ungrudgingly in the interests of the country and the people irrespective of political sections.

HONOURABLE MEMBERS: Hear, hear!

Mr. FADDEN: The Premier—whom I take this opportunity of congratulating, and who has been a very valued friend of mine for many years—and his party have a definite mandate from the people of Queensland; and all the words that he can utter will not alter the position that he went to the people of Queensland with certain definite promises and the people accepted them at the elections; and it is for us to give the best that is in us to have that policy carried out, provided that the ways and means adopted are consistent with our general principles and with what we consider to be in the best interests of the community generally, irrespective of sections. The Premier went to the country on a definite policy. It would only be the most bigoted and biased person who would not recognise that some of the promises made by the Labour Party on that occasion were desirable. Many social services that have been promised to the community are socially desirable; but are they economically possible of fulfilment without serious prejudice to the industries of the State generally? The

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Premier stated that he could carry out his policy faithfully and to the letter; and I know him well enough to know that, when he says such a thing, it is his conscientious belief. Time and time only will prove whether it can be made an accomplished fact or not.

It is recognised as an economic basic principle that production, and production only, finds all the wherewithal for industry and for Government. We know very well that Governments do not pay wages—that production, and production alone, pays wages. We know that the dairy farmer pays his wages, his taxation, and his wherewithal for carrying on and existing, his contributions and requirements of the State by the butter that he sells; the miner pays by the mineral that he wins; the cane farmer by the cane he sells; and so on. Queensland is dependent upon the primary producers of this State; and, in turn, the production of this State is dependent upon the open free markets of the world for the wherewithal to carry on the functions of business within this fair State. Now, Mr. Speaker, we can fix wages, regulate hours, and fix prices in Australia. We have done it; we are doing it; and we shall no doubt continue to do it. But can we fix the selling price of our goods on the free markets of the world? Can we dictate to the purchasers of our goods what they shall pay for them? Does the French or the German woolbuyer take into consideration our basic wage or rent costs when he buys our wool? No. We must recognise the facts fairly and squarely. We must recognise that the prices paid to-day for our staple products are in many instances more than 50 per cent. lower than in pre-war years. Can we have the same social services, governmental costs, and general activity in Queensland to-day as we had when things were prosperous and at their peak? Can we have the same things, with wool at 6d. per lb. that we had when wool was from 1s. 6d. to 1s. 11d. per lb.? Can we have the same privileges and benefits with butter at 11d. per lb., as when it was 1s. 6d. per lb.; with cheese at 7d. per lb. as when it was 1s. 1d. per lb.? I say that we cannot. It is only a matter of ordinary mathematical realism. If the Government can do the same things to-day, and better things than were done by them when they were last in power, then I submit that the money we are spending on education is wasted, that our mathematical tables are wrong, and that the age of miracles has returned. I recognise that the Treasurer has a very serious time before him as the Treasurer of this State. We all must recognise that; and, as I said before, we shall all do our best to co-operate with him in his difficult task. The difficulty of his task is demonstrated sufficiently to-day in the fact that the Mount Isa Company had to obtain concessional treatment in freight reductions. Do not think for one moment that I do not agree with what has been done. I agree with any policy that will be the means of keeping men in work and being the means of keeping men in profitable work both in direct and indirect dependence upon industry. The point I desire to make is that the fact that the Government has had to reduce railway freights in the interests of the Mount Isa Company and that the guarantee carried by that company because the selling price of bullion upon the markets of the world has

been reduced is sufficient to prove the difficult times that are ahead of us so far as we are dependent upon the open markets of the world for the wherewithal to carry on the functions inside this fair State of ours. We have to face the facts fairly and squarely. We cannot make two and two add up to nine; nor can we divide five equally into four. We have to take the position as honourable, straightforward, conscientious men; and we have to recognise in doing that that the people of Australia are asked to carry far more social services than their financial capacity will permit them to do. We have to recognise, and to recognise squarely, that we are past the economic peak of taxation. If a country can become prosperous by taxing itself, then Australia should be the most prosperous nation in the world, and should be a creditor nation. We know that the land is the basis of all wealth; it is the source from which all wealth flows. It is the creator of wealth. We know that the energy, enterprise, and labour of man are the means of capitalising that source. I am very pleased to know that the Government, in their wisdom, have adopted a vigorous land settlement scheme for North Queensland. I recognise that we have plenty of idle land, and that we have plenty of idle men; and the marshalling of the two factors should be a big contribution towards the wealth production of the State and the relief of unemployment. There is no part of Australia that lends itself to better possibilities than North Queensland; and the Moore Government are to be congratulated on the work they carried out and the recommendations and basis which they left for the Labour Party to build up this great developmental scheme for North Queensland.

It was the full recognition that the land is the basis of all wealth, and that we want that wealth produced in Queensland as a means of relieving our unemployment, that prompted me to bring out a settlement scheme for tobacco-growing in North Queensland. It is admitted by experts that the finest tobacco leaf in the world—that which is required by the British and Australian smoker—can be produced in sufficient quantities north of the 20th parallel, namely Bowen. I suggest that, in giving consideration to their various measures, the Government should take into consideration the wisdom of making full possible use of facilities that are already established in that area. One of the great problems in Australia to-day is the proper utilisation of our over-capitalised public works. We have an expenditure in Australia brought about by borrowed money which would carry a population up to 20,000,000 people, and it is carried by 6,000,000. In that regard I ask the Government to give full cognisance to the wisdom of settling people and making use of land adjacent to railways and roads, and in those areas where schools and other public buildings exist. In this respect I commend to the Government the merits of the Kennedy electorate. I commend to them the merits of the Ravenswood district—an old mining district, which contributed so much to the wealth of this State by its gold production. I commend that district particularly as a tobacco-growing district. It has been proved that the right lemon leaf tobacco, with the required texture and aroma, can be grown at Ravenswood. This

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is a wonderful opportunity for taking full advantage of the public services that already exist there. There is a railway connecting Ravenswood with the Great Northern Railway. It has been stated that this railway is going to be taken up. I hope that the Government will refrain from doing that; and that they will make every possible use of it and the buildings existing in Ravenswood, which at one time carried a population of 10,000 people, by developing this new industry, which has such great possibilities.

I also commend to the Government the advantages of the Ingham district in so far as its dairying possibilities are concerned. It has been proved beyond doubt by experts that the Ingham and Herbert River districts present the best possibilities for the development and expansion of the dairying industry. Every consideration should be given to these means of creating and extending wealth avenues by a vigorous land settlement policy in these localities. The Government should as far as possible divert the expenditure of public money from useless tourist roads to the establishment of butter and bacon factories. There are wonderful opportunities in the Ingham district for the establishment of such factories for permanent wealth production, instead of sand shifting and non-recurring capital expenditure. Tourist roads are very nice when we can afford to have them. Is it prudent to have them? The Mount Spec road, which is in my electorate and has cost £90,000, is a disgrace from the point of view of its use to the community. Had that amount of money been spent on a butter and bacon factory in the Ingham and Herbert River district, it would have created new wealth production and have been ultimately to the advantage of this State and the unemployed.

I also commend to the consideration of the Government the merits of the reorganisation of the mining industry. In North Queensland we have the finest mineral belt in the world, in which all classes of minerals are found. It is now history what a revival of the mining industry meant to Australia a generation or two ago; and it will be so again. We lag far behind every country in our methods in treating refractory ores, and the scientific treatment of our ores generally. I trust that the Government will provide sufficient finance to the Mines Department, which has been too long deprived of it, and that the department will be reorganised.

I commend in that direction what has taken place in other countries. We all know of the possibilities of aerial photographic surveys in the discovery of mineral fields and plotting out the country. Such a scheme could be carried out in conjunction with the development of North Queensland which is taking place. It is a scheme which has been accepted in Canada, where, by means of aerial photographic surveys, the mineral wealth was increased from £1,800,000 to £54,000,000 in eight years. The British Government have adopted the method of aerial photographic surveys in the development of Rhodesia, and for that purpose have brought about a special Act, called the Colonial Development Act, under which money has been loaned to Rhodesia for the proper development of her northern lands. I recognise that this is not a time for the expenditure of money unless expended wisely; but I submit that the case is good, and that the time is ripe for such activity.

With regard to the development of land, it was the Napoleonic recognition and the wide application of the principle of settling men on small holdings that enabled France to pay off the crushing indemnity of a triumphant Germany in the seventies of last century. France settled thousands and thousands of primary producers on the land, and that enabled her to pay off the indemnity within a fraction of the period allowed by Germany. Throughout history the decadence of Empires such as Assyria, Greece, Rome, and Carthage can be traced to the subordination of the man on the land to the lust for power of the city-dwelling community. The world-wide stagnation and depression, with its resultant unemployment, has its source in the age-long neglect of the welfare and conditions of the man on the land, and, as a consequence, these adverse conditions are reflected in the secondary industries, industrial activities, and commercial enterprises, which are the natural corollaries of the primary industries, for a tree cannot thrive and bloom if its roots are decayed and useless.

One of the problems confronting Australia to-day is the fact that, owing to the tariff policy of Governments, people have been attracted more and more into the cities, at the expense of the rural occupations and rural districts. As a consequence, 3,500,000 people out of 6,000,000 are resident in the cities, and they dictate the fiscal policy of a primary-producing country. That is the cause of much of our trouble. Until we can encourage people to leave the cities and go to the country and settle down contentedly and happily, we shall never be out of our troubles.

That matter leads me to the most modern and local application of the disregard of the welfare of the man on the land by the city-dwelling community. I refer to the sugar industry; and I take this early opportunity of extending my congratulations on behalf of the district that it is my honour to represent to the Premier for his efforts in endeavouring to maintain and sustain the conditions of the sugar industry. I recognise, as we all must recognise, that the sugar industry has always been the football of politics. It should not be. It is of such national importance that it should be placed beyond the pale of politics altogether. It should be a non-party matter; and that is the spirit in which all parties in this House should consider it. Hon. members on the Government benches do not want to deceive themselves into believing that the opponents of the industry are of a very particular brand of politics. Of the few things that are non-party in Australia, the antagonism and opposition to the sugar industry, unfortunately, is one of them. All political creeds and thoughts concentrate and accumulate in opposition to the sugar industry. They are ill-informed; they are ignorant of the facts, and probably they are selfish of the consequences; but the solid fact remains that the industry has always been subjected to opposition. No other primary industry in Australia has been subjected to more searching inquiry and investigation than has the sugar industry. A tariff policy is enjoyed by other industries in Australia—no doubt of a different form, but that makes no difference. The sugar industry is singled out for special investigation. No fewer than five

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commissions have inquired into the activities of the sugar industry in all its phases.

Mr. O'KEEFE: And they are still going.

Mr. FADDEN: Yes, and will continue to go so long as this question is within the pale of party politics. As the result of one of the many agreements, and the last investigation into the industry, an agreement was bestowed upon the sugar industry—an agreement that set out the price that the Australian consumer was to pay, the conditions under which sugar was to be grown, and the protection which sugar was to get by virtue of the embargo. From the very moment that that definite agreement was entered into between the Commonwealth Government and the State Government, the Commonwealth Government, acting on behalf of the consuming public of Australia, the opponents of the industry, got to work. They opposed the agreement right from the word "Go," and they have kept up that opposition until the present moment. The agreement was entered into in March, 1931, and in February, 1932, the matter was brought up in the Federal Parliament as a result of political pressure. Pressure was brought on the Commonwealth Government, and the opponents of the industry wanted the agreement annulled. They wanted it torn up. They said, "What is it? It is only a scrap of paper, and nothing more." The very people who condemned any form of repudiation combined in their efforts against the sugar industry. As the result of a question asked Mr. Lyons, this is what that hon. gentleman had to say—

"A definite agreement was entered into by the previous Government with those associated with the sugar industry. The present Government recognises the existence of that agreement, and it does not propose that by any direct action that agreement should be broken. . . . I may say definitely that only on a voluntary basis would an amendment of the agreement be suggested."

That is a definite assurance given by the Prime Minister of Australia, and that assurance was confirmed by the Hon. J. G. Latham. Is it any wonder that the sugar industry is confident that there will be no such thing as repudiation? They are confident that the Commonwealth Government will carry out the contract faithfully and to the letter. The definite agreement that exists between the Commonwealth Government and the State Government in regard to the sugar industry actually constitutes the charter of the industry. It is actually the security and confidence upon which other forms of contracts and agreements incidental to the sugar industry are entered into. It is, as it were, the gold backing of the industry; and, if that basis is to be repudiated, what of the other forms of agreements and contracts that have been entered into in the interests of the industry as between banker and customer, mortgagor and mortgagee, landlord and tenant, merchant and storekeeper, storekeeper and farmer, farmer and farmer, individual and individual? Only in last Monday afternoon's "Telegraph" the following appeared in regard to the industry:—

"Mrs. Goode said: 'As chairman of this gathering, I have already asked the Premier (Mr. L. L. Hill) to receive a deputation at which the assistance of

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the Government will be sought in taking action against the sugar agreement. The Chief Justice of the High Court (Sir Frank Gavin Duffy) said in the recent Anderson case that a private individual cannot take action to have the sugar agreement declared invalid, but he did not see why the Federal and State Attorney-Generals should not protect the interests of the public.'"

Nothing about the interests of the poor, unfortunate people who have invested their all in the sugar industry, relying on the honour and integrity of the Commonwealth! I ask the people of Australia: Can the Commonwealth afford to ignore the legal and moral obligation to the citizens of this State who trusted in the honour and integrity of the Commonwealth Government? Can they allow the industry to be coerced at a voluntary conference? The industry naturally is perturbed. It is not perturbed so much about the thought of repudiation or the thought of the Federal Government not living up to their promise. It has the assurance of the Prime Minister; and, if the Prime Minister's word on an important matter like that cannot be accepted, well, what of the British Constitution? But they are perturbed that such action as is outlined in the extract I have quoted should be taken, and that the agreement should be determined to be invalid. I submit that the Commonwealth Government should use every power they possess to protect the industry. If the agreement is invalid, it is an agreement still.

The PREMIER: It is a well-known British practice that agreements between Governments should never be questioned.

Mr. FADDEN: As a matter of fact, as the Premier has interjected, it is a well-known British principle that agreements between Governments should not be legally questioned. But there is another aspect of this question. The people of Australia owe a moral debt of immeasurable gravity to the industry. In 1901 they converted—fortunately—the sugar industry from a black-grown to a white-grown industry; and they guaranteed the maximum amount of protection for the maintenance and expansion of the industry. From the war on they commandeered the product and fixed the price of sugar; and it is to the advantage of the House that I should read this passage from the history of the industry—

"The next material change in the sugar policy was made in July, 1915, when, owing to conditions brought about by the war, the Commonwealth Government imposed embargoes on both imports and exports of sugar, and assumed full control of the industry so far as the purchase of raw sugar, its transport to the refineries, its manufacture into refined products, and the sale of refined products were concerned. . . .

"The principal objects of the Commonwealth control were—

(a) To protect Australian consumers from possible price exploitation by the local producers on account of rising values occasioned by the war;

(b) To ensure adequate supplies of sugar to all Australian consumers during the war period by preventing the

Australian sugar-producers from exporting their sugar so as to profit by the increasingly high prices obtaining in other countries.³⁷

What was the effect of that? The effect of that on the industry was detrimental, and constitutes the contribution of this industry to the conduct of the war, and represents its share of the deflation which it is demanded it should give now. The sugar industry took its deflation years ago! It took its deflation by its sacrifice when every other primary industry benefited by the advantageous fluctuations in the world's markets. What happened? When the price of sugar was fixed for the Australian industry—a white-labour industry—at £21 per ton, the Australian Commonwealth brought in black-grown sugar at £70 per ton, and prices outside fluctuated from £70 to £90 per ton; and in some cases it touched the record price of £137 a ton. That represents the contribution which the sugar industry made to the people of Australia. That was the time when the sugar industry took its share of the deflation which the people of Australia are asking it to take now. It took its deflation away back in 1919 and 1920, when the other primary industries did not know what deflation was. What was the other effect of it? The price of sugar was fixed by proclamation, and it was a white-grown sugar—a sugar grown under white Australian conditions in order to preserve a decent standard of living to the people engaged in the industry. But the Australian consumer got that class of sugar—the best in the world—at 3½d. per lb., while the people of Great Britain, the people of France and Italy, and the people of the United States of America, were using black-grown sugar and paying up to 1s. 6d. per lb. for it.

Mr. COSTELLO: And were rationed at that.

Mr. FADDEN: And rationed at that. Are the people of Australia so unmindful of their responsibilities, so unreasonable and selfish and foolish, as to ask the sugar industry again to make this so-called contribution towards deflation? It is the only industry in Australia that did not advance to war prices. I have conclusively proved that. It has always been the desire of the sugar industry to do the fair and honest thing by the Australian consumer; and it is still the desire of the industry. But there is an economic limit of sacrifice beyond which the industry cannot go without ruining and crippling itself, and bringing it to the verge of bankruptcy; and this is the aspect that is concerning the industry at this very moment.

The sugar industry did not benefit when other industries profited from war conditions. It provided Australian-grown sugar—white Australian-grown sugar—for 3½d. per lb. when other countries were using black-grown sugar at up to 1s. 6d. per lb. In 1920 the price of sugar was fixed at £30 6s. 8d. per ton. The sugar industry was detrimentally affected on account of having to subject itself to a local price, but, on the other hand, being subjected to a high cost of production brought about by inflation and the conditions that resulted in Australia from the war; so that the whole of the industrial costs of the industry were increased as a result of the high prices which other industries were getting, but in which it did not share. It had then got into a parlous state. The mills were becoming obsolete

because the mill owners and the farmers could not afford to spend any money on the industry. The equipment of the industry was in a low-down state. It had exhausted its resources, and as a consequence of that the production of sugar fell off. The industry could not stand up to it—the people in the South can say what they like—but the fact remains that the industry had got into a bad state. It had got into that position into which some of the people of Australia would like to see it again now—the city-dwelling community, of course. It would appear that the increase from £21 to £30 6s. 8d. per ton meant a benefit to the sugar industry of £9 6s. 8d. per ton; but that is not so. Again, the sugar industry had to carry out a service to Australia. What was that service? The Commonwealth Government gave the industry the fixed price of £30 6s. 8d. per ton on the definite assurance that the sugar industry would expand, that it would rehabilitate itself, and would bring about such a stage of efficiency that the Commonwealth Government would not have to incur the expense of importing sugar at a disadvantage. The sugar had to be bought and brought into Australia. An amount of 105,000 tons was brought into Australia in the preceding year at a price as high as £70 per ton, and that from black-labour countries. It was because the people of Australia would have had to purchase sugar on the basis of £70 per ton if the Australian sugar industry did not carry out the service that the price was fixed at £30 6s. 8d. per ton. I shall read this extract dealing with that aspect of the case:—

“Another important aspect of the price of £30 6s. 8d. is that it was given by the then Prime Minister (the Right Hon. W. M. Hughes) to enable the industry, and particularly the raw sugar milling side of it, to rehabilitate itself, to increase efficiency in all phases, and also to encourage the production of Australian sugar up to the full requirements of the local market. In fact, it was specifically required by the Prime Minister that the sugar producers should undertake to produce, at the earliest possible date, enough sugar to meet all Australia's home consumption requirements.”

That was the reason why the sugar industry was paid £30 6s. 8d. a ton. In addition to the contribution to deflation, the early and premature deflation of the sugar industry has contributed towards the present deflation. Over the ten years ended 1931, the price paid to the sugar industry declined from £30 6s. 8d. per ton to £18 6s. 6d. per ton last season, or a reduction of £12 0s. 2d. per ton. If that is not a contribution towards deflation, then what is it? Our opponents will say that the £18 6s. 6d. per ton does not concern them as consumers in Australia. It does not concern them at all, they say. They claim that it is because we have to export 50 per cent. of the sugar produced. That is so; but why have we to export that sugar? Because we have now to comply with national policy and with the conditions that were set out when the price of £30 6s. 8d. per ton was fixed. Naturally, the industry could not expand and then recede in an elastic manner when world prices declined. The present state and magnitude of the industry, which is an

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export industry, is due entirely to the policy of the nation.

Mr. SPEAKER: Order! The hon. member has exhausted the time allowed him under the Standing Orders.

Mr. DANIEL (*Keppel*): I beg to move—

“That the hon. member for Kennedy be granted an extension of time to enable him to complete his speech.”

Mr. SPEAKER: Is it the wish of the House that the hon. member be granted an extension of time?

HONOURABLE MEMBERS: Hear, hear!

Mr. FADDEN: I thank hon. members sincerely for the opportunity afforded me further to expound this all-important subject. Our opponents say that they want a reduction in sugar prices. The reason why they want the scrap of paper torn up is because the Commonwealth has entered into a bad agreement, that sugar can be imported into Australia cheaper than it can be produced and bought within Australia. That is perfectly true; but that applies to everything. It applies to the galvanised iron used in the sugar industry; it applies to steel rails, to the clothing and to the boots of the farmers and workers in the industry.

Of course, if the Australian tariff policy were removed, it would enable us to import all sorts of things cheaper into Australia than we can produce them within the Commonwealth; but what is the definition of “cheapness”? The people of Australia will have to recognise that sugar can be bought too cheaply, just as law can be bought too cheaply; and the people of Australia will have to consider whether the importation of black-grown sugar into Australia will be beneficial to the nation as a whole.

They ask for a reduction of $\frac{1}{2}$ d. per lb., but they did not agitate for an increase in price when sugar was imported at £70 per ton as compared with the price in Australia of £21 per ton.

If the world price for sugar went up to £40 per ton to-morrow, the very same people would have the audacity to say that the Commonwealth Government should acquire the whole 100 per cent. output of sugar and trade the other 50 per cent. away to the advantage of the people of Australia. What does a $\frac{1}{2}$ d. per lb. reduction in the price of sugar mean? Does it mean the rehabilitation of those industries that are down and out? Does it mean the change from loss to profit in the wool and wheat industries? Will any advantage be gained? Of course not. As the Premier has said, such a policy should be too small for such a subject as this. No benefit will be bestowed on the other industries by bringing the sugar industry down to the level of the least prosperous industry. Our effort should be, as the Premier has said, to build the less prosperous industries up to the level of the sugar industry. The sugar industry is only where it is to-day because it is an efficient industry, well controlled, and well organised, and has carried out a sound policy of stability and continuity. It desires nothing more than a price fixed on the cost of production, and that the cost of production be maintained and retained under white labour conditions in the tropical portions of this great State of ours.

The PREMIER: Hear, hear!

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Mr. FADDEN: The advantage of a reduction of $\frac{1}{2}$ d. per lb. in the price of sugar to the consumer would be less than 1d. per week. Just imagine! Less than one penny per week per head of the population of Australia! For that individual benefit certain people in the South would bring about a constant trade disadvantage of £1,250,000 to the people who depend on the industry for their living. Is it possible to think that sane people would seek to pull an industry down under those conditions? There are other disadvantages; and the disadvantages will have their boomerang effect on the very people who are advocating the reduction. The Southern city-dwelling community get advantages to-day from the industry by reciprocal trade. North Queensland and the sugar industry generally is one of the best markets for the products of Victoria and the products of the other States, which are produced under the tariff-protected policy of the whole nation.

HONOURABLE MEMBERS: Hear, hear!

Mr. FADDEN: The Southern producers get the very benefit of which they want to deprive the Queensland sugar industry. Any reduction in the price of sugar will have its boomerang and repercussionary effect, for, as a result of a falling-off in revenue of £1,250,000, there will be that amount less to spend in the Southern States on products which find their way north to the sugar fields. That will bring in its train increased unemployment. Then there will be the necessary curtailment of the export section of the industry with its increased unemployment. Therefore, the repercussions will be general, and general right through. When sane people recognise that the problem facing Australia to-day is one of unemployment, it is hard to conceive that anything would be done to interfere with the most vigorous employing industry that exists in Australia. The sugar industry provides more employment, both directly and indirectly, than any other industry. It is the greatest agricultural industry that we have; and it is the only industry in the world that is growing and manufacturing sugar under white labour conditions, and by so doing making proper use of the tropics.

HONOURABLE MEMBERS: Hoar, hear!

Mr. FADDEN: Last, but not least, in regard to this argument is the common-sense policy of defence. Are the people of Australia going to ignore the wisdom of defending our coastline? It wants to be recognised, and recognised forcibly, that we are in an isolated position. We are peculiarly vulnerable to an invasion of the hordes of the overpopulation of the Orient. We are isolated from our sister dominions and our Motherland. We have no Monroe doctrine, like Canada has, to protect us. We have to depend upon the patriotism of our own people; and that patriotism can only be measured to the extent of the contentment and standard of living that we bestow upon the people on whom we depend for that patriotism. The words of the late Mr. Donald Mackinnon, who was formerly the Commissioner of Australia to the United States of America can be well recited here—

“Nowhere else in the world is the white man handling tropical production with success. There is a big Australian

responsibility on those who are building up this part of our country. It is our vulnerable frontier, and we must be watchful lest, through misconception, we do them an injustice and discourage them in their important responsibility."

Those words are as true to-day as they were on the day they were uttered.

I trust all parties in this House will stand behind the Government in maintaining and protecting this great sugar industry of ours, and that any decisions arrived at by the organisations of the industry will be supported. These organisations are competent to deal with all matters. Unfortunately, they recognise that they may have to give something away. They realise that they are in the hands of the city-dwelling community of the South for good will and sympathetic support of the sugar industry. They know they cannot expect anything unless they fight for it. They realise they are in a weakened position by reason of the fact that we are only able to consume within our own borders 6 per cent. of the sugar we produce. We are dependent upon the other States for our maintenance and for the protective policy under which the sugar industry must carry on. If these organisations have to forgo something it will be a decided sacrifice, because the published costs of production have conclusively proved that no section of the sugar industry is profiting unduly at the expense of the Australian consumer. With an average price for sugar of £21 15s. per ton for the four years ended 1928—the years taken for the last sugar inquiry—it was found that the farmer was making 2.02 per cent. on his capital, and that the raw sugar miller was getting a little over 6 per cent. There has been a reduction in the effective prices since then; and it does not require a mathematician to realise the position that the industry is in when the average price that is to be participated in is £18 6s. 6d. per ton, or £3 8s. 6d. per ton less than when the farmer was making 2.02 per cent. on his capital.

For the sake of continuity and stability, the industry might have to sacrifice. The extent and measure of that sacrifice will be determined by the wisdom of the organisations in the industry. I trust that all parties in this House will stand four-square behind the organisations in whatever decisions they come to at the conference on 3rd September. If the sugar industry is, by policy, forced to make some sacrifice—a sacrifice that cannot be economically borne without greater disadvantage to the industry—I trust that the Government will see that the sacrifice is carried honestly, fairly, and squarely by the sections of the community best able to bear it.

In conclusion, the vision I have makes me strive to attain a prosperous State, embracing in due proportion all branches of human activity and providing a varied and balanced life resting on the firm basis of prosperous primary industry.

HONOURABLE MEMBERS: Hear, hear!

Mr. LLEWELYN (*Toowoomba*): I beg to move the adjournment of the debate.

Question put and passed.

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

The House adjourned at 5.11 p.m.