

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**THURSDAY, 13 OCTOBER 1932**

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

QUESTIONS.

PRICES OF COPPER, LEAD, AND SILVER; OPERATIONS OF CHILLAGOE STATE SMELTERS.

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

“What was the average price of copper (per ton), lead (per ton), and silver (per oz.) in the two years ended on 30th June, 1927, and the two years ended 30th June, 1931, respectively; also, the value of output of the Chillagoe State smelters and the financial loss on their operation in each of the periods mentioned?”

*Hon. F. W. Bulcock.*]

The ATTORNEY-GENERAL (Hon. J. Mullan, *Carpentaria*), for the SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*) replied—

“The information is being obtained.”

#### REINSTATEMENT OF EX-STRIKERS IN RAILWAY DEPARTMENT.

Mr. TOZER (*Gympie*) asked the Premier—

“1. In the return furnished on 4th instant in reply to my question relative to the number of appointments made by the present Government, did he include ex-strikers who have been reinstated in the Railway Department? If not, how many of such persons have been reappointed to the Railway Department?”

“2. Were such reinstatements or reappointments made upon the recommendation of the Railway Commissioner?”

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

“(1) (a) No; (b) sixty. Of the railway employees concerned in the strike, 1,380 were permanently re-employed in their former positions by the Moore Government, 144 were temporarily re-employed by that Government in other capacities and were, on 27th June last, permanently re-employed in their former positions.”

“2. They were re-employed on the decision of the majority of the people of Queensland.”

#### PERMANENT APPOINTMENTS TO RAILWAY DEPARTMENT.

Mr. KENNY (*Cook*) asked the Premier—

“In reference to the return furnished on 4th instant showing that ten persons have been permanently appointed to the Railway Department by the present Government, will he kindly supply the following particulars of such appointments:—(a) The name and address of each person so appointed; (b) the position and salary of each; and (c) the position (if any) held by each such person immediately prior to his appointment?”

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

“The ten persons referred to are female officers, and I do not see what public interest would be served by informing the hon. member of their names and places of residence.”

#### PAPERS.

The following papers were laid on the table, and ordered to be printed:—

Twelfth annual report of the Public Service Commissioner.

Report of the Commissioner of Prices (under section 37 of “The Profiteering Prevention Act of 1920”) for the year ended 30th June, 1932.

The following paper was laid on the table:—

Third annual report of the Industries Assistance Board for the year ended 30th June, 1932.

#### EXTENSION OF HOURS OF SITTING.

##### DAYS ALLOTTED TO SUPPLY.

The PREMIER (Hon. W. Forgan Smith, *Mackay*) [10.35 a.m.]: I move—

“That on a day appointed for the consideration of the Estimates the House may meet for the despatch of business at 10 o'clock a.m. and continue to sit until 10 o'clock p.m. Each of the periods between 10.30 o'clock a.m. and 4 o'clock p.m., and between 4 o'clock p.m. and 10 o'clock p.m., shall be accounted an Allotted Day under the provisions of Standing Order No. 307. All provisions under Standing Order No. 307, and of Sessional Order of 17th August last shall, *mutatis mutandis*, continue to apply.”

Question put and passed.

#### ABATTOIRS AGREEMENT RATIFICATION AND MEAT INDUSTRY ACT AMENDMENT BILL.

##### THIRD READING.

The SECRETARY FOR AGRICULTURE (Hon. F. W. Bulcock, *Barcoo*) [10.36 a.m.]: I move—

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

Question put and passed.

#### SUSPENSION OF STANDING ORDERS.

##### APPROPRIATION BILL, No. 2.

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [10.37 a.m.]: I beg to move—

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

The Leader of the Opposition called “Not formal” to this motion, but I would point out to the hon. gentleman that the usual practice is being followed. It is necessary that an Appropriation Bill should be put through before the end of October. The Premiers' Conference is due to meet on the 24th instant, and may occupy a few days, and it will be necessary for this Appropriation Bill to be passed not later than Tuesday next.

Mr. MOORE (*Aubigny*) [10.38 a.m.]: I recognise this is the usual custom, but on this occasion the financial position of the country is very difficult; and we know that the fulfilment of the promises made by the present Government prior to the elections will cost a great deal of money; consequently, a good deal of discussion may be entailed as to the means by which they intend to fulfil those promises. The figures regarding the financial position published in yesterday's press are rather illuminating. As there is no violent hurry for an Appropriation Bill to be passed before the end of the month, I do not think it is necessary on an occasion such as this to put that Bill through all its stages in one day. The Standing Orders provide for a full discussion of a matter such as this in intervening days in order that the public may know what

money is being asked for and the purposes for which it is required. Unless some adequate reason is given for passing this Bill through all its stages in one day, it would be preferable for a certain amount of publicity to be given in order that hon. members and the public generally may know the necessity for the appropriation. That is my only reason for calling "Not formal."

Question—"That the resolution (*Mr. Smith's motion*) be agreed to"—put and passed.

## SUPPLY.

## FINANCIAL STATEMENT—RESUMPTION OF DEBATE.

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

Question stated—

"That there be granted to His Majesty, for the service of the year 1932-33, a sum not exceeding £300 to defray the salary of the Aide-de-Camp to His Excellency the Governor."

Mr. CLAYTON (*Wide Bay*) [10.41 a.m.]: After perusing the Budget Speech, I think that the Treasurer is finding it much more difficult to deal with the finances of the State than he anticipated when he delivered the policy speech which he placed before the people. I venture to say that the difficulty will be accentuated as time goes on, and, as Leader of the Government, he will realise that he is faced with enormous responsibilities in connection with the affairs of this State.

The hon. gentleman took the opportunity of working a good deal of propaganda into his Budget Speech. I do not know whether that was placed there to pacify some of the new and younger members on the Government back benches; but undoubtedly he did indulge in propaganda on this occasion, and it was in striking contrast to the various Budget Speeches that I have heard delivered in this Chamber during the last twelve years.

It will also be noted that no provision has been made in the Estimates this year for the fulfilment of the many election promises that were contained in the hon. gentleman's policy speech. He realises that it would be impossible at the present time or in the near future to put into effect the many promises he made, and which enabled him to secure control of the Treasury benches.

We on this side, under the leadership of Mr. Moore, did not make any rash promises to the people. We told them the true position of affairs. As a result they voted against us; and we can only express the desire now that everything possible will be done in the best interests of the State.

The present Government are endeavouring to restore industry by taxation. That has been the method adopted by the Labour Party for many years past; and I am doubtful whether the people will be able to pay the additional taxation that is to be placed upon them. Certainly it will make the position worse, and will be the means of creating much more unemployment and of placing many more people on the unemployment relief fund. I contend further that additional taxation has a tendency to create unrest in industry. We hear from time to time that this taxation is going to lead to companies and other organisations endeavouring to reduce their expenditure through being called upon to meet this additional burden. We know that any increase in taxa-

tion is always passed on, if possible; and the tendency will be for goods to become dearer—prices are prohibitive in regard to many items at the present time—the cost of living will go up, and the position will become worse and worse as we go on.

A great deal was said during the last election campaign by hon. members opposite in condemnation of the Premiers' Plan; but it was in the best interests of Queensland that, when the Premier attended the Premiers' Conference, he immediately came into line with the other Premiers and agreed to work in conjunction with them. He found that he would have to curtail expenditure generally, and especially with regard to loan money. Hon. members opposite stated during the election campaign that, seeing that we had been left with something like £4,500,000 of loan money, we should have spent £3,760,395 of that amount during our first year of office. Had we done that, the position would have been most serious, and we would have broken away from the agreement made between the Premiers of the various States at the Loan Council meeting in February, 1930. There was a majority of Labour Premiers at that meeting, and, after Mr. Theodore, the then Federal Treasurer, had explained the serious position of affairs throughout Australia, the following resolution was unanimously carried:—

"Reductions should be now entered upon, which within twelve months will bring the rate of expenditure to one-half of what it was in 1928-29."

An agreement was reached that our expenditure of loan money would be reduced by 50 per cent.

In the last year of the McCormack regime the expenditure of loan money in Queensland amounted to £3,248,429. We were forced to bring about a reduction of that expenditure by one-half to comply with the Premiers' Plan. That was the policy unanimously adopted, and we had to comply with it. We are told by hon. members opposite that we should have spent this additional money; but that would have meant departing from the plan. Mr. Scullin, the Federal Prime Minister at the time, when speaking in the House of Representatives on 18th June, 1921, said—

"An alternative did not exist, it was either plan or default, which meant that the Commonwealth would be unable to pay certain pensioners and bondholders more than 12s. in the £."

There you have the Labour Prime Minister disclosing the true facts with regard to the financial position of Australia. We were on the verge of bankruptcy. Would Mr. Scullin, Mr. Theodore, and Mr. Forde have brought about a reduction in the old-age pensions if it had not been absolutely necessary? They saw the necessity for it, and acted accordingly. Mr. Theodore, speaking in the same debate, said—

"I commend the rehabilitation plan to the earnest consideration of hon. members as not only practicable but inescapable, if we are to meet the present emergency position."

Mr. Forde, now Deputy Leader of the Federal Labour Party, said—

"Common sense dictates the acceptance of the plan, and the protection of the worker and pensioner from the worse things that would befall them were the plan rejected."

*Mr. Clayton.]*

It is pleasing to know that the Queensland Labour Government have now given their adherence to the plan. We do not know how long that is going to continue, because, when one sees the present state of the cash balances, it gives one cause for alarm.

Of course, in order to carry on the administration of the State we must have sufficient revenue. The revenue for 1931-32 was estimated at £13,829,585, but the actual receipts were only £12,994,113, a shortage of £835,472. It remains to be seen whether that position will improve. With a drought and the position of the dairying and sugar industries we are not likely to get a very high revenue this year, although the Treasurer anticipates a sum of £305,422 in the way of additional revenue over the actual receipts last year; but, in order to get it he has to impose an enormous amount of taxation. If that taxation is collected, the possibility is that his estimate may not be very far out; but the payment of this money by the taxpayers depends on many things. The primary producers depend upon world prices and climatic conditions—two essentials that face us in considering the prospects for the current year. The fall in our revenue has been caused by a decrease in the amounts received for our commodities overseas, and, although in some cases there have recently been slight rises, we have no assurance that they will continue. The Labour Party blame the Moore Government for the drop in revenue, but the fact that we are dependent on overseas markets more than accounts for the decrease. If we as a Tory Government—as hon. members opposite call us—are to be blamed for the shrinkage of revenue in Queensland, what has been the cause in other States where Labour Governments have been in power? Those Governments have had to face the responsibilities of office, and exactly the same position has existed there as in Queensland.

In 1920-21 we received on the London market 27.29d. per lb. for our butter. Ten years later the price had declined to 11.81d. per lb. That is a very serious decline, especially when we remember that we export 80 per cent. of our production to the markets of the world, where we have to compete with other countries. Surely hon. members opposite do not blame the Moore Government for that!

I am confident that the decisions arrived at at the Ottawa Conference, and shortly to be disclosed, will materially assist this country. The economic position of this country would have been much worse if it had not been for the assistance of the Paterson scheme and a rate of exchange favourable to exporters.

Quite a number of primary producers are engaged in the cheese manufacturing industry. These are the prices received for that product on the London market for the years stated—

	Per lb.
1920-21 ... ..	12.93d.
1930-31 ... ..	6.58d.

That was a tremendous decline in the incomes of the producers of that cheese. The position has not improved; yet the Treasurer anticipates that additional taxation can be wrung from these people.

Mr. W. T. KING: How does the hon. member suggest that the deficit should be met?

[Mr. Clayton.

Mr. CLAYTON: I shall explain the position as I go along. These are the prices received for frozen meat for the years stated—

	Per lb.
1920-21 ... ..	4.97d.
1930-31 ... ..	3.50d.

Those figures disclose a tremendous decline in the income of this great primary producing industry. These figures, showing the price received for our mutton overseas, present an even more alarming position—

	Per lb.
1924-25 ... ..	7.74d.
1930-31 ... ..	2.94d.

Again there is a tremendous reduction in the income derived by an exporting primary industry upon which we depend to a large extent for our revenue.

These figures show the price received for lamb, for the years mentioned—

	Per lb.
1918-19 ... ..	10.68d.
1930-31 ... ..	5.01d.

Again an alarming decrease! The wool industry is the vital industry to this country, and it is an industry upon which all Governments depend for stability; but these figures, which show the prices received for greasy wool, do not make for an optimistic outlook—

	Per lb.
1924-25 ... ..	26.50d.
1930-31 ... ..	9.86d.

Again a tremendous decline in a very vital industry! These figures, which show the prices received for scoured wool on the London market, present a much more serious decline—

	Per lb.
1924-25 ... ..	46.00d.
1930-31 ... ..	14.76d.

I have given sufficient figures to prove to the Committee the serious situation which has resulted from this serious decline in commodity price levels.

These figures indicate the amount of income taxation received from sheep pastoralists for the years mentioned—

	£
1924-25 ... ..	725,476
1930-31 ... ..	91,114

When revenue Estimates for 1931-32 were prepared for the late Treasurer, it was estimated that the amount of income tax that would be received from sheep pastoralists would not exceed £50,000. I regret that that estimate was not realised. The amount received was only £41,000. Last year there was a drop in income tax received from primary producers of nearly £700,000.

One pleasing feature in connection with the quantity of butter and like commodities exported overseas was the greater volume in 1930-31 as compared with the year 1928-29. In 1928-29, when the Labour Government were in power, the quantity of butter exported from Queensland was 45,008,530 lb., while in 1931 this amount increased to 67,582,918 lb. Those figures show that, although the producers were receiving a lower price for their product on the London market, they had put their shoulders to the wheels of industry for the benefit of the State. Notwithstanding the great increase in the volume of production in 1930-31 as compared with 1928-29, the values showed a marked decline.

Then, in connection with the export of pork and ham, in 1928-29 from Queensland 861,147 lb. were exported, while in 1930-31 the figures expanded to 1,619,702 lb. That was a tremendous increase. It is very gratifying to have these unassailable facts, because they show that the primary producers have materially assisted in the wealth production of the State.

The Treasurer said in his Budget speech—

“A return of good seasons, particularly in those parts of the Western pastoral districts which have suffered severely through continued drought conditions, combined with the inherent confidence and high endeavour of the citizens of Queensland as a whole, would not only do much in alleviating our difficulties, but would provide a fitting contribution towards ensuring the progress and advancement of the State.”

I entirely agree with those sentiments. This State is dependent largely upon the even distribution of the rainfall for its wealth production. Unfortunately, lack of rain has produced very serious results in many of our primary producing districts. Naturally, there has been a marked decline in primary production, which is bound to seriously affect the revenue of the Government during this financial year. I am very doubtful whether the Estimates of the Treasurer will be realised. The position in the Wide Bay and Burnett districts at the present time is very serious. Rains have afforded temporary relief during the last few weeks, but the position is still far from satisfactory. Thousands of cattle, which should be producing wealth, have been sent away to relief country. The owners are being put to considerable expense to keep their herds alive. When beneficial rains do occur these cattle will not reach the peak of their wealth production for some considerable time. The same remarks apply to the Port Curtis district, especially the Monto area, where the position is precarious. Press reports tell us that the position in the western part of the State is likely to become more serious in the near future.

It is only right that the Committee should know the position of the sugar industry in Southern Queensland. A very serious setback has been sustained, not only as the result of the action of the Commonwealth Government, but also on account of climatic conditions. For example, the Bauple Sugar-mill in my electorate will not operate this year. Ordinarily that mill crushes from 15,000 to 20,000 tons of cane; but the Bauple district will only supply about 5,000 tons this year, and that small amount of cane will not permit of the mill operating. The cane will be treated by the Isis Central Sugar-mill. Even that mill, which in an average season would put through 90,000 tons of cane, will not crush more than 20,000 tons this year. In face of these facts, how can we expect the persons concerned to meet the additional taxation that the Government are imposing? It must be remembered also that the serious decline in income this year will be reflected in the income tax assessments next year.

The position of the Bingera sugar-mill, which is situated in the Bundaberg district, is summed up in this extract from the “Telegraph” of 1st October—

“Less than one-fifth of the amount of cane crushed in normal years had been

put through when the Bingera mill ceased work for the season on Saturday. The total tonnage dealt with was 27,500 tons, the smallest on record since the mill opened. Growers in the area are pinning all their hopes on rain in September, without which the prospects for the next season are very poor.”

I know from my own knowledge that much of the young cane, especially the plant cane, which has had such a setback, will not produce heavy crops in the coming season. The general position is so serious that, in discussing the probable revenue, it is advisable to bring the true position of affairs before this Committee.

The increased railway fares and freights applicable to country districts is an additional burden that the Labour Government have placed upon these people. It is regrettable that the relief given in this direction by the Moore Government should not have been continued, and that the present Government should have confined the increased rates imposed by them to the country districts. I am surprised at the present Government taking that action.

The Labour Government are looking for additional revenue, which it will be difficult to obtain in view of the depressed condition of the primary industries. Wherever you go in Queensland you see a decline in income, whether it be in connection with companies, institutions, or private people; yet the Labour Government are going to interfere with industry by imposing a heavier burden of taxation. Not only are they endeavouring to extract £270,000 more in income tax from them, but they expect to get from the people in the country districts an additional £325,000 in railway freights and fares. Then they are seeking to obtain an additional £442,000 from the people, if they can afford to pay it, in connection with the unemployment relief tax. The Leader of the Opposition says that the Government are going to collect the tax from the unemployed themselves. I do not know whether they will be able to extract the tax from these people.

Then the Government are reimposing the super land tax, from which they expect to receive £130,000. It will be very difficult to collect that tax, especially from men in country districts, who at the present time are fighting a drought and are up against serious trouble in that direction. Then country districts are to be hit again by the raid the Government are making in connection with the main roads fund. An amount of £250,000 is to be taken from that fund. That amount could very well have been spent on the construction of roads in country districts to act as additional feeders to the railways, thereby saving some of the loss on the railways as well as making the cost of production cheaper. It is a shame that the Government should take that money from the people in the country and at the same time tax those people through our local authorities for the upkeep of those roads. The position is very unsatisfactory, and, on top of that, the Treasurer tells us that he expects to end the year with a deficit of £1,490,868. That is the anticipated position this year. What can we expect next year? The Government are not going to realise the revenue estimate. Are we going to be subjected to additional burdens next year if the Labour Party remain in office that long?

*Mr. Clayton.]*

The position will become more acute. We know that income tax collections fell from £2,556,050 in 1930-31 to £1,674,329 in 1931-32, a reduction in one year of £881,721. Hon. members opposite say that that was the result of the policy carried out by the Moore Government, but that had nothing whatever to do with it. When the Moore Government took office, the position was probably the most serious in the history of this State; and the cause of the serious decline in income was the low prices received overseas for our commodities, the drop in bank interest, the lower rates of interest generally, and the tremendous amount of unemployment.

The Premier did not tell the electors when on the hustings that he was going to impose this burden of taxation. Our leader told the people the truth when he was before them. He did not go kite-flying or lead the people to believe that the position was not most serious. The present Premier thought he would get over the difficulty with regard to increased taxation by telling the people that, if returned, he would go in for a loan of £2,500,000.

The average loan expenditure of the Labour Government during the eight years ended 30th June, 1929, was £4,300,000 per annum. Hon. members opposite tell us that prosperity existed in Queensland while they were in power; but that prosperity was due to the fact that they were in a position to borrow and spend loan money to the extent I have mentioned. When the Premier was tickling the ears of his own electors at Mackay, he had this to say, as reported in the Brisbane "Telegraph" of 29th April last—

"That a special 'Queensland revival loan' of £2,500,000 would be invited from the people of the State if his party were returned to power was stated by the Leader of the Parliamentary Labour Party (Mr. W. Forgan Smith) in his policy speech here last night.

"Mr. Smith declared that the money would be utilised for reproductive works within the State. A Bureau of Industry would be established and it would be entrusted with the preparation of schemes for submission to the Government to be undertaken under the proposal.

"Investigations that I have made in financial circles," Mr. Smith said, "justify me in the belief that such a proposal could be successfully launched.

"Provision would be made for local authorities and local bodies to issue over the counter sales of bonds for such works and services of a developmental character as might be approved, he added. Funds so subscribed would be earmarked for expenditure in the area of the local authority concerned. By that means not only would the local community secure the provision of necessary services, but the interest on the capital amount would circulate also amongst the local citizens. Such works and such loan proposals would be subject to the existing practice that the approval of the State Treasurer must first be obtained."

When we consider the large number of unemployed we have at the present time and the necessity for providing work, it is surprising that the Premier has not moved in the Loan Council with regard to the raising of this loan. There is no Upper

House in Queensland to interfere with him. The Government know, as Mr. Hogan found in Victoria when he got permission from the Loan Council for the flotation of a loan, that the flotation of this loan in Queensland would not be successful even if the Loan Council agreed to it. At the present time we hear nothing about the loan, and the Premier may be able to tell us something when he returns from the next Loan Council meeting.

I know that the reduction in expenditure has been put down at £220,000. If the Government can reduce expenditure by that amount, how are they going to fulfil the promises which they made on the hustings during the last election campaign? There is no provision that I can see on the Estimates for the fulfilment of those promises. I do not see any provision made for childhood endowment. I understood that a payment of 5s. per week was to be made in respect of every child under eighteen years of age. There is no provision for pensions for widows, and no increase of the State children's allowance.

Then hon. members opposite were going to "restore the scholarship facilities and other educational advantages" of the school children, and give them free school requisites. I do not see where provision is made for that in the Estimates of the Department of Public Instruction, because, whereas in 1931-32 we spent £1,389,221, the Labour Government, who said they would do so much for the education of the children, placed on the Estimates a sum of £1,344,876—a reduction of £44,345. That is one way in which they are saving expenditure—at the cost of the education of the children.

In other departments the following reductions are made:—

	£
Agriculture and Stock ...	7,902
Public Lands ...	5,241
Public Works ...	16,898

If, as the Secretary for Public Works says, the Government, in the main, will return to the day labour system, they will find a very serious state of affairs in reducing expenditure, unless they have made ample provision. I shall deal with the question of day labour versus contract as I proceed.

The Government are displaying the greatest activity in trying to find employment for people who are out of work; but much of the work that is being done is not of a reproductive nature or likely to return revenue to the Government for very many years. The Treasurer should go thoroughly into the distribution of the funds available, and see that the work on which the money is spent is of a more reproductive nature than is the case at present. I contend that the imposition of every additional piece of taxation will mean less employment. For one thing, people will endeavour to use labour-saving appliances. In fact, that is one of the causes of much of the unemployment that exists. One need only look at work being done in local government to find an illustration. Not many years ago one might see, perhaps, ten men engaged on the formation of a road, whereas to-day a grader has taken the place of many of them. The fact is that the burden of taxation and heavy costs generally force people to use labour-saving devices. If a cane-cutting machine, for instance, can be brought to perfection—and progress is being made in that direction—we shall have to face another

[Mr. Clayton.

very serious problem, especially in North Queensland. The number of unemployed had reached an alarming figure during the time that the Labour Government were previously in office. One would imagine that very little unemployment would prevail during the reign of a Labour Government which expended loan money at the rate of £4,000,000 per annum, and particularly at a time when the price levels were high.

During this very time the problem of unemployment became very acute, as these figures, indicating the amount expended upon the relief of unemployment, will show—

	£		
1914-15	...	...	16,188
1925-26	...	...	286,635
1926-27	...	...	407,121
1927-28	...	...	460,925

Just imagine a Labour Government being compelled to spend £407,121 on the relief of unemployment at a time when loan expenditure amounted to approximately £4,000,000 per annum! Over a period of three years the Labour Government expended £1,154,281 upon the relief of unemployment. What a gigantic figure! The late Labour Premier, Mr. McCormack, was well aware of the seriousness of the position. He quickly summed up the lesson to be learnt from the fact that £500,000 was expended upon the relief of unemployment in a year following one in which the sum of £4,900,000 in loan money had been expended. When delivering his policy speech in Toowoomba on 5th April, 1929, he said—

“Perhaps the greatest problem facing the Governments of the Commonwealth, both State and Federal, is one of unemployment.”

A return was furnished by the Secretary for Labour and Industry in the Labour Government in 1928. The Minister was the Hon. D. A. Gledson, now the hon. member for Ipswich. He furnished a return to show that up to 30th September, 1928, the number totally unemployed, including those unemployed through sickness, was 46,512, whilst the number partly unemployed was 69,664, or a total of 116,176. That statement, which is in accordance with facts, cannot be denied.

In 1928 the hon. member for Cooroora addressed the following question to the then Home Secretary:—

“1. Has he any statistics showing the number of applications by destitute persons for rations during last financial year—(a) residents; (b) travellers? If so, what were the numbers of each?

“2. Since his answer to my question of 25th November last, has the issue of travellers' rations been discontinued at any further police stations?

“3. What are the present instructions regarding the issue of rations to single men?”

The Home Secretary replied that 9,196 persons received relief rations in the metropolitan area during the year ended 30th June, 1927-28. Just fancy 9,196 persons in the metropolitan area received relief rations at a time when the Labour Government were spending £4,000,000 of loan money per annum!

Figures supplied by the Labour Government then in power showed also that 9,519 residents and 40,558 travellers received relief rations in the same period. I am sure that

hon. members would like me to quote the interesting figures concerning Mount Morgan in this respect. The total number of residents who received relief rations in Mount Morgan during 1927-28 was 745, while the number of travellers relieved was 216. Those figures show the serious position unemployment had assumed when a Labour Government was in power, especially at a time when oversea prices for all our products were much higher than they are to-day. This meant that the Government of the day received a greater revenue from the producers.

The unemployment position was very serious in Maryborough in 1927. In fact, so acute was it that an unemployment relief committee was formed among the citizens. I might say in passing that at this time the Labour Government let a contract for the construction of twenty-five locomotives with an overseas engineering firm at a cost of £200,000 when they could have been constructed by Walkers Limited, Maryborough. Had that been done, it would have greatly relieved the unemployment position. In this connection it is interesting to recall a pamphlet which was issued in Maryborough on 9th June, 1927, by the Secretary of the Maryborough Unemployment Relief Fund, Mr. Sidney Gower. Mr. Gower was an organiser of the Australian Workers' Union, and I understand that he contested a plebiscite in the Labour interests for a Central Queensland constituency at the last general election. This pamphlet states—

“There is a considerable number of unemployed in this city and consequent distress, and, with a view to relieving this latter, an unemployed fund has been established. A committee of three has been appointed, viz., Messrs. S. Gower, Secretary, Australian Workers' Union, C. F. Matthies, Boilermakers' Union, and B. Stapleton, and this committee will be pleased to receive and acknowledge through the columns of the ‘Chronicle’ and ‘Alert’ any donations in cash or kind that may be forwarded to them.

“They will be pleased to have your contribution and also your assistance amongst your friends.

“Women and children are in need, and require immediate aid.”

That condition of affairs existed in Maryborough, where Walkers Limited have an efficient plant, which could have constructed the twenty-five locomotives which the Labour Government of the day had constructed overseas, and the contract price of £200,000 could have been circulating in that city and district.

The SECRETARY FOR PUBLIC INSTRUCTION: You could have built the German dredge there also.

Mr. CLAYTON: Hon. members opposite always endeavour to get out of a difficult position; but I would remind the hon. gentleman that two wrongs do not make a right.

The Government have adopted an excellent slogan in “A thousand farms for a thousand farmers.” I hope that something will be done in this regard. For years past we have had young men flocking from the rural centres into the cities because of the Government's policy in spending loan moneys chiefly

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in the settled areas. At the present time many of these men are endeavouring to turn their attention again to the land. What policy do the Government intend to adopt to establish these thousand farmers on the land? They have had a great deal of experience in the past in connection with land settlement, especially in regard to the soldier settlements and the Upper Burnett and Callide settlements. They should benefit from the experience gained in that connection; but I am very doubtful whether they will be able to give effect to their slogan in a manner which will be beneficial to the State and land settlement.

I would like to make a suggestion to the Committee. The Opposition ranks include men who have had practical experience of land settlement, from the point where the land is in the virgin state to the position when it is in full productivity. The present Government are dependent upon the advice of their experts in land settlement matters; but in many cases those experts have not the practical knowledge that is so essential. In view of the importance of land settlement, I think much could be accomplished if the matter were approached in a non-party manner, much on the lines adopted in the library and other committees appointed by Parliament. The method of settling 1,000 people could be discussed in a common-sense way, and there would be no necessity to differ on Government policy regarding land tenure, etc. A discussion by a committee consisting of hon. members drawn from both sides of the Chamber would be of material assistance to the Government in this venture, and I commend to the Government my suggestion that the services of experienced hon. members on this side of the Chamber be enlisted in the interests of successful land settlement in Queensland.

I understand that it is the intention of the Government to spend money in establishing a training school where boys will be given farm training. In that connection I understand that an area of 700 acres will be acquired. To put that area into a proper state and to provide the necessary buildings, etc., will entail the expenditure of a large sum of money. I would prefer that advances should be made to approved farmers, who might be induced, under a proper apprenticeship or some such scheme, to give farm training to boys. Besides saving a considerable sum of money to the State, such a system would give the boys a first-hand knowledge of country life and conditions, and would provide a better opportunity for those boys to receive employment in the country when their period of training had finished.

We recall that land settlement schemes initiated by Labour Governments have not been successful. The Burnett-Callide land settlement scheme is an example in point. When that scheme was embarked upon, Mr. Theodore, the then Premier, was in Britain, where he told a parliamentary conference that 10,000 families would be settled under the scheme in the then near future. To-day not more than 2,000 families are settled there. As a matter of fact, when the Moore Government took office, the position was such that the Premier appointed Mr. Payne as a commission to inquire into the true state of affairs in that area. Evidence was given that the holdings were too small, and that the uneven distribution of rainfall, which did not exceed 30 inches per annum, mili-

tated against the success of the scheme. Mr. Payne went up to the area and examined over 100 settlers who were dissatisfied with their position. As a result of his inquiries, the Government made new land available to 329 settlers. They had to shift 329 settlers because they had been placed on areas that were far too small. Is that going to assist land settlement in Queensland?

I note that it is the intention of the Government to settle 100 tobacco farmers at Beerburum. Tobacco was produced at Beerburum last year in a small way, and the result was very satisfactory; but that was about the driest year we have had in the history of Beerburum. I venture to say that, if the Government put 100 settlers on 5-acre tobacco farms at Beerburum, and we have a wet season, they will produce a tobacco that will not return the average price the companies are prepared to pay for first-quality leaf.

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

Mr. W. T. KING (*Maree*) [11.42 a.m.]: I have listened with a great deal of attention to the speech just delivered by the hon. member for Wide Bay. Hon. members will agree with me that during the whole of his speech he offered nothing but destructive criticism. We expect from hon. members on the other side arguments of a constructive nature; but the hon. member merely introduced alleged arguments of a destructive nature; and floundered around without giving any information of vital importance. We all recognise that at the present time Queensland, along with the other States of the Commonwealth, is in a bad position financially, and we look to members of the Opposition, from the leader down, for any assistance to relieve the position. If they have any suggestions from their point of view that are likely to be of material advantage in helping our State through the present period of stress, it is their bounden duty, not only as citizens of this State but as members of Parliament, to make those suggestions here. Instead of that, we have hon. members opposite getting up and assuming the role of pessimists, and saying "This cannot be done" and "That cannot be done." We know what was done while they were in power; and it ill behoves them to adopt the role of carping critics—the people recognise that they should be in opposition—and come here and criticise the Government in an unstatesmanlike and unbusinesslike way.

We cannot get away from the fact that the deficit has to be reduced to £1,485,000. Hon. members opposite who have spoken have not indicated any method that will assist in attaining that end. The hon. member for Wynnum, who made an infamous political name during the regime of the Moore Government, knows that his deficit last year was in the vicinity of £2,100,000. We propose to reduce our deficit for 1932-33 to £1,485,000, which is considerably less than the sum the hon. member budgeted for, and, in doing that, we are endeavouring to achieve something that is great and noble as regards Queensland.

Mr. R. M. KING: The deficits in this State while we were in office were much less than those in other States under Labour Governments.

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Mr. W. T. KING: The fact remains that the Moore Government had a deficit last year of over £2,000,000. We are governing at present under conditions very similar to those existing under the Moore Government; and we say that £1,485,000 is a fair apportionment to provide for. If the arguments I am bringing forward hurt the susceptibilities of hon. members opposite, I cannot help it. These hon. members had their opportunity, and have been passed into political oblivion. We are endeavouring to do the correct thing and to live within our means, and we are providing for a deficiency of £1,485,000. We want some honest, straightforward, constructive criticism, if it can be brought forward, even from the hon. member for Toowong or any other hon. member opposite, to help us through the period of depression we are passing through to-day.

Hon. members opposite endeavour to twit us—and the hon. member for Nanango was one of the foremost in that regard—that we have swallowed the Premiers' Plan. They seem to be in every way disgusted that we have adopted that Plan. When we were facing the electors, we told them that we would review the Plan. We made an amendment in it, and we consider that that amendment is in accordance with our platform. It is what we promised the people, and is in the best interests of the people of Queensland. This is the resolution which was passed at the Premiers' Conference when the present Leader of the Opposition was sitting over here—

“That the conference affirms its adherence to the principles of the Premiers' Plan of 1931, undertakes to meet interest overseas and to continue progressively to reduce Budget deficits.”

In consonance with, and following on, that plan, a recommendation was submitted to the conference from gentlemen who were supposed to be experts. The Lyons Administration called together certain experts and asked those experts to submit recommendations to the conference with a view of taking advantage of their experience and knowledge in order that the Governments of Australia could extricate the country from the financial morass with greater ease. The Leader of the Opposition called these gentlemen “so-called experts” in this Chamber a little while ago, and I agree with him in that regard, and am pleased that he at least has seen the light. These gentlemen were supposed to be the foremost economists of Australia, and they have been mentioned as gentlemen to be looked to to get us out of our economical difficulties when they arise; but, according to the statement of the Leader of the Opposition, they are men who could not handle the situation properly.

Mr. MOORE: I did not say that.

Mr. W. T. KING: I do not say the hon. gentleman said that, I am saying it myself, but I say that, when the hon. gentleman calls them “so-called experts,” he agrees with everything I say in that regard. An expert is a man who understands his work; but a “so-called” expert—so-called by the Leader of the Opposition—is a person who is not competent to deal with the financial position of Queensland in particular or of Australia as a whole. When we find that this committee of experts recommended that it was desirable to reduce real wages by

10 per cent. below the level of 1929 where that had not already been done, I say that we have proof that they have absolutely failed. Anybody who understands the position realises that we cannot deal effectively with the economic or financial situation by reducing wages. On the contrary, everybody with any intelligence knows that, by increasing wages and thus keeping up the purchasing power of the people, we give greater help to the community, and add to the financial morale of the country rather than by deflation or reducing the purchasing power of the workers. Yet these so-called experts are the men who would have carried the day in all probability, if a Labour Government had not been returned to power in Queensland, and if we had not sent a representative to Canberra who insisted on a review of the Premiers' Plan. There is no doubt that the Leader of the Opposition would have joined hands with his comrades there, and reduced the basic wage throughout the length and breadth of Australia to somewhere about £2 18s. per week. (Opposition dissent.) The Leader of the Opposition and hon. members opposite generally had the opportunity in this Chamber and on the public platform of saying that they disagreed with that recommendation and the policy of the experts, yet they have not done so. (Opposition dissent.) Notwithstanding what hon. members opposite may say, I am satisfied that that is what they would like to happen, and Australia, from a working-class point of view and from a national point of view as well, has to thank the Queensland Labour Party, the only democratic party, for preventing that wage cut which was so ingeniously devised by those gentlemen whom the Leader of the Opposition describes as “so-called experts.”

Mr. MOORE: These men were not forcing their views on the community. They were asked by the Prime Minister to make recommendations. Why not state the position properly?

Mr. W. T. KING: I quite understand the position and how the experts were brought into it; but I can truthfully say that, if hon. members opposite had been returned to power, the hon. gentleman who interjects would have gone to Canberra and agreed to a reduction of wages throughout Australia to a level of about £2 18s. per week. He had the opportunity when he made his speech in this Chamber, and he had other opportunities on the public platform, either to affirm or deny that statement.

Mr. MOORE: I certainly deny it, and I can prove it.

Mr. W. T. KING: The Treasurer's Budget speech states that the Government will endeavour to bring their deficit down to £1,485,000. Hon. members opposite should carefully analyse and scrutinise that Budget, and say where they think we have over-taxed or where in any detail we cannot achieve the result we expect. Hon. members opposite would have gone to Canberra and agreed to a reduction of the Budget deficit to £1,485,000; but, if they were in power to-day, how would they have brought about that reduction? It is all very well for them to throw mud in the hope that some of it will stick and cause annoyance, but it is another matter to deal carefully in detail with our proposals, or make constructive

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suggestions and show us how they would have dealt with the situation. If their suggestions are of any practical value, I am quite sure that the Treasurer will incorporate them in his proposals. As the hon. member for Wide Bay pointed out, income tax collections fell away in one year to the extent of £881,000.

We were left an imperfectly nourished State, because it had been imperfectly handled by the Moore-Barnes Government. As with a child, so with a State and nation. When a State is handed over in an imperfect, sickly, and anæmic condition, it must be revitalised. When the late Government were in power, they should have expended a greater sum of money upon public works so that the State would be maintained in a vigorous condition. But they failed to live up to their obligations in that respect, and our difficulties are now much greater than they would have been under ordinary circumstances.

The hon. member for Wide Bay, in his generalising and inimitable way, floundered through his speech, making general accusations. He took the Labour Government to task for expending large sums of loan money. Everybody recognises that Governments, whether they be Labour or anti-Labour, are compelled to go overseas for loan money to expend in the expansion of our natural resources. It is not possible for a Government to present the balance-sheet of the State in a way in which the balance of a grocery business or a mercantile house would be presented. Loan money is expended for developmental purposes upon railway construction, etc. The amount of money expended on educational facilities cannot be measured in terms of pounds, shillings, and pence; but the beneficial results go to the heart of the nation, and so strongly entwine the body of the nation that benefits are felt during the years to come. It is a very unwise and parsimonious policy for hon. members opposite to say that we should not expend loan money at the present time. How are we to obtain revenue, and how are we to create purchasing power, if we are not to expend loan money? It is the bounden duty of any Government to assist a State that is undernourished, so that it may be placed on the road of prosperity and removed from the road of adversity to which it had been diverted by another Government.

Mr. MOORE: Does the hon. member think that a State is nourished by the expenditure of loan money?

Mr. W. T. KING: Of course, it is.

Mr. CLAYTON: What about the back-wash?

Mr. W. T. KING: The hon. member for Wide Bay was considerably affected by a back-wash when he was delivering his speech. I would refer the Leader of the Opposition to an economist like Dr. Dalton, and to his comments upon public finance. But the Leader of the Opposition need only exercise common sense; there is no need to go even to Dr. Dalton. A State like Queensland must be nourished by an expenditure of loan money.

Mr. MOORE: What a tragedy!

Mr. W. T. KING: We are being accused of extravagant expenditure of loan money merely because we propose to expend £3,167,000 on loan works during the current financial year. The late Government

expended only £1,162,000 per annum upon loan works.

Mr. SPARKES: Too much.

At 12 noon,

Mr. O'KEEFE (*Cairns*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. W. T. KING: I would remind the hon. member for Dalby, who interjects, that this amount was not too much, and he has only to take into consideration the speech made by his Leader when he attended the Premiers' Conference as Premier of this State. He then considered that £2,500,000 was a right and just amount to be spent to safeguard the interests of Queensland.

Mr. MOORE: I said that we could put forward a reproductive works programme which would be profitable.

Mr. W. T. KING: The hon. member said that by the expenditure of £2,500,000 he could deal with the unemployment question and revitalise industry. His exact words were—

"The Queensland Government has already tackled the problem of unemployment in a practical way, and complete machinery is available only for constructive proposals along the lines suggested by the Prime Minister. It has already carried out many reproductive works. It has proposals to place before the conference whereby £2,500,000 could be profitably spent in Queensland in relieving unemployment and reviving industry."

We propose to spend £3,167,242 on the objects on which the Leader of the Opposition said he could spend £2,500,000. When hon. members opposite object, and say that from their point of view we are spending too much, I have only to recall this speech of their Leader; and I have no doubt that the smiling ex-Treasurer patted him on the back after he had made it. We are endeavouring to reduce governmental expenditure. We have given an account showing how everything is accounted for, and the manner and means by which we propose to get through the financial year.

I shall not be led astray by hon. members opposite interjecting glibly and in generalised terms. If they have anything constructive to put forward, which will go right to the root of our problem, then let them place it before this Committee. They only attempt to bring a wave of pessimism over the whole State, and to denounce and belittle the Government in the arbitrary manner which they are so prone to adopt.

In order to reduce the deficit to £1,485,000, the Government propose to do certain things; and I challenge any critical hon. member opposite to show where the policy of the Government in this direction is wrong. Let him show where the Government have erred, where they have reduced the expenditure when they should not have done so, or where they themselves would have reduced expenditure had they been in power. That is their duty as a critical Opposition; and, unless they do so, they must be termed merely an Opposition who conceive it to be their duty to blunder along criticising our policy in general terms in order that their speeches may be read in "Hansard."

The Government propose to reduce expenditure by £220,000. Can hon. members opposite show where expenditure should not be

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reduced by that amount? They also propose to reimpose the super land tax, which should never have been repealed by the late Government. We recognise that there was no justification for the action of the late Government in not reimposing this tax. Their action savoured of partisanship and political manoeuvring. The taxation proposals of the Government embrace an increase in income tax by £270,000. We are met with the cry that we will not collect it. The Government are going to try to do so. They are going to do everything they can in that regard. We are the Government of the day, and we recognise the duties imposed on us. We intend to do everything possible to live within the deficit we have agreed upon, namely, £1,435,000.

Because, as an election promise and as an election bribe the hon. member for Murilla, when Minister for Transport in the last Government, took away certain revenue that we obtained from railway freights and fares.

Mr. MAXWELL: I rise to a point of order, Mr. O'Keefe. Is the hon. member for Maree in order in accusing the ex-Minister for Transport of giving bribes?

Mr. W. T. KING: I will qualify it. I will say a political bribe.

The TEMPORARY CHAIRMAN: Order! The hon. member must withdraw.

Mr. W. T. KING: I withdraw any imputation that the hon. member for Murilla gave a bribe. I say that the hon. member endeavoured politically to bribe the people of Queensland by reducing fares and freights when it was not in the interests of Queensland to do so. Of course, that is in accord with the electioneering tactics of the hon. member and his colleagues whenever the opportunity presents itself.

The hon. member for Wide Bay complained that the present Government were doing things in a most improper manner. For example, the hon. member says that we are taking £250,000 from the main roads fund. If the hon. member had the slightest detailed knowledge of the matter, he would know that we could not do that. Certain money raised per medium of taxation has been placed in a trust fund called the main roads fund; and we recognise that any money raised per medium of taxation should be paid into the consolidated revenue. Hence the transfer of the £250,000 in question. I am sorry that I have to correct the hon. member for Wide Bay; but, knowing him as I do, I feel sure that he will suffer no qualms of conscience when he is corrected. It may certainly prevent the hon. member from repeating a foolish statement, besides saving him from the maledictions of his constituents.

Because certain adjustments, to the extent of £70,000, are being made in the estimated receipts by the present Government, hon. members opposite are bitter in their denunciation. Good constructive criticism is welcome, but not political howling from some hon. members opposite, who, like a crowd of political jackals, endeavour to interrupt Government members when they are speaking. Such tactics merely show that hon. members opposite have relinquished their burden—and undoubtedly they left a burden on the State—with much ill grace. We are endeavouring to do our job, and, because we have the interests of the people of Queensland at heart, it seems to disturb the

political consciences of some hon. members opposite.

To correct a wrong impression conveyed by the hon. member for Wide Bay, I would refer the Committee to "Hansard" for 1923, at page 1576, wherein it is stated that the unemployed registered at labour exchanges in Queensland totalled 11,637. Yet the hon. member for Wide Bay would lead the people of Queensland to believe that over 100,000 people were unemployed in 1923. What the hon. member did was to include in his figures the inmates of asylums, charitable institutions, and gaols, and all those people who work on their own account, including ministers of religion and persons of independent means. I throw that imputation back in the hon. member's teeth with all the force at my disposal. When an hon. member thinks fit to go to "Hansard" for an argument, he should quote correctly, and not quote something which is incorrect in detail. What I have quoted will condemn the hon. member for the rest of the time he sits in Parliament. The hon. member made an insidious endeavour to place a sinister meaning on what was said. So much for the hon. member for Wide Bay! I am sorry that I have taken up so much of my time in dealing with him.

I quite recognise that, as the ex-Treasurer said, the exchange question is a serious one at the present time. I share the views expressed by the Leader of the Opposition and by the Premier himself as to whether the present rate of exchange is for the benefit of Australia as a whole. We all recognise that the exchange rate is brought about by all manner of means. The directors of the Commonwealth Bank, dealing with the question, had this to say in their last report—

"In the ordinary operations of the bank the position can reasonably be controlled by an exchange rate which simply has regard to the factors of favourable or unfavourable balances overseas. Owing, however, to the effect which this consideration alone might have upon the internal prices of our exportable products and a general feeling in the community that this factor also should receive some consideration in determining the rate of exchange, the Bank Board communicated with the Government in January, calling attention to this aspect of the matter.

"The representations of the board did not, as has been suggested, invite Parliament or the Government to interfere in the administration of exchange, nor does the board subscribe to any policy of interference. In this connection the Government has publicly announced its policy of non-interference, but at the same time has indicated to the board its desire that the economic aspect of the position, as well as the ordinary banking question of overseas balances, should receive the consideration of the board in determining the rate of exchange."

I quite recognise that certain exporters have received bonuses per medium of exchange; but it is a question whether the State as a whole receives any benefit at all from the exchange rates operating at the present time. I recognise that the exchange rate does benefit certain industries in Australia; but against that we have to recognise that the whole of the people of Queensland pay these

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exchange rates; and I am wondering whether the burden that has been placed upon the whole of the people of Australia is in any way compensated for by the amount paid by way of exchange to help people who export goods overseas.

Mr. MAHER: It was worth £1,500,000 to the butter industry alone.

Mr. W. T. KING: I can understand the hon. member in that regard; but, taking the pros and cons of the situation into consideration, it is questionable whether we receive any benefit in the aggregate. Whether we have a favourable or unfavourable balance of trade, the Commonwealth Bank Board has been requested by the Commonwealth Government to take into consideration certain economic factors in determining the rate of exchange. What those economic factors are the Commonwealth Bank Board determines. It is not clear to the average thinking individual how the exchange rate is manipulated, or whether any benefit is coming to Australia as a result of the exchange rate. There is considerable doubt in my mind, as I am not in a position to determine whether the rate is fixed in a just manner or not. The hon. member for Wynnum will correct me if I am wrong, but I understand that he stated that we paid over £1,000,000 for exchange in the last year of office of the Moore Government. I think that exchange is a vital question, and one which should be considered from all angles, and not one to be brushed lightly aside. If exchange is operating against us, we should endeavour to remove the disability as far as we possibly can. I notice that the Leader of the Opposition dealt at considerable length with the matter, and I have examined the matter and delved into it from my own point of view.

Mr. MAHER: It benefits some industries, and does not benefit others.

Mr. W. T. KING: That is the point I was coming to.

The public debt of Queensland is in the vicinity of £111,000,000, and there are other serious factors to consider, so that carping criticism from the other side gets us nowhere. I take it that we are all interested in the welfare of our State; and we should approach the matter and deal with it from that standpoint when the opportunity occurs. Some hon. members opposite have stated that we have queered the pitch; but the pitch was queered with regard to the Opposition by the people of Queensland in a very clear manner at the last election.

If, as a new member, I may be forgiven for offering a few words of admonition to hon. members opposite, I would ask them, instead of merely criticising our policy, to play the game and show us where we should have reduced expenditure.

Mr. SIZER: We have done so.

Mr. W. T. KING: Last year hon. members opposite had a deficit of over £2,000,000; and, if they can show us that they would have acted differently from what we are doing in providing to meet a deficit of £1,485,000, they will be doing something in which the people of Queensland are interested. The members of the Opposition, however, are just floundering in a maelstrom of figures, and are not helping us; and they are not doing their duty as representatives of the constituents who have sent them to this Chamber.

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We are living in abnormal times to-day. We recognise that we cannot balance the Budget while we have so much unemployment; and our duty as a Labour Government to the working class people who have sent us here is to see that they are properly fed and clothed during our term of office. We cannot in any way deviate from that responsibility, which is our bounden duty. We recognise that the balancing of the Budget at the present time is quite a small problem in comparison with the question of dealing with unemployment, which is becoming rampant in Queensland and Australia. I lay this charge at the door of the Opposition: The ex-Treasurer, while in office, should have nurtured the child, and prevented it from becoming sick; but he did not do so. Although there were only 11,000 people unemployed when we left power—

Mr. SIZER: That is untrue.

Mr. W. T. KING: The number of unemployed in Queensland when we assumed office again amounted to 33,000. If you have a sick child, you have to nourish it to help it through. There is only one way of helping our people at the present time, and that is by carrying out a revitalising policy. I have no time for the system of relief work which is operating to-day, but it has to be continued. We are making an honest endeavour, which was not made by the previous Government, to spend money in industry in order to revitalise it, with a view to reducing the number of people drawing pay from the unemployment relief fund, and to make them self-supporting and put them into other avenues of employment. Can hon. members opposite suggest any proposal that would help put Queensland on a sure basis, and that would help to bring back to us that spirit which has been the spirit of the people of this State during all their history, other than the scheme which the Labour Party hope to put into operation and bring to fruition during their term of office?

Mr. SIZER: You are a great copyist.

Mr. W. T. KING: I ceased copying when I left school. We are not copying anything—we have nothing to copy, nothing to emulate in the actions of the Opposition. We lay down a concrete policy. We went to Canberra, and we came away from Canberra triumphant. (Opposition laughter.) Hon. members opposite would have liked to see us returning from that conference without fulfilling our obligations. That would have been the position of hon. members opposite; but, because we came away able to say that we had honoured our obligations, there are no more disappointed persons in the State of Queensland than the hon. members who compose the Opposition of the Queensland Parliament, and who will continue to do so, I hope, for many years to come.

Hon. members opposite, to judge by the questions they ask in this Chamber, would endeavour to decry Queensland and the credit of Queensland whenever the opportunity occurs. We have the job to do, and it is our duty to do it, and we will do it to the best of our ability.

Mr. SIZER: Good luck!

Mr. W. T. KING: The hon. member should get up and give us some sound criticism—we want more than good luck. I am sorry that I can only talk—(Opposition laughter)—and endeavour to make my point clear—that I can only put my argument in

the simplest and easiest of language; but even then I doubt whether I have the ability to make hon. members like the hon. member for Toowong understand anything. Our task is one that the Leader of the Opposition recognises as a very trying one. When one takes into consideration the general economic position, one must recognise its difficulty. In the year ended 30th June, 1901, the Commonwealth had a national debt of £200,000,000; to-day it is £1,101,000,000. We spent £350,000,000 on the war—something that was unproductive and for which the nation got nothing productive. From 1900 to 1910 the Commonwealth public debt expenditure was £6,000,000 annually; for the years 1910 to 1914, £20,000,000 annually; and from 1914 during the war years, £80,000,000; and since the war £40,000,000 annually. These facts and the economic depression have caused us difficulty, but the tragic circumstances of having as Treasurer the hon. member for Wynnum and a Government presided over by the Leader of the Opposition have increased them tenfold.

It is interesting to hear the opinions of those who evince an interest in the economic position to-day. It is interesting to hear the opinion of Lord Melchett, who has seen the light, and has made momentous statements relating to the finance of the future. His statements certainly give great cause for reflection, and should not be treated with levity.

Mr. MOORE: I am sympathising with you

Mr. W. T. KING: I do not require your sympathy. Surely to goodness I am entitled to quote from the utterances of the people of the past!

Mr. MOORE: Of course. The hon. member for Rockhampton went back to the days of Demosthenes. (Opposition laughter.)

Mr. MAHER: Lord Melchett is dead.

The TEMPORARY CHAIRMAN: Order! I ask hon. members on my left to allow the hon. member for Maree to continue his speech without interruption.

Mr. MOORE: We are helping him.

The TEMPORARY CHAIRMAN: Order! Hon. members must not interrupt.

Mr. W. T. KING: I accept the statement that Lord Melchett is dead; I know that; but I have the right to refer to the wonder-men of the past. If during his remaining years the hon. member for Wynnum suddenly became famous, I would have a perfect right, and it would be my duty, to refer to something that he may have said or may have done for the benefit of his country, just as I am entitled to refer to those things that he has done which have not been for the benefit of his country.

Mr. KENNY: Give us something original.

Mr. W. T. KING: The only original thing that the hon. member has is original sin. Lord Melchett, who gave the problem very serious consideration, had this to say—

“We have got to learn to make money fit commodities, and not try to make commodities fit money. We must learn the economics of plenty and forget the economics of scarcity.”

He also said—

“Does it not show that to achieve economic stability we have got to completely revise our views on economic and financial questions?”

If there are any economic geniuses sitting in the Opposition, they should come forward to assist in solving this problem. The Leader of the Opposition referred to the economic geniuses who assisted in the preparation of the Premiers' Plan as “so-called experts.” I am sorry to be found in his company in agreement on this point; but I hope that that is not going to contaminate me for the remainder of my political career. If hon. members opposite have anything constructive to offer, then let them produce it. Destructive criticism is of no value. Let us have something of a constructive or a rehabilitative character—something that will be in the interests of the people as a whole.

Mr. MOORE: When are you going to do it?

Hon. W. H. BARNES: I notice that the hon. member is giving very close attention to the press gallery.

Mr. W. T. KING: The hon. member for Wynnum should be charitable, particularly in his declining political years. If charity has not been one of his attributes in the past, I advise him to cultivate it. He must realise that his political decline is in the offing, and will shortly loom very largely before him. He should refrain from making remarks of that kind. A gentleman who has been in this Chamber for so many years should lead it in courtesy and decency. We only did our duty to the State in spending the £4,300,000 of loan money which has been referred to by the Opposition, and by doing so the purpose in view was achieved.

Hon. members opposite claim that, when they were in power, Queensland was in a prosperous condition. Prosperity is not a factor that arises in a second or a minute; and, if the State was in a prosperous condition during their regime, then some credit must be due to the good work accomplished during the fourteen years' administration of the Labour Government which preceded them. The effect of the policy of the Labour Government was to be seen in an unmistakable manner during the regime of the late Government. If hon. members opposite were now in charge of the Treasury benches, they would find themselves in the same position as the Government, and would be compelled, by force of circumstances, to reduce the estimated deficit to £1,485,000. According to the rough draft Estimates prepared by the ex-Treasurer, he estimated a deficit for this year of £2,700,000.

Hon. W. H. BARNES: They were not our Estimates.

Mr. W. T. KING: The financial advisers of the Loan Council would have insisted upon the ex-Treasurer, had he and his Leader attended the June meeting of the Loan Council, reducing that estimate to £1,485,000. That was the amount which the financial advisers of the Loan Council considered fair and reasonable. He must consider, also, the straitened circumstances under which the community is living, and the obligation upon the Government to alleviate unemployment. The assurance given by the Treasurer to the Loan Council to reduce the deficit within certain bounds should receive the benediction of the Opposition, as it did that of the Loan Council. Notwithstanding the financial difficulties of the State, and the unemployment problem, the endeavours of the Government to reduce the deficit

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should receive the commendation of the Opposition, instead of their smirking and ironical smiles. The task is ours, and we are going forward to accomplish it. That task is the creation of a Government whose record is one of accumulated deficits. The Government will proceed with that task cheerfully, and will not allow any obstacles to be placed in their way by the Opposition, who believe their task to lie in obstructive methods. The people have given the Government a mandate to consummate their policy, and they will successfully carry it out. The late Government were relegated to the Opposition benches because the people recognised that they were totally unfitted for the task of governing the State. If the Government succeed in the task committed to them by the electors, then they will have done something for the State, something to overcome the unemployment difficulty, and something to assist Australia to regain the road of prosperity, which I, as well as hon. members opposite, hope she will soon regain, and which will lead to greater contentment among the people as a whole.

Mr. EDWARDS (*Nanango*) [12.33 p.m.]: The hon. member who has just resumed his seat delivered one of the most remarkable speeches that I have ever heard delivered in this Chamber. I could compare him with nothing else than a racing engine which has thrown off the belt of the machine it has been working and is traveling at a terrific speed without doing any work or accomplishing any useful purpose. During the whole of his diatribe the hon. member made no suggestion nor offered any constructive criticism which would benefit the State. This only confirms the belief I formed at an earlier stage that most of the hon. members opposite can only talk. The hon. member for Maree did not tell us one thing that the Government hoped to do. He said that he would do so about 400 times, but never once did he make a suggestion. I cannot conceive of any hon. member wasting the time of this Chamber by repeating statements without accomplishing anything.

It must be admitted that the Budget does not reveal the true financial position of the State or what the financial position at the end of the year is likely to be. One can only come to the conclusion that the Treasurer was forced to put forward this Budget at the behest of the extreme section of the Labour Party. No person with a knowledge of the position in Queensland would seriously tell this Parliament that at the end of this financial year the deficit will not exceed £1,485,000. I regret to say it; but I am satisfied that it will be at least £1,000,000 more than that before the financial year ends; and the Treasurer knows that as well as I do.

Of course, the hon. gentleman said that everything depended upon revenue and seasons. My belief is that the greatest dependence must be placed on relieving the people from the burden of taxation. Only in that way can industry be stimulated so that the wealth of the State may be increased. What to my mind is the most serious aspect is how many hon. members on the Government side want to create a crisis—a smash—that will bring about the establishment of their policy of socialisation. How many hon. members opposite are saying behind the Treasurer's back, "Let it go on no matter

what happens. Then we'll come in with our socialistic objective!"

GOVERNMENT MEMBERS: No, no!

Mr. EDWARDS: Hon. members on the Government side must surely realise that industry cannot be made to progress by the imposition of further taxation. When the Moore Government took office, they realised that the difficult position they found necessitated a reduction in the costs of production. The ex-Minister for Transport reduced railway costs by over £400,000.

Mr. LLEWELYN: By reducing wages.

Mr. EDWARDS: No—not in wages. The ex-Minister showed a profit for the three years of £725,000, notwithstanding the tremendous falling off in railway traffic.

We can easily visualise how the present position has arisen. Not so many years ago the battle-cry of the Labour Party was "Down with the Beef Barons!" When the cattle industry declined, the Labour Party tackled the wool producers, and the new cry was, "Increase their rents and taxes!" That cry is a very feeble one now, because it is generally realised that the plight of the wool producers, even with the slight improvement in prices lately, is far from satisfactory, seeing that in many cases the prices realised do not equal the cost of production. I am satisfied that ere long a stocktaking will have to be taken of the whole position so that definite information may be available as to the extent to which taxation can be levied. If that is not done, we shall be simply floundering in the dark.

It is estimated at the present time that, with State taxation, Commonwealth taxation, and local authority taxation, 56.2 per cent. of the income of this State is eaten up in taxation. How are we going to continue under those conditions? Where are the people to get employment? What is the use of all the talk in this Chamber about keeping up the standard of living when we know that day by day men are giving up and going on the unemployment relief fund? The State cannot continue along those lines. People are penalised at the present time to pay taxation, and farmers, owing to the drop in prices, are being driven off their farms because of debt. Hon. members opposite need not take any notice of the associated banks. Let them go to the Agricultural Bank, and get from the manager of that bank the number of farmers who cannot pay their way and who are being asked by the bank to pay to the bank a certain percentage of their monthly cream cheques. Are the Government sincere in trying to right the position of the State and bring it back once again to a sound basis; or are they simply floundering along and not bothering, hoping that a general crisis will come so that they will be able to put their objective into operation? Are some of them attempting to bring about a state of conditions in Queensland such as that existing in Russia to-day? The way they have acted for a number of years seems to indicate that.

The hon. member for Maree did not make any suggestion of his own; yet he asked hon. members on this side to put forward some suggestion which would help the Government in the distressful times we are going through. We say the policy the Government are trying to put into effect is against the interests of every industry in the State.

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At 12.45 p.m.,

The CHAIRMAN resumed the chair.

Mr. EDWARDS: The following figures show the sources from which the extra revenue is anticipated to be derived:—

	£
Super land tax ... ..	130,000
Income tax ... ..	270,000
Railway fares and freights ...	325,000
Transfer from Main Roads Fund receipts ... ..	250,000
Unemployment relief tax ... ..	486,000
	<u>£1,461,000</u>

All that increased taxation is wrong in principle. What is the use of asking this side to make suggestions to help in solving our troubles when the Cabinet will continue further taxation on these lines? We have already got to the point of imposing taxation to the extent of over 50 per cent. of the revenue which the people are producing, and every additional 1 per cent. is driving more people upon the unemployment market. Not only are employees losing their work, but people who have put their money into industry, business men, and farmers, are "going broke" all over the State. Hon. members opposite taunt us on this side with making pessimistic speeches, but, in saying that, they are either trying to discredit us or are ignorant of the position which obtains in the State. How can we ever get a remedy if we are not game to face the position, if we foolishly say that everything will be right, and that we can pay the basic wage to the unemployed, and all that sort of thing, when we know the depressed condition of things at the present time? The Government are going along the wrong lines, and it will be absolutely impossible for them to get anywhere or to assist the unemployed, and the present conditions will break the Government just the same as they did before.

We are astonished when we think of the amount of borrowed money that the Labour Governments spent during their long period of office, as well as the enormous amount of revenue they handled; yet, notwithstanding that, in 1929 they came to a crisis when they could see no light at all with regard to unemployment and were turned out of office. That proves how hopeless it would be to cope with unemployment by following the same policy again; still, the Government are carrying out that policy under conditions which are worse than before.

The following figures relating to income tax assessments illustrate the decline in revenue:—

	1928-29.	1931-32.
	£	£
Manufacturers ... ..	223,581	186,679
Merchants ... ..	501,926	272,777
Sheep pastoralists ... ..	312,035	41,095
All sources ... ..	2,106,775	1,491,489

The numbers of individual taxpayers with taxable incomes exceeding £1,000 per annum were—

1928-29 ... ..	1,825
1931-32 ... ..	779

That proves that we cannot expect to right the State under these conditions by imposing further taxation. It is quite impossible. Whether hon. members opposite, or some of them, force the Premier into a crisis or

not, judging by the evidence that we have throughout the Commonwealth and from other parts of the world, it will not be long before Labour organisations will force hon. members opposite to do exactly what they forced Mr. Lang to do in New South Wales. In New South Wales, some of the organisations have turned down Mr. Lang because he is not "red" enough for them; they have disqualified him because he is not going fast enough towards the objective. In the Old Country, although Mr. Arthur Henderson sacrificed his political career by refusing to join the National Government to save the nation, a big Labour convention has definitely turned him down. These are some of the things on which I base my conclusion, and at the next election the first plank in the platform of hon. members opposite will be "Socialisation in our time!" How many of them are prepared to help to put this State on a sound financial basis? How many of them who are now sitting behind the Treasurer—who, after all, is sufficient of a business man to know where he is going—are merely waiting until the crisis comes, intending then to jump into the front of the new movement for the socialisation of industry?

Mr. W. J. COPLEY interjected.

Mr. EDWARDS: The hon. member can only fight the women, as he did yesterday. I say definitely—it is not the statement of my party—that the attitude of the Industrial Court at the present time is damning the State; and anyone who views the position clearly knows that I am right.

Mr. W. J. COPLEY: Ringbarking it!

Mr. EDWARDS: The hon. member was ringbarked long ago. A demonstration of this was given in the case of the Toowoomba Foundry Company the other day. I know something about the manufacture of farm machinery and of the way in which people are suffering who have to purchase it. The case the company put up was an endeavour to save the trade for Queensland. I do not say the company is going to be driven out of business—but it will be curtailed to such an extent that the machinery people in the Southern States working under different conditions will swamp the market in opposition to that company.

Mr. W. J. COPLEY again interjected.

Mr. EDWARDS: The hon. member should not speak at all on this question, because it is far too big for him. He can grasp only one little thing, and that is in his own electorate. Unless one views the position seriously, one does not realise how far-reaching may be the effects on our State. If that foundry loses business, as Walkers Limited lost business—and the Labour Party helped them to lose it—the detrimental effect will be felt in many ways. The cost of manufacture will be increased. That sends up the cost of production, because the producers must purchase machinery as long as they can keep on their farms. The man in the Southern States will get the work of manufacturing that machinery, because up here we are fighting amongst ourselves. I was rather astounded to see that eight or nine unions were represented in fighting that case against that one foundry.

I honestly believe that many hon. members opposite believe that, if such an industry as that foundry or Walkers Limited cannot pay the wage prescribed, it should go to the

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wall. That policy, so often and so loudly proclaimed in this Chamber, has forced thousands of employees upon the streets. These employees were prepared to make any sacrifice to maintain their employment so that they might provide for their families. Labour administration in this State became so oppressive that many factories were closed only to be reopened in the Southern States and the manufactured goods exported to Queensland. Do hon. members opposite stand for that policy? I extend my deepest sympathy to the Treasurer in his difficult task of endeavouring to do something in the interests of this State despite the resistance of his supporters, who await the moment when they may jump in and benefit by the wreckage brought about through their endeavours.

The industries of Queensland find it extremely difficult to bear the present burden of taxation. How are they to function freely if taxation is to be imposed with the object of paying the basic wage to the relief workers? Is that in the best interests of the workers, and will that right the position in this State? Of course it will not. I advise the Treasurer to depart from that line of thought. It is all very nice to say that the wage paid represents a starvation wage and one that is insufficient to provide a reasonable standard of living; but how can a better standard be provided if the wherewithal cannot be found for the purpose? It is somewhat like patting a hungry man on the head and encouraging him by saying, "Poor fellow!"

The SECRETARY FOR PUBLIC WORKS: That does some good.

Mr. EDWARDS: It does some good; but it does not provide additional food. It is a crime for any Government to throw thousands of employees out of work and many industries out of commission. Perhaps generations will elapse before the position can be restored.

The Secretary for Public Works found it necessary to trot all over the State in search of an electorate that he could win at the last election. I am hopeful that the farmers of the Tableland will be able to educate him up to the requirements of Australian industries, and that they will be able to convince him that there is a breaking point in taxation. He will be able to realise that before long. The last Labour Premier, Mr. McCormack, was held up to ridicule because he warned the Labour people that they would have to realise that there were only 20 cwt. to the ton. If the Labour movement had given sufficient attention to the utterances of Mr. McCormack and Mr. Theodore in 1924 and 1925, the position would not now be so difficult. They both warned Labour that taxation had then reached the breaking point. It was then the duty of the Labour Party to bend their attention to the assistance of industry by the alleviation of the taxation burden. Had adequate attention been given to this phase of our economic life, I am satisfied that unemployment in this State would not have reached its present alarming dimensions.

I will quote further figures to prove the correctness of my statement that it is impossible to tax and tax industry and then expect it to expand. The two main principles that wealth production must provide for are the carrying on of the necessary functions of government, including loans for

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the development of the State, and the expansion of industrial and commercial activities in order to provide for the increasing population.

The value of production for the twelve months period 1930-31 was £54,435,000. The revenue of this State for the same period, including unemployment relief tax, was £16,228,000. The revenue derived by the Commonwealth from Queensland for the same year was £9,940,000, while local authority taxation amounted to a further £4,450,000. That is to say, the total taxation levied in Queensland by all taxable authorities for 1930-31 was £30,618,000. That position has since become infinitely worse. The figures prove that it is absolutely impossible for industry to expand with a view to providing work for the people. We must look at the position from a common-sense point of view. That is what leads me to say that I cannot believe the Government are sincere in their policy, because, when proposing to increase taxation, they cannot be taking into consideration the impossible burdens placed on industry. Our industries do not receive the protection they should from our arbitration courts. They are afflicted, on the one hand, by burdensome taxation, and on the other, by restrictive conditions.

Mr. WATERS: Mr. Hanson, I rise to a point of order. Is the hon. member for Nanango in order in referring to decisions of the Arbitration Court? (Opposition laughter.)

The CHAIRMAN: The hon. member for Nanango is quite in order up to the present.

Mr. EDWARDS: Let us view the position, and see if it is not possible to remodel the conditions which our industries are suffering from, because, if we can do so, it will be in the interests, not only of the State, but of every person in it. It will also be in the interests of the very men that the hon. member for Kelvin Grove is supposed to represent. If we drive an industry out of the State, that is detrimental not only to the people engaged in it and those in subsidiary industries, but it also detrimentally affects prosperity. It is very easy to pull down an industry, but it is not so easy to build it up again. The building up of industry is the result of years of hard work and the expenditure of much capital.

Mr. FOLEY: What do you think is a fair wage for industry to pay?

Mr. EDWARDS: If the position of an industry is properly put to its employees, and it can be shown conclusively that increased productivity will lead to its establishment on a firm basis, then they will agree to work for very little until it is firmly established.

Mr. WATERS: Your party usually puts it to them at the point of the pistol.

Mr. EDWARDS: So long as that attitude of mind predominates, no progress will be made. As I have illustrated on previous occasions, if 100 settlers were placed on a new settlement and they immediately turned round and said, "We will not continue unless we get the basic wage," no settlement could possibly take place.

Mr. WATERS: There is no analogy.

Mr. EDWARDS: There is. Up to a certain point sacrifices have to be made in order that the industry may be built up. Then,

when an industry is established on sound business lines, recourse may be had to arbitration tribunals in regard to wages. On the other hand, if, in the infancy of an industry, undue demands are made upon it, only one result will follow; the industry will languish, and the unemployed market will be further burdened. That seems to me to be unanswerable, so that I cannot understand the Government acting in a contrary manner.

I shall now suggest to the Committee ways in which money should be expended. Under the present Administration most of the funds available will be eaten up by providing work in and around the cities. For example, additional men will be employed on the railways, where they are not required. That is wrong. I do not believe that land settlement schemes should be embarked upon without due consideration; but that would be an infinitely better avenue for the expenditure of money. Indeed a thousand times better would it be to assist the farmer already settled on the land and who at the present time is faced with difficulties in developing his holding. That would be even preferable to building up new settlements unless careful consideration is given when new settlements are contemplated. The first expenditure on land settlement is not always the last. If it could be clearly shown that £10,000 spent on new land settlement would be the first and last cost, it would be all right; but a point which must not be overlooked is that, immediately land settlement schemes are attended with difficulties, an approach is made to the Government for further concessions. That has been the case in soldier and other settlements in Queensland. I am just afraid that even under fair conditions we shall not be able to obtain the necessary money to continue that settlement on the lines on which it should be continued. I suggest that the money should be loaned to farmers who at present are in difficulties, and give employment by that means. It must be admitted that Queensland suffers periodically from droughts, when the settlers are thrown back probably ten or twelve years, if not ruined altogether. We could avoid that position by the conservation of fodder. We are arriving at the time of year when it should be possible to conserve fodder. Last year was the only year I have known in Queensland when we got what might be termed a real drought in the closely settled areas of Queensland during the summer months. From the early part of December till April we got no rain, and, therefore, no fodder could be grown during that period. If some of the money received from the unemployment relief tax was loaned at a small rate of interest to farmers in difficulties on the understanding that they should conserve so many tons of approved fodder, it would help materially in a time of stress. Where there is not a big family or a family of boys working on the farm, it might be a condition that a certain number of men should be employed. It is far better to have one settler doing reasonably well than to have half a dozen settlers starving.

Mr. FOLEY: You are suggesting something that has already been announced publicly.

Mr. EDWARDS: It has not been announced. I am hoping that that will be done, as it will provide an insurance against difficulties that may beset us later.

Money should also be made available for the conservation of water. Many settlers

cannot work their properties to the full capacity, as they have not the necessary capital to conserve water. It would be a wise thing if money were spent in that direction instead of a very big proportion being spent in the larger centres of population, as is the case at the present time. If this were done, it could eventually evolve into a permanent insurance scheme, which would provide the security that is so essential for the establishment of people on the land. I am satisfied that we should spend as much money as possible on irrigation. I am not suggesting that we should go in for some big elaborate scheme. Let us concentrate on small districts where a certain amount of water could be conserved and distributed over the land by gravitation. If we put money into irrigation schemes, we shall get the best security possible for our investments. There are irrigation schemes operating in Australia from which we could secure information to guide us. All the money we can make available should be used in this direction.

The Agricultural Bank seems to me to be one of the best channels through which to lend money to assist farmers who are in difficulties. There are no means by which a person could have his case better dealt with than through the Agricultural Bank, and all the money possible should be allocated to that institution. The money advanced not only assists the settler at the start, but enables him to attain a sound position. Increased production means increased employment in many directions. The increased crops of maize and wheat will have to be harvested and carried to and from the railways, and men will be required to put it on the ships to take it overseas if it be one of our exportable products.

Mr. WATERS: What prices are being obtained for their products?

Mr. EDWARDS: At the present time maize is 5s. 6d. per bushel and pumpkins are selling at about £8 per ton, and the hon. member should know something about pumpkins. It would have been well if the Labour Governments had taken notice of what Mr. McCormack said in 1924, and realised that we could not go on borrowing money and spending it recklessly as we had been doing in those years when we were getting a good revenue. If loan money had been expended in the channels I have indicated, we would be in a much better position than we are in to-day, and not have half the unemployment we have.

I think the proposal to withdraw the sum of £250,000 from the main roads fund receipts is quite wrong, and the Treasurer will find that it will not work out successfully. The money will go into the consolidated revenue and be expended around the cities, and perhaps result in the piling up of more losses on the railways. It is to be hoped that the Treasurer will reconsider that proposal and go on building main roads as feeders to the railways.

A review of the Budget causes us to realise that we are looking to the primary producers to create work for our people. The primary industries carry the secondary industries along, and really pay the wages of the workmen in the State, and it is only fair that money should be diverted into the channels I have suggested so that we

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shall make progress. What I have suggested should have been done twenty years ago.

One can see a little improvement here and there and an indication of further progress. One outstanding feature of the present day is the "back to the horse" tendency that is operating in Australia. Thousands of horses are coming into use and motor vehicles and tractors are being put out of commission. In the coachbuilding, wheelwright, and harness trades hundreds of men would find employment in building the carts and wagons that would be needed. Moreover thousands—even tens of thousands—of tons of fodder will be required in two or three years for the feeding of the animals. In addition, I believe that there is a wonderful opening for the export of horses, because many other countries have allowed the use of the horse to die out, just as Australia has done; and it is admitted that not many countries can breed horses as successfully as Australia. We would get that trade back. Even now there is an all-round demand for horses both for local use and for the Indian market. A return to the horse has many advantages, including the very material assistance which it would give to the Treasurer in helping to overcome some of his difficulties.

To carry out the suggestions I have made and to help in the development and progress of the country we must be sincere. We must realise that it is no use trying to push a wrong system when the development of Queensland demands that it shall take place along proper lines. To my mind, this is where the Labour Party are wrong. We must have a stock-taking; we must find out what industry can pay. If it cannot pay, there is only one end for it. If we had a national stocktaking, then every business man would understand exactly what we were heading for. It would immediately show us that relief from some of the taxation that bears so heavily was necessary. It is not many years since, as the Treasurer remembers quite well, Mr. Theodore and Mr. Scullin enunciated their financial policy in Federal politics. Mr. Lang announced another policy, much more drastic and much nearer what is known as the Labour Party's objective of the socialisation of everything. Yet to-day many of the branches of the Labour Party in Sydney are crying out that Mr. Lang is not going fast enough for them. Are we—members of Parliament particularly—prepared to accept that judgment and allow ourselves to be pushed in the wrong direction? If we are, we shall soon be floundering worse than ever and experiencing the greatest difficulties we have ever seen in this State.

As one who has a great regard for the State of Queensland, I hope that the Treasurer—who has the ability if he can only shake off the shackles that keep him back—will tackle the job and cut down expenditure. If he wishes to raise wages and do the workers a good turn—I am referring now to the ordinary employees of the State—let him do it gradually as the position of the State improves. It is no use making the State top-heavy, so that everything will end in crisis, nobody will have any work, and there will be starvation all round, whilst the revenues of the State suffer. All the available money should be utilised in the development of this State in a practical way. Then, and only then, will materialise the employment for which we all hope.

[Mr. Edwards.]

Mr. W. J. COPLEY (*Bulimba*) [2.25 p.m.]: The Budget delivered by the Treasurer is a very sane and a very logical exposition of the finances of the State. It is the most humane and sound Budget delivered in any State or Federal House of Parliament during the past two years. The task of the Treasurer in bringing down his Budget for this financial year was pregnant with difficulties. He was faced with a deficit of £2,750,000—a deficit that no Government in Queensland could contemplate. Naturally, he desired to reduce that deficit, and he stated at the Premiers' Conference that he would endeavour in every possible way to reduce it to £1,485,000 during the ensuing financial year. It is very refreshing to find that he proposes to do that without continuing the insane deflation policy carried out by the previous Administration, and without reducing the wages of the workers in this State.

During the past three years the administration of the Treasury in Queensland has left much to be desired, and an examination of the figures shows just how foolish was the policy of the previous Administration which accentuated the position of Budget inequilibrium. During the first financial year of the Moore-Barnes Administration the late Treasurer estimated that his deficit would be £176,142; but at the end of the year he was £723,185 to the bad—a mere £550,000. I do not believe that that was so much due to exchange and other factors as certain hon. members opposite would have us believe, because we remember that for the financial year 1913-14, when the same Treasurer was in charge of the financial affairs of Queensland, he budgeted for a surplus of £8,380 and finished up with a surplus of £269,000. During the financial year 1930-31 he decided that he would have to make up the leeway of £723,000, and, guided by the advice of the Cabinet, and with the full approval of the late Premier, the Government set to work to reduce wages and to carry out a deflationist policy. That is the policy which the late Government and other Nationalist Governments throughout Australia have adopted since financial chaos was created in Australia. The hon. member for Wynnum was very optimistic on that occasion. He did not anticipate a deficit at all. He anticipated a saving of £966,000 by way of wage reductions through the Industrial Court and by means of the Salaries Act. That is the Treasurer's own figure, which may be found in "Hansard." The same hon. gentleman, who to-day talks so much about the increased taxation imposed by this Government, in that financial year increased the incidence of the income tax, from which he estimated an increase of £600,000. He also increased succession duties by £85,000, and the tax on betting tickets and stamp duties by £42,000, making in all an estimated increase in taxation of £727,000. It must be borne in mind that the late Government estimated to save £966,000 by the reductions in salaries and wages in addition; but, notwithstanding this estimated saving and increased taxation estimated to produce £727,000, the hon. gentleman budgeted for a paltry surplus of £3,268. Hon. members of this party asserted at the time that a policy of wage reduction and deflation would not solve the economic problem, and that at the end of the financial year the then Government would find their expectations far from

realised. The actual result showed that the Treasurer of the day broke his own record of a deficit of £723,000 by finishing up the year with a deficit of £842,044. Notwithstanding these facts, the late Government were slow to learn their lesson from their administration in 1930-31, for, when the Budget for 1931-32 was presented, notwithstanding the wage cuts, which represented 21.7 per cent. on the wages bill when they took office, and notwithstanding that the contingency vote had been reduced by 14.2 per cent. a deficit of £1,781,000 was budgeted for. The actual deficit on 30th June last was £2,075,000. To accept that figure is to be kind to the ex-Treasurer.

Consequently, when the present Treasurer took office, he found the State finances in such a chaotic condition that prompt action was necessary to stop the rot. The Labour Party realise, and we on this side of the Chamber have always realised, that it is a basic principle, even though we failed to take a lesson from the administration of the last Government, that no solution of the present economic problem can be found in a continuation of the policy of deflation and wage cutting. This was one of the factors which operated when the Treasurer went to the memorable meeting of the Loan Council in June last. I say "memorable" because the result of that conference has meant much to the workers of Queensland and Australia. The Treasurer, by sheer logic and common-sense argument, persuaded his co-Premiers and Treasurers that, in order to obtain Budget equilibrium, they must also work along the lines of restoration of work and wages to those citizens who are unemployed. He was able to convince the Premiers that the first step in that direction was to get back into employment those who were out of work. That he convinced his co-Premiers and Treasurers is evidenced by the fact that a resolution committing the Premiers and their Governments to the Premiers' Plan was, at the instigation of our Leader, amended along the lines I have enumerated.

We find, also, that the total appropriation on loan fund account last financial year was £1,162,910, whereas this financial year £3,167,242 will be spent from loan fund. In other words, £2,004,332 more loan money will be spent in Queensland this financial year than was spent last year.

Mr. SPARKES: More's the pity!

Mr. W. J. COPLEY: The hon. member, who represents a large country electorate, may say that; but I believe that I represent the true reflex of the opinion of the people of Queensland when I say that, just as in war time the big job was to bring the war to a successful conclusion, so in a time of great industrial poverty our first aim should be to prevent people from starving by assisting them into employment. I am one of those who subscribe fully to a principle which will allow for an increased loan expenditure of £2,004,332. As a matter of fact, in reply to hon. members opposite, we might even be charged with honouring one of the election promises which they repudiated. I refer to their very definite pre-election promise to provide £2,000,000 for 10,000 jobs. We believe that the judicious spending of an additional £2,004,332 in the right channels will do much to ease the unemployment problem, which, after all, is the big factor confronting the present Government. Possibly that problem did not

worry our predecessors to the same extent; but it is the vital concern of the present Government; and we believe that the judicious spending of the money I have mentioned will relieve unemployment in Queensland. Moreover, it will have a beneficial effect on industrial and business circles generally.

It is interesting, also, to notice that, with the object of stimulating the building trades, the Government propose expenditure in the following directions:—

	£
Public buildings—	
Maintenance ... ..	60,000
New construction ... ..	250,000
Workers' dwellings—new construction and renovation of workers' dwellings and workers' homes ... ..	250,000
Building revival scheme, renovation of residences ... ..	100,000
	£660,000

That is something on which the Government may be congratulated.

I am pleased that large savings are being effected in certain directions. For example, it is gratifying to notice that the Government do not propose to fill the post of Agent-General—a position for which the hon. member for Wynnum was the nominee had the late Government been returned to power. That will mean a saving of £1,825 in salaries alone. Nor will there be any legal harvest this year in royal commissions, which last year cost this State £17,100. We remember that the chairman of the National-Democratic Council—with particular emphasis on the word "Democratic"—together with numerous other legal luminaries supporting the then Government, received the greatest proportion of that money. The only money which will be spent this financial year on royal commissions, so far as the Estimates show, and which is demanded at the present time, is £1,000 for the very necessary royal commission into the dairying industry.

I express the hope that the Government, in their wisdom, will see fit to reduce the large allowances which at the present time are paid to highly placed public servants. I do not wish to single out any particular individual in the public service and to quote against him the allowances which are being paid; but, in order to make my purpose clear, I do propose to quote one or two examples. We have the Under Secretary for Agriculture and Stock. He is struggling along on the poverty salary of £1,100 a year, less reduction. It was found necessary to allocate to him certain duties as Director of Markets, and it was thought necessary to increase his salary by £3 per week, although we know—I know personally—and the Government evidently recognise, that his duties were carried out by the Assistant Under Secretary, because they pay him and also the senior clerk an allowance to get that job done. The Under Secretary for the Home Department also struggles along on a poverty salary of £1,100 a year, less reduction. He is charged with the administration of Home Affairs, and, when he was asked to administer the Prisons Department, it was found necessary to pay him a further £100 a year. I hope that these large allowances that are being paid to officials in the public service will be discontinued. The State cannot afford to pay them at the

*Mr. W. J. Copley.*]

present time. There are too many of our people unemployed for the payment of these large allowances, and I hope they will be discontinued.

Mr. MAHER: What about allowances to members of Parliament?

Mr. W. J. COPLEY: The hon. member probably gets about £1,000 a year from his rabbits; and that might also be stopped if he does not watch it. I also notice on going through the Budget that an amount of £750 is provided on the Estimates for this financial year for the Assistant Commissioner of Taxes. Last financial year that individual—who I take it is a highly competent officer—I have nothing to say about his competency—was in receipt of £680 a year. I have reason to believe that his classification was increased just prior to the last State election. He was evidently a satisfactory servant of the late Government; and, whilst they refused to pay automatic increases due to juniors, they were able to increase the salary of £680 to £750 a year, just as they were agreeable to increase by £5 a week the salary of the Chairman of the Land Administration Board, who was struggling along on a bare £30 a week. I hope that, when the Treasurer and the Ministers get busy on this job, they will realise the injustice of granting this increase of £250 a year. I hope that the Chairman of the Land Administration Board also will be dealt with on the same plane as junior officers.

I wish to draw public attention to the huge sum of money required to maintain a Governor in this State. I believe that in times such as the present, quite irrespective of the merit or otherwise of the appointment of a local Governor—personally I favour the appointment of Australian citizens to the positions of Governors of the States or Commonwealth—surely the Chief Justice could have carried on the duties of Governor. The present Chief Justice would ably fill the position, and his appointment would have saved the people of Queensland a large sum of money; but the late Government, fearing the defeat which was imminent at the polls, and in their urgent desire to have a Governor appointed from overseas, showed indecent haste in having an appointment made. The salary of the Governor is £3,272 a year, his secretary and clerks draw £1,272 a year, and his travelling expenses, postage, and so forth, come to £2,000 a year. The gardens, made in order to provide him with a nice outlook from his palatial residence, cost the people of Queensland £1,242, and, in addition to that, implements, seeds, and so forth, cost £182. The total cost to the people of Queensland is at least £7,968 a year. That would suffice to pay fair wages to forty-five unfortunate workers who were put on the bread line under the Moore Administration and give them a decent standard of living. It may be all right in good times, but in times like the present this position could have been occupied by the Chief Justice and economy practised. The Moore Government gave the people of Queensland a rough deal when they imported a Governor under these conditions.

We have had a good deal of complaint from the hon. member for Nanango and other Opposition members with regard to the transfer of £250,000 from the main roads trust fund to the consolidated revenue. Certain

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hon. members opposite have gone so far as to refer to the transfer as "a big steal." I would point out that during the financial year 1931-32 the then Treasurer, the hon. member for Wynnum, transferred the whole of the amount standing to the credit of the assurance fund under the Real Property Act to consolidated revenue. He transferred £176,100 12s., which was the accumulation during a period of seventy years. The fund commenced in 1861, and was not interfered with by any previous Treasurer during those seventy years; but the ex-Treasurer found it necessary to transfer the whole of that amount to consolidated revenue. He also transferred £100,000 of the reserves of the workers' dwelling fund to the consolidated revenue. In other words, during that financial year he transferred £276,000 from trust funds to revenue.

An HONOURABLE MEMBER: He will not go to heaven when he dies.

Mr. W. J. COPLEY: I have been watching the way in which he tries to put it over hon. members in this Chamber, and I am afraid that he may even try to put it over St. Peter. Although he transferred that sum to revenue, hon. members sitting behind him on the Treasury benches have referred to the transfer of £250,000 now proposed as "a big steal!"

It will be gratifying to those who are not endowed with a great amount of this world's goods to see that the Government have restored the scholarships. The Labour Party believe that every boy or girl who is able to pass the university examination should have the opportunity to qualify for a better position in life. We made an election promise that, if returned, we would restore the scholarships to the level that previously existed. I am pleased to see that the Government, following their practice of honouring their pledges, instead of putting off that action until the last moment, and thereby incurring the wrath of the people, have taken an early opportunity of restoring the scholarships, and also of restoring what I may refer to as the "great steal" of 1s. a week taken from the widows and orphans of the State. It must be gratifying to the people also to notice that the Government have increased the subsidy to fire brigades—very noble and worthy institutions—from £16,000 to £18,500.

We have heard from the Opposition a good many complaints as to the methods adopted by the Treasurer in balancing the Budget. For the information of hon. members and the electors I propose to quote the methods which were adopted by the Tory Government in Victoria. Our Government propose to meet the budgetary position by the following means:—

	£
To reduce estimated expenditure by ... ..	220,000
To reimpose the super land tax ...	130,000
To increase income tax by ...	170,000
To increase railway fares and freights by ... ..	325,000
To transfer from main roads fund receipts ... ..	250,000
Adjustments in estimated receipts under various headings as result of revised estimates ...	70,000
	£1,265,000

The super land tax, by the way, was continued by the Moore Government for two

years, but discontinued as the election drew near. Victoria found it necessary to cut its deficit by £1,400,000, as compared with £1,265,000 in Queensland, so that the figures are similar enough for the purposes of comparison. The Victorian Government propose to reduce expenditure by £590,000 and to increase revenue by £851,000. How do they propose to increase the revenue? Jurors' fees in that State, which have been 12s. a day since away back in 1921, have been reduced to 10s. a day. The Newport seasoning works have been closed. As a natural result, a large number of men have been thrown out of employment. They are endeavouring to get the public servants and railway employees out of the service at sixty years of age instead of sixty-five years of age, as at the present time. The number of scholarships in that State is being considerably reduced. There is a large reduction in the number of studentships at the teachers' training college, and there will be no payment this financial year of any allowances to teachers in training at the training college. It is proposed to make a reduction in the maintenance cost of technical schools.

Let us now see how they propose to provide the sum of £850,000. They propose to increase the fees paid for the service of the police in serving civil summonses and in the execution of civil warrants of distress, whereby the actual cost to the Police Department will be reduced by £40,000. They propose to pay into consolidated revenue the amount received for drivers' license fees under the Motor Car Acts, and consolidated revenue will be recouped to the extent of £56,000. They propose further recoupments of expenditure by appropriating court fines on the general principle that portion of the cost of court and police services shall be recouped in all cases from the amount of fines inflicted by the court under various enactments. This will mean a saving of £19,000. There is to be a revision of the present fees and arrangements in regard to secondary education, which will mean a saving of £38,000—taken, of course, from those parents who cannot afford to provide a higher standard of education for their children. We have heard quite a lot about the question of taxation. The Victorian Government propose to introduce a system allowing for the payment of income taxation by instalments, which, of course, is a scientific way of obtaining increased taxation from the people. It is estimated that an additional £100,000 will be received in this manner. It is proposed to tighten up the legislation dealing with stamp duties, whereby an additional £37,500 is anticipated. I take it that "tightening up" means increasing or widening the scope of the legislation.

The Nationalist Government of that State have reduced the statutory income tax exemption to £100; and they propose to alter the basis of taxation so as to obtain an additional £232,000 in addition to the figures that I have already quoted.

They propose to increase the rate of stamp duty on betting tickets for wagers of £3 and over so as to secure an additional £30,000, and to increase the rate of stamp duty on cheques to produce an additional £37,500. The total benefit to the Treasury from these sources and under all headings is estimated at £590,000. It is not proposed to provide any further relief for the unemployed in Victoria. I put it to this Chamber and

the people generally, which is the better way of balancing the Budget—the way that the Government of Queensland propose by reducing the Budget deficit to the amount resolved on by the Loan Council, or the method that is being adopted by the Nationalist Government in Victoria? If our Government carry on in the manner they are now doing, I have no doubt that the people of Queensland will give them a magnificent mandate when the time comes round for them to give an account of their stewardship.

Hon. members opposite have in their arguments opined that the increase by the Government in respect of taxation is not justified. Those who know those hon. members best know that many of their misgivings are uttered for the sole purpose of gaining some miserable political advantage. There are some people outside this Chamber who are not accustomed to the calibre of some of the hon. members opposite; and, unless the fallacy of their arguments is proved, they may be in the position of being unable to judge them. In this connection I quote the following from the leading article of the "Courier" of the 3rd instant, and we must not fail to recognise that the "Courier" is the senior Tory journal in Brisbane, and does not give any political advantage to the Labour Party—

"The 'Courier' has not written excitedly about Forgan Smith's Budget because it realises that neither Forgan Smith nor Arthur Moore could do anything else in the circumstances than throw out the dragnet of taxation, and somebody less hopeful of improvement in prices than the Premier might have done a lot worse. Until we can get at least a proportion of the unemployed thousands back to work there can be no easing of taxation."

That is the opinion of a journal which is a most ardent supporter of our friends opposite. It is fair in this particular; yet we find its political representatives in this Chamber endeavouring by their criticism to confound the people as to the true position.

Taken by and large, the Budget delivered by the Treasurer was an excellent one. I propose also to quote from a statement delivered in 1930 by M. Albert Thomas, Director of the International Labour Office of the League of Nations. Probably no other person has his finger more on the pulse of the economic situation and knows more about international wage problems than M. Thomas. Just about the time when the Moore-Barnes Administration started their policy of wage reduction and deflation, M. Thomas issued a warning to the employers of the world, which was not heeded by them. M. Thomas said, *inter alia*—

"Certainly, I believe that an increased level of earnings to the world's work-people would help to remove the present economic depression and distress.

"But the increase should apply primarily to Eastern countries. Without the elevation of workers' standards in Asia, the improvement of European workers' standards as well as the lessening of world unemployment is greatly hampered.

"Obviously, it is impossible to leave out of account the advantages of reduced working hours."

*Mr. W. J. Copley.]*

The Moore Government, by the way, abolished the 44-hour statutory working week in Queensland—

“But with an untouched, or even an increased, level of earnings, a remedy for the crisis can only be looked for if the reduction of working hours is applied in all countries affected.”

Such an authority voices the opinion that no solution is to be found in a reduction of wages and an increase in the hours of labour. In 1930, when much could have been done to help in restoring good conditions and in preventing the chaos which subsequently followed, Mr. Thomas threw out that suggestion to the Governments of the world. The time is not too late to accept it. I believe the Government of Queensland have started on the right lines. They will go further along the right lines when they introduce the 44-hour week, and I hope that will soon be done.

The people generally should be very satisfied that it is a Labour Government in this State which is handling the Budget this financial year, and not the previous Tory Government who were expelled from office despite the electoral boundary manipulation prior to the election. Had the Nationalist Government been returned, there would have been Tory Governments in all the States of Australia following the policy which is so near and dear to the average Tory heart—low wages and long hours.

Mr. TOZER: That is not true.

Mr. W. J. COPLEY: In support of my statement and in substantiation of the remarks made by the hon. member for South Brisbane, when, in dealing with the Premiers' Conference, he said that the ex-Premier had stated that the Commonwealth Government could not expect the Moore Government to satisfy them in connection with economies as there was an election pending, I propose to prove that, had the Moore-Barnes Government been returned, there would definitely have been a £2 18s. 6d. per week basic wage. A committee was appointed by the Commonwealth Government in March last to make a report and recommendations to the Premiers' Conference to be held in April. It consisted of Sir Wallace Bruce, Adelaide, chairman; Mr. G. S. Colman, Melbourne, and Professors Mills, Giblin, Melville, and Shann, and the following Under Treasurers:—Messrs H. A. Pitt, Victoria, J. H. Stanley, Queensland, R. R. Stucky, South Australia, and A. Berkeley, Western Australia. An extract from paragraph 63 at page 17 of the report of these experts, of whom Mr. William Morris Hughes aptly said recently that “in times of depression they spring up like mushrooms on a dunghheap,” reads—

“Considerable further reductions could therefore be made by the general extension of the 10 per cent. reduction in real wages, salaries, and income from interest. Reductions in nominal wages are followed, particularly in depressed markets, by reductions in prices which in turn give rise under our method of wage adjustment to fresh wage reductions. This means that any required fall in real wages needs a much greater reduction in nominal wages.”

In other words, that the wages of the workers of Australia be reduced to 10 per cent. below the Harvester award of 1908. The

committee recommended, as reported on page 6 of the report—

“That all wage-fixing authorities complete the reduction of real wages by 10 per cent. below the level of 1928 where this had not already been done.”

That recommendation was considered by the Premiers at that conference; but it was just prior to elections in three States, and, despite the fact that the Prime Minister delivered a very interesting speech, from which I shall quote presently, it was shelved until after the elections, and a conference of Premiers was arranged for about 21st or 22nd June—a very suitable date after the three elections had taken place. The Prime Minister had this to say on the subject—

“The actual recommendations made by the experts are, firstly, that the principle of a reduction of 10 per cent. in real wages already provided under the awards of the Federal Arbitration Court should be made general and be given effect to by all wage fixing tribunals or by legislation.”

In other words, the Prime Minister's view was that, if it could not be done by wage-fixing authorities, legislation should be brought into operation to do the job. He went on to talk about the amount of money which has been granted from loan, and said—

“Such an expenditure of loan money and the Commonwealth's contribution to it could not possibly be justified unless it was accompanied by the absolute assurance that the original Premiers' Plan, as supplemented by the present proposals—

A 10 per cent. reduction in real wages is implied—

“was to be carried out in the spirit and in the letter.”

That should prove conclusively to any reasonable-minded person that, had the Moore-Barnes Government been returned, and had there been a consensus of Tory opinion at the Premiers' Conference, the Queensland basic wage would have been reduced to £2 18s. 6d.

Mr. SIZER: You read what Mr. Moore said about it.

Mr. W. J. COPLEY: As the hon. member for South Brisbane quoted in this House, Mr. Moore at that conference said “The Queensland Government could not be expected, with an election immediately pending, to satisfy the Commonwealth Government in connection with the expenditure.”

Mr. SIZER: He did not.

Mr. W. J. COPLEY: If he did not say that, then the report of the conference is wrong. It is clear and definite in the report of the Premiers' Conference that the ex-Premier of Queensland made that statement. It is reported very fully and definitely.

The Labour Government in Queensland have done much, and are doing much, towards replacing our people in employment at the present time. Our people are to-day in bad financial straits owing to a large extent to the administration of the previous Government. The Department of Labour and Industry under the present Minister is giving much greater benefit to the workers of the State than under the administration of his predecessor.

[Mr. W. J. Copley.]

Mr. TOZER (*Gympie*) [3.15 p.m.]: Any Treasurer bringing in a Financial Statement is to be sympathised with, because there are many difficulties which he has to meet, and he must do the best he can for the whole of the State. However much we may sympathise with the present Treasurer, however, we are quite entitled to criticise and show what has brought about the position which the Treasurer has to meet.

The Moore Government are blamed by hon. members opposite as being responsible for the present financial conditions in Queensland. At the last election the present Premier condemned what he called the deflation policy of the Moore Government, and he stated that they were out to reduce wages and extend the hours of work. That statement was made by the hon. gentleman and his supporters, and the people were only too willing to swallow it. Many of them were, unfortunately, out of work and suffering greatly, and they were told that, if the Moore Government were turned out, a Labour Government would be able to rectify the position; and naturally they were ready to believe the statement, and supported the Labour Party. Hon. members opposite were not justified in making those statements to the people because they were not true.

Let us go back and see what the position was when Labour came into power in 1915. We know that the Labour Party is still the same in principle as it was then, and the present Government will naturally carry on in the same way as previous Labour Governments have done. That is borne out by what has happened since the last election.

In 1914-15, Queensland had been in existence for fifty-six years. The Governments who had been in power prior to Labour coming into office had to borrow money to carry on reproductive works; and during that period they borrowed money from overseas to the extent of £55,495,213, which carried interest at the rate of about £2,000,000 per annum. The Labour Party in those days pointed out that there had been too much borrowing, and contended that there should be no more except for reproductive works, and then only to a limited extent. "The Worker" took up the same line. The "little red book" was issued, and said the same thing, and urged that Labour must get control of the Government benches in order to stop the rot. Labour was returned. Labour was in office fourteen years, and, although it professed not to believe in borrowing, the Labour Government in that period borrowed £56,000,000; and that money was not borrowed on such advantageous terms as previous loans. Some of it was borrowed in the United States of America at a much higher rate of interest. So the interest bill went up to over £5,000,000, and taxation, which had been £1 8s. 2d. per capita before Labour was returned, rose to £5 1s. 11d. When Labour was returned, unemployment was very small, and was costing only about £5,000 a year. After Labour had been in power fourteen years, and unemployment had been increasing all the time, notwithstanding the fact that the Government were spending £4,000,000 per annum of money borrowed from overseas, and, notwithstanding the fact that an army of workers were always on loan works, the annual expenditure on unemployment, including unemployment insurance, had risen to £460,000 per annum. Yet it is now argued

that, because there was a certain amount of unemployment during the Moore regime, that Government was responsible for it. The position when the first Labour Government were returned to office may be indicated by the following figures, as at 1st July, 1915:—

	£	s.	d.
Cash balances ... ..	2,577,802	0	0
Public debt ... ..	56,869,046	0	0
Interest bill ... ..	1,975,581	0	0
Taxation per capita ... ..	1	8	2

There had been surpluses for the previous eleven years; loan works and social services were costing the taxpayer only £267,852; and the public service was not over-staffed. The Labour Government had found fault with their predecessors for getting into that position. Had they rectified it, their complaints would have been justified; but, after fourteen years, with a rising revenue and everything else in their favour, we find that on 1st July, 1929, there were cash balances amounting to £4,902,227. Figures representing cash balances at that date depend a good deal on where they are taken from. Some speakers say that they amounted to £5,000,000, others give the amount as £4,000,000; and others say that, making allowance for commitments, the credit balance was only £3,000,000.

The hon. member for Kennedy stated that the credit was really a debit, and that that credit had been brought about by manipulation of the accounts. In addition, credit had become exhausted and revenue had declined to a serious extent. The public debt had been increased to £112,162,203, and the burden of interest to £5,170,948. Taxation per capita had reached £5 1s. 11d. Just imagine a deficit in view of all the money available to the Government! The Government have no intention of balancing the Budget; they cannot balance the Budget; but it is anticipated that the deficit will be reduced to £1,485,000. In 1928-29 they had a deficit of £165,958, and the public service was over-staffed by many thousands. The loan works services were not losing £257,000, as was the case under a previous Government, but the loss had grown to the enormous figure of £2,618,738. That was the position of a Labour Government after fourteen years in office.

The same party are in power again, and have commenced a similar senseless policy. These figures show the losses on the railways during five years of Liberal administration and five years of Labour administration—

1910-1915 ... ..	£181,844
1915-1920 ... ..	£4,976,492

In view of those figures, can anyone seriously accept the statement that Labour intends to balance the Budget and to adjust the finances of this State. In his policy speech the Treasurer said—

"Immediately on attaining office the Moore Government commenced a ruthless policy of deflation under the plea of balancing the Budget. Wages were arbitrarily reduced, employees withdrawn from the protection of industrial court awards, thereby diminishing the avenues of employment, reducing the volume of business done, and generally creating a feeling of industrial and business insecurity."

*Mr. Tozer.]*

He also said—

“By an insistence upon Queensland's share of available funds from the Loan Council, decent standards of living could have been maintained and the impact of the financial crisis considerably lessened in its effect upon the citizens of the State.”

Speaking at Cairns on 3rd May, 1932, he said—

“The Moore-Barnes Government was fast turning the State into a gigantic pauperhouse, compelling numerous men and youths practically to go begging alms when they should be making the wheels of industry hum and working and living in the ideal conditions this country could well afford to give its population.”

That was the statement made in connection with the Moore Government. It is not a true statement. There was no doubt that, when the Premiers' Plan was before this Chamber, the present Treasurer opposed it, as he said he did not believe in it insofar as it involved reductions in wages and salaries. There is not the slightest doubt, too, that on several platforms he absolutely denounced the Premiers' Plan. Speaking at Walkerton on 10th May last, the hon. gentleman said—

“Labour was confident that it could, and would, devise an alternative to the Premiers' Plan that would result in a speedy reconstruction of the State's finances, bringing in its wake a new era of prosperity, which would dispel the misery and depression gloom now existing throughout the State.”

Again, speaking in the Brisbane City Hall on 19th May, the hon. gentleman said—

“On behalf of this party, Mr. Smith emphasised that on no account would they accept such a policy as the Premiers' Plan. On the contrary, they would use everything at their command to prevent such a policy becoming operative. . . .”

There is a definite statement that the hon. gentleman did not believe in the Premiers' Plan. We must go into details to find out how the Premiers' Plan was evolved. When the Moore Government were returned to power in May, 1929, the Premier and the Treasurer were called down to Melbourne to a meeting of the Loan Council. Mr. Theodore, the then Federal Treasurer, was chairman of that body. He pointed out that there would be no more loan money available to the States from overseas. That put a different complexion on the financial position of the States, because, if it were considered advisable or necessary to borrow overseas, the loan markets were closed.

The Premier and Treasurer were again called South in September to attend another conference. This conference was called consequent upon a financial crisis, and which vitally affected not only Australia but every nation in the world. The income of Australia had fallen from £650,000,000 per annum to £450,000,000, or a drop of £200,000,000. This considerable drop in income was accounted for by a material decrease in the value of our primary products. The average price of wool during 1924-25 was 26.15d. per lb., the actual amount realised being £18,439,583. In 1928-29 the average price fell to 17.17d. per lb., and the aggregate sales to £11,947,458. In 1930-31

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the market was further dislocated, and the average price of wool fell to 9.86d. per lb., and the total income from the clip was only £6,860,958. The position so far as Queensland was concerned was that, though the wool clip in 1924-25 was valued at £11,557,625, it fell in 1928-29 to £5,086,500. Statistics show that, whereas the total clip for the year ended 30th June, 1931, was 53,600,000 lb. more than in 1924-25, the value was £6,100,000 less.

The total quantity of butter exported from Australia in 1931 exceeded the quantity exported in the earlier year by 20,000,000 lb., but the returns were £200,000 less. The amount of pork, bacon, and hams exported overseas in 1931 was five times as great as in the earlier year, but the value was very much less. The total quantity of sugar exported for the same period was 600,000 lb. more, but the value was the same. Those facts show how our economic position was affected by the world's price. The value of our raw products fell, and there was a financial crisis. That all happened after fourteen years of office of the Labour Governments, during which time they indulged in unlimited borrowing; and interest on this money had to be found by the Moore Government at a time when the national income was very much depleted.

From 1915 to the advent of the Moore Government in 1929 the revenue had steadily increased from £7,000,000 to £16,000,000. The Moore Government found on taking office that the revenue was beginning to fall rapidly, and that, moreover, a considerable number of unemployed had to be considered. Those factors, in conjunction with a big interest bill, and the fact that, after commitments had been met, very little cash was left for the Government, placed the ex-Treasurer in a position of extreme difficulty. That hon. gentleman and the other members of the Moore Government were just as anxious to maintain wages and to provide extra work as any hon. member sitting behind the present Government; but, in a position of great difficulty, the most just and equitable way of making ends meet had to be considered. If money is available, all sorts of things can be done; but, when money is not available, is it honourable to take it from somebody else? Further loan moneys were unprocurable. Where, then, was additional money to be found? Our primary industries had encountered a severe decline in prices, and, as a consequence, revenue fell from £16,000,000 to £12,000,000. In those circumstances it was impossible for any Treasurer to achieve Budget equilibrium. An estimate was made of the probable receipts and expenditure; but I venture to suggest that no one in Australia realised that exchange on our overseas interest would rise to the extraordinary figure of £1,047,718 last year. The position, therefore, was not of the Moore Government's creation.

At 3.39 p.m.,

Mr. W. T. KING (*Maree*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. TOZER: At the first Premiers' Conference presided over by the then Prime Minister, Mr. Scullin, all the Governments agreed that a reduction in expenditure was essential. As Mr. Scullin pointed out in the House of Representatives at the time, had the Commonwealth been forced to pay its way, it could not have paid more than

12s. in the £1. I do not wish to accuse Mr. Theodore of desiring to reduce old-age and invalid pensions; but he pointed out that it was an absolute necessity. He said that we had to take into consideration the fact that the cost of living had come down, and that 17s. 6d. a week at that time would be more to those people than £1 was previously. Nobody can say that Mr. Forde desired to reduce wages or bring down pensions unless he was forced to do it; but Mr. Forde pointed out that the deficits in the whole of the States of Australia amounted to £40,000,000 and that next year they would be up to £70,000,000, and something must be done to try and bring down expenditure. He said that it would be far better to have a reduction of 2s. 6d. a week in the pensions than be forced later to suffer considerably larger reductions, and, perhaps, if the Commonwealth collapsed, they would get nothing at all. At that time the returned soldiers had gone into the matter, and they were willing to suffer a reduction of 2s. 6d. The Premiers had to consider what was the best means to place the Commonwealth and the different States on a sound financial basis. The matter was thoroughly thrashed out, and Mr. Lang was the first to break away. When he came into power, he started what he called the "Lang Plan." That plan, Mr. Lang stated, was brought forward purely in the interests of the workers. New South Wales has had experience of the Lang Plan; and the peculiar thing is that half a dozen of the planks in that platform are similar to the planks in our Premier's platform. Mr. Lang pointed out that there was no necessity to go to the Loan Council. He said there was money in the United States of America and they were only too anxious to lend it. Mr. Forgan Smith said something similar during the election. He said that he would raise a "Revival Loan" of £2,500,000 in Queensland, and he knew there were people ready and willing to advance that money. Mr. Lang also said that there was no necessity to go to the Loan Council as he could borrow outside the Loan Council. Mr. Forgan Smith said that he had had experience of the Loan Council before and he could raise money outside it. He further said that, if Mr. Moore and Mr. Barnes had not been bluffed, they would have obtained the amount of money that Queensland was entitled to, and, if he were returned to power, he would be the man to go down and represent Queensland on the Loan Council, and he would see that Queensland got her share of loan money. He attended a Loan Council meeting, and he got no money at all out of the first loan of £6,000,000. He got a percentage out of the next loan, but a lesser percentage than the hon. member for Aubigny got out of the previous loan. That is the position so far as the Loan Council is concerned up to the present.

The SECRETARY FOR PUBLIC LANDS: That is only your version.

Mr. TOZER: We were no more responsible for the deflation policy than hon. members opposite. We were not responsible for the whole of the interest bill, which had increased to over £5,000,000; but the Labour Government were responsible for at least three-fifths of the amount, because the interest bill was only £2,000,000 when they came into office, and it had gone up to over £5,000,000

when they went out. We had to pay that interest, and in doing so had to use certain funds, and we had not the money available to carry out our wishes. The Treasurer said that we had certain sums of money, and that we could have spent to the extent of over £3,000,000 per annum. We did not have that money; and, if we had, and had spent anything like that, instead of having a credit of £2,000,000, at that time we would have left a debit of £2,000,000, which would have made the position worse.

While the Moore Government were in power the taxation per head of population was reduced, and the public debt was reduced, although certainly not by much. The Treasurer states in his Budget that he is going to raise certain amounts of money. The Moore Government succeeded in reducing expenditure. In spite of all the economy they practised, they had a shortage, however, and were accused of the shortage when they went to the country; and the people turned against them because of the reduction in expenditure. The peculiar thing is that the present Treasurer, in bringing in his Budget, admits that he is going to get no more revenue than the Moore Government obtained, and that his expenditure will be slightly more; yet he will be able to reduce the deficit to £1,485,000, as agreed to by him at the recent Premiers' Conference. He states that, when he came into office, he found some draft Estimates, showing an anticipated deficit of £2,750,000. He makes that statement, and I take his word. He now estimates that the deficit this year will amount to £1,490,868. Personally, I think he is very sanguine in that regard, and that he will not reduce the deficit to the amount he anticipates. I think it will be upwards of £3,000,000. I arrive at that conclusion from the fact that my experience is that, when an Estimate has been given to me, it has always been safe to double it. If we take the Treasury returns for the first three months of the year, we find there is a deficiency of £858,847, which, for a full year, would amount to £3,435,388. Allowing for a certain amount of money to come in, I think it is absolutely safe to say that the deficit will be over £3,000,000. It will be an absolute surprise to me if, when we get the actual figures, we do not find that it is between £3,000,000 and £4,000,000.

The SECRETARY FOR PUBLIC LANDS: You will get that surprise.

Mr. TOZER: I hope I shall; but I cannot see that, with a falling revenue and a rising expenditure, as is the case with Labour government, the Treasurer can possibly bring it down to the amount he gives.

One of the methods of achieving that result is to reduce expenditure by £220,000. I do not think the hon. gentleman will be able to do that. On the contrary, I think the expenditure will go up. He also proposes to reimpose the super land tax, from which he expects £130,000. Will it bring in that amount? I am very doubtful, because we have had the experience that income tax receipts fell off by over £800,000 last year. I do not think the super land tax should be imposed at all. I do not believe in the land tax because it is a tax on capital; but to put a super tax on top of it is doubly unjust. There is no doubt that during their first two sessions the Moore Government did not find it possible to do without the super

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land tax, thanks to the financial depression and the position caused by the previous Labour Government. We abolished it as soon as we could, and hon. members opposite now make the insinuation, to which I object, that we did that as a bribe before the election. I do not see how it could be a bribe, because the intention to remit the tax was stated in the late Premier's policy speech in 1929; and it was understood that we would do it on the first occasion it was possible. In any case, what difference would it make to anybody's vote? I cannot imagine anybody who was paying super land tax supporting the Labour Party.

Then there is to be an increase in income tax amounting to £270,000. It may be possible to get in that amount of money; but I think that the increase of 3d. to 6d. in the £1 in the tax on companies is wrong. It is all very well to provide for a rate of 5s. 3d. on the profits of companies making over 19 per cent.; but hon. members must remember that that is not the only charge they have to meet. They have to pay numerous other taxes, and the accumulation may mean that they are working practically the whole year for nothing. Is it a socialistic idea, in order to bring everybody to the lowest standard? If the object were to raise everybody, I would be more inclined to favour it; but, if the Government wish to take everything from people who have anything—which is legalised robbery—and to tax the people who have been thrifty and have not wasted their money, then I certainly question their wisdom. Do the Government say that such persons are to be taxed while those who have never studied thrift but drift along from hand to mouth, as did the blacks, are alone to be considered? These people cannot be allowed to starve. The Government are merely taking money from one class to give it to another. Some people might applaud that policy, but it does not appeal to me. Under normal conditions 80 per cent. of the employment is provided by private individuals; and we look to those with money to spend to provide employment for the community. The Government will eventually force these people out of enterprises, and many more employees will be compelled to turn to the Government for assistance. The Government propose that all persons in receipt of an income in excess of £250 per annum must carry an additional burden of taxation. Those in receipt of less than that amount might consider it to be a very good idea; but I am afraid that it will not be appreciated by those who will have to bear the additional burden.

The Government have increased railway fares and freights. These were reduced on three occasions by the previous Administration, with a view to encouraging the people to utilise the railways so that they might be made to pay. The railway system plays a very important part in the development of our State. Hon. members opposite have deliberately accused the past Administration of offering a bribe to the people by reducing fares and freights prior to the elections; but they cannot justly accuse every member of this party of bribery, because quite a number of us were not aware that the reductions were to be made. The late Government believed that the railway system should be a popular means of transport, and should attract an increased number of passengers, and the only way to achieve that end was to make the freights and fares sufficiently

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low. Freights and fares were reduced with that intention; but immediately the present Government were returned to power the people in the country were deprived of this benefit. The reduction was allowed to operate in the metropolitan area, but the old rates were reimposed in all the other districts.

Mr. KENNY: Another bribe to the metropolis.

Mr. TOZER: I would have just as much justification in referring to that action as a bribe, but I do not like making such a statement. The Government have intimated that a sum of £250,000 will be transferred from the main roads trust account to consolidated revenue. That is to be manipulated in some way or another. It has been stated that the main roads programme will not be jeopardised, but I am inclined to think that this transfer will impose a serious handicap upon main roads construction, and the people in the country will be called upon to bear a heavier burden of taxation to maintain the usual rate of expenditure upon road construction.

I have already referred to the circumstances which led up to the adoption of the Premiers' plan. All the Premiers and the Prime Minister in conference assembled decided that a reduction of 22½ per cent. in controllable government expenditure was imperative. It was considered that, if there was to be equality of sacrifice, it was the bounden duty of every citizen to contribute towards the rehabilitation of the finances of Australia. Interest rates were reduced. If only the salaried or wages classes had been affected by the reductions, there would have been some justification for the complaints and charges that they had been unjustly treated; but all classes suffered, some to a much greater extent than others. If the man on the land had suffered in the price of his commodities to the extent of 22½ per cent. only, he would not have complained; but the prices of some commodities were affected to the extent of 50 per cent. and 75 per cent. The primary producers have suffered considerably more than a lot of people who have had reductions of 22½ per cent. only in their salaries and wages. Many of them have had their incomes reduced to such a point that they are unable to live in decent conditions. Once a man's pocket is hit he is injured, and it is only natural for him to growl in order to get the reduction lessened.

The hon. member for Marce had much to say in support of the Government policy, but, after all, it was nothing more or less than a tornado of words. He said we should bring forward some constructive idea to help the Government and thus assist the State in its economic difficulties. Any suggestion we made would not be appreciated and would not be approved of.

There is no doubt that the Government have fully considered the position from their point of view. If they desire to rehabilitate the State, they must encourage private capital and private industry, which alone will give that employment which is desired; but, first of all, investors must be satisfied that, if they come to this State, they will not be taxed out of existence. If the present ruinous policy of taxation is continued, we cannot expect an inflow of capital. The encouragement of private enterprise is a better policy than borrowing overseas. Overseas companies spend their capital in this

State at their own risk. The State has not to repay them or pay interest on their expenditure, and, in addition, they pay rates and taxes. It should be the object of any Government to encourage capital to develop the State. There is a boom in mining at the present time. We have unknown wealth waiting to be developed. Old goldfields such as Gympie, Mount Morgan, Charters Towers, Ravenswood, and Croydon were all developed by prospectors without any subsidy from the Government. Can anyone imagine that these solitary places are the only wealth-producing areas in Queensland? There are any number of areas in Queensland where a white man has not set foot. How can anyone contend that we have reached the end of our resources in mining? There are many fields awaiting discovery, and, once they are found, money will flow in for their development. We have only to witness the development at Cracow. Cracow was known many years ago, and was practically abandoned. It has now been resurrected, and the boom which has taken place there is giving much employment. Several other places are being prospected, and money is coming into Queensland to develop them. That should be encouraged.

Land settlement is another matter to be considered, and also the conservation of fodder and water. I am glad that the Secretary for Public Lands is present at the moment. I should like the hon. gentleman to pay a visit to some of the scrub lands of the State. In the Gympie land agent's district, for instance, 320,000 acres are tied up for forestry purposes, and recently another 9,000 acres were added. That is land within 100 miles of the metropolis, and land which, if properly developed, could carry a population of many thousands. One need only recall the development of Gympie and the Mary Valley districts to realise to what extent development may be made in scrub land. The land reserved for forestry purposes is well watered and has railway facilities. If any income was being derived from it, the argument against its retention for forestry purposes might not be sustained; but, where it is actually costing money to hold on the off chance that in, say, fifty years, some revenue may be obtained from the timber thereon, it is time that action was taken to put it to better use. Personally, I do not think there will be any revenue for fifty years from any trees that are planted. Most certainly the forestry people will tell you that pine trees are growing; but it must not be imagined that the areas I refer to are thickly covered with pine or other marketable timbers. Mr. Grenning, in his report on the Glastonbury area, shows that there are only eight trees to the acre. If that land is suitable for dairying, why not remove those trees and utilise the land in the most productive way? Of course, the argument is advanced that there is a famine in timber, and that great wealth will later on be obtained from forestry operations. Twenty years ago we were told that there was a timber famine. What has been the result? The royalty on timber has increased from 6d. to £1 7s. per 100 superficial feet, although the Moore Government made a reduction of approximately 7s. per hundred. The imposition of the royalty encouraged the importation of timber from overseas, and great quantities of timber were imported from America, Norway, Sweden, and Russia. Surely those countries cannot afford to send their timber here and sell it at a cheaper

rate than we can! Some of the timber in Queensland is getting old and is rotting; but it is difficult to persuade the forestry authorities even to sell blocks of timber. In several instances I have endeavoured to persuade them to put their own price on the timber and allow it to be removed. If that were done, the timber would realise a price, and, when the land was cleared, it could be utilised for dairying and agriculture, in which event revenue would be augmented by receipts from rentals, etc. At least some benefit would accrue to the community if that were done; but the forestry authorities are adamant, and say, in effect, "We shall not let you have that land." What on earth was the Mary Valley Railway put there for if not for the benefit of the people? If there was a fair number of people settled in that district, they could use that land to better purpose than is the case at the present time. One gets carried away at times by pictures. I remember seeing a picture of the wonderful stand of pine at Wongabel. Anyone looking at that picture would be carried away. I was told that that was the growth of so many years. I asked, "What area have you got?" and I ascertained that they did not have one acre. That picture was put out to the public as showing the wonderful growth of pine at Wongabel. If the Government develop the suggestion I have made, it would be of considerable value to Queensland. They would be able to settle a fair number of people on that land, which would be giving a certain return, because it is right on the railway. It would be reproductive, and it would not cost the Government one penny at the present time. I know that some people say, "We want 6,000,000 acres of forests in Queensland." We cannot produce for export because all the other States have got their forests. In fact, New South Wales can send timber into Queensland cheaper than we can buy our own timber; and we cannot afford to pay the cost of developing this timber. One estimate given to me by the Forestry Department showed that it would cost £100,000 to plant 2,000 acres. Since then the estimate has been altered, and the officials say they could do it for £18 an acre. If you calculate £18 an acre at compound interest for fifty years, it will be seen that the cost will be £324 per acre. Are the Government going to get anything like that return from that timber in fifty years? How can anyone say that they will? With the present high royalties on that timber, which is probably the best stand we have got of natural growth, the return is only £250 per acre. If it is going to cost £324 per acre, and the Government only get a return of £250, that means a loss of £74 per acre. That is the loss the Government are going to suffer through carrying out a policy of that kind. I believe it is the intention of the Government to have a resurvey and a reclassification, and lands that are suitable for agriculture and dairying should be thrown open for that purpose, and lands suitable for forestry should be kept for that purpose. The complaint of the people in the district is that such a big block of country should be tied up and no development at all going on. The Government have sold the land right up to the scrub on certain terms. I have one selection myself; and, by the time I have paid for it, it will have cost me £9 per acre. I felled right up to the scrub forest reserve, and the land for 100 feet in

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from the scrub is no good for grass, and, in addition to that, the land along the fence is covered with lantana. That spreads over the property, and one is all the time digging out lantana. Wherever tracks are opened up and the sun can get in, the lantana will grow. It will only flourish on the outskirts of the scrub. Once you open up the land, lantana will flourish there when nothing else will.

Mr. O'KEEFE (*Cairns*) [3.15 p.m.]: I was interested in the speech of the hon. member who has just resumed his seat. He had a lot to say with regard to the shortcomings of the Budget on this occasion; but I did not hear him make any comment or offer any suggestion when the ex-Treasurer, the hon. member for Wynnum, introduced his Financial Statement last year.

The Treasurer estimates that he will be able to bring about a reduction of expenditure, and thus reduce the anticipated deficit to £1,485,000 during the current financial year. In the last financial year, when the hon. member for Wynnum was placing his Statement before the Chamber, he budgeted for a deficit of £1,871,159; yet we had an actual deficit at the end of the year of £2,075,180. I suppose the hon. member for Gympie is basing his estimate on what happened last year. However, the proof of the pudding is in the eating, and the hon. member will perhaps have an opportunity next year of slating the Government in regard to a greater deficit than the Treasurer at present anticipates. The deficit of £2,075,180 last year was by far the greatest deficit Queensland ever had. The Leader of the Opposition assisted the ex-Treasurer in the bringing about of that deficit. He slipped badly, as he has done in everything he managed during his three years of office.

Mr. LARCOMBE: Mismanaged.

Mr. O'KEEFE: As the hon. member for Rockhampton interjects, I should say mismanaged. Notwithstanding that record deficit, we have had increased taxation; yet throughout this debate hon. members opposite have continually intimated that it is only Labour Governments that have increased taxation. What is the true position? The Moore Government increased the number of taxpayers by over 80,000, bringing as many working men and women of the State as possible within the ambit of taxation; but they got less revenue, because many of these people, owing to the mismanagement of the Government, were unable to earn sufficient to pay taxation. The Moore Government not only starved employees, but also the businesses of the State, which naturally resulted in less revenue. They also reduced the exemption. Where Labour made an exemption of £250, the Moore Government brought the exemption down to £150 so that they could rope in working men and women. The Government will carry out their intentions without the advice of hon. members opposite, who made such a failure of their own management.

Every hon. member realises the difficulties which face every Treasurer, no matter to which party he belongs. They are all up against it, and I am satisfied that, if the Treasurer has made a mistake in his Estimates, as the hon. member for Gympie suggests, and if he does fail to realise his expectations, it will not be for want of trying. We have to remember that Queensland accepted the Premiers' Plan with the

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modification which was made as a result of the Treasurer's visit to Canberra and Sydney, and that he has guaranteed to the Commonwealth Government that he will make a further reduction in the deficit of something like £1,800,000; and I believe he is making an honest attempt to make it good. Any insinuations from hon. members opposite in that connection are groundless.

Mr. MOORE: He did not guarantee to reduce expenditure by £1,800,000.

Mr. O'KEEFE: He did. I am alluding to the deficit.

The TEMPORARY CHAIRMAN: Order! I ask the hon. member to address the chair.

Mr. O'KEEFE: Our railway revenue and expenditure have been much reduced; but we have to remember that, on the figures laid before us, we have wiped out £28,000,000 of capitalisation on the railways, reducing the interest payments less than last year. (Opposition laughter.) I would remind the Leader of the Opposition that, notwithstanding the fact that for many years he and his party condemned the Labour Party for imposing the super land tax, they kept it on themselves for two years; but when they saw the writing on the wall and realised that there was more than a chance of going out of power, they endeavoured to win the support of the party outside and the landholders by lifting that taxation and bringing 80,000 working people within the scope of income tax. Our Treasurer is going to lose at least £140,000 per year unless that tax is reimposed.

Mr. MAHER: How do you make that out?

Mr. O'KEEFE: Well—

The TEMPORARY CHAIRMAN: Order! I ask the hon. member for Cairns to address the chair.

Mr. O'KEEFE: One must sympathise with Treasurers, including the Treasurer of Queensland, because interest, sinking fund contributions, and exchange on remittances overseas are items of Government expenditure that are uncontrollable, and they absorb £6,000,000 of the total revenue of £13,000,000 obtained in this State. Hon. members opposite have deliberately stated that Labour Governments are responsible for the present interest burden; but I would remind them that ever since federation money has been borrowed by Queensland Governments, internally or overseas, so that all Governments must accept their share of the responsibility for the huge amount of uncontrollable expenditure which now absorbs one-half of the State income.

Mr. MAHER: Not for the establishment of State butcher shops and State fish shops.

Mr. O'KEEFE: The State butcher shops served a very useful purpose at a time when meat prices were so high that the working class were not able to purchase meat.

The hon. member for Kennedy had the audacity to say that the Budget was a "dud" Statement, and he expressed that opinion from an accountability point of view. Every hon. member knows that two and two plus one make five; and it was not necessary to wait for the hon. member for Kennedy to tell us that. If the hon. member's statement that the accounts have been manipulated is correct, then the charge is equally applicable to past Governments.

Mr. MOORE: That was what he said.

Mr. O'KEEFE: Certain items of expenditure which make for progress and prosperity in the State cannot be set down in a balance-sheet. It is very difficult to assess the value of this expenditure in terms of pounds, shillings, and pence.

Mr. MAHER: It is not possible to run a pub like that.

Mr. O'KEEFE: I am quite satisfied that I could run a rabbit show and make a better fist of it than the hon. member for West Moreton has done. When I ran a pub, as the hon. member calls it, I had no occasion to call on the pocket of anyone else to finance it. I made a better financial success of my pub than the late Government were able to make of the State of Queensland.

Mr. MAHER interjected.

The TEMPORARY CHAIRMAN: Order! The hon. member for Cairns is entitled to speak without interruption, and I ask hon. members to bear that in mind.

Mr. O'KEEFE: The Leader of the Opposition can go his hardest. I am not worrying about him at all. The people of Cairns told him where to go when he was in that city at the election, and he went.

The TEMPORARY CHAIRMAN: Order!

Mr. O'KEEFE: The hon. member for Kennedy was honest in his criticism of the Budget; but the same cannot be said of the hon. member for Cook or the hon. member for West Moreton. They went so far as to say that the Budget was incorrect—even dishonest. It is all very well for those hon. members to make such statements. They do not understand the position. I am sure that the hon. member for Kennedy has found out that his statement in connection with the expenditure on the Brisbane river and harbour is not correct. I am sure that he now realises that the expenditure of public money on these works is not to the detriment of the taxpayers of Queensland. I am sure that the Leader of the Opposition could have corrected him, but, for political gain, he allowed the young hon. member for Kennedy to make his statement uncontradicted. The Leader of the Opposition knows that a separate account is kept of all moneys expended on harbours and rivers, and whatever expenditure is made on any harbour is made from a specific account. If the hon. member for Kennedy can prove that the finances of the State have been produced on a wrong basis, then let him show in what particular they have, and, if he is correct, I am sure that an alteration will be made. Every harbour board in this State is indebted to the Treasury, but the great majority of them pay their interest and redemption instalments regularly every six months. My remarks apply also to the works carried on in the Brisbane river and its estuary, although the method of administering the affairs of this port is somewhat different from that in connection with other ports. If it can be proved that the port charges in Brisbane are not as they should be, then an adjustment could take place. I have previously expressed myself on the questions of the administration of harbour boards. My belief is that the whole system of administration of harbour boards needs reorganising. Hundreds of thousands of pounds are being wasted by harbour boards. Agitation has been proceeding for the establishment of several more harbours in the

North. It reminds me of the position a few years ago, when a similar agitation in relation to the establishment of hospitals led to unnecessary duplications. The fact that is usually overlooked is that the cost must be borne by one set of people. We should have an alteration of the Harbour Boards Acts, because too much money is now going out of the pockets of industry into the coffers of certain shipping companies. It is nearly time that the people woke up to the fact. This statement can be very easily proved by conducting an inquiry into the methods of working harbour boards in North Queensland. I will say, in deference to the officials of harbour boards, that they are doing their best, but their work is limited by legislative enactments. The present Act does not permit harbour boards to do stevedoring work. In Cairns there is a large harbour board office, efficiently staffed, yet the board has no control of its own wharves. They are controlled by the various shipping companies, which fix their own handling charges. I am sure that an inquiry would reveal the fact that hundreds of thousands of pounds are being wasted to-day which should be going into industry. The shipping companies have too much control, and have the harbour board by the throat. That can be overcome by a small alteration in the Harbour Boards Acts, empowering a board to undertake stevedoring work. I brought the matter under the notice of the Leader of the Opposition when that hon. gentleman was Premier, and he sent Mr. Bridgen to investigate; but, if ever a "dud" report was furnished, it was the report which Mr. Bridgen furnished as the result of his investigations. Only recently we have had the Commonwealth Government detrimentally affecting Queensland to the extent of £1,250,000 by a reduction in the price of sugar. Hundreds of thousands of pounds are lost to Queensland through the alteration of the tariff by the Commonwealth Government. It is time we woke up to the necessity for protecting ourselves against outside interests. It is most remarkable that no protests were forthcoming from hon. members opposite, which would lead me to believe that the Leader of the Opposition was quite in accord with the action of the Commonwealth Government. (Opposition dissent.) The report of a meeting which the hon. gentleman addressed at Clayfield certainly conveyed the impression that he was hand in glove with the move of the Commonwealth Prime Minister.

It is all very well for criticism to be directed at the Budget. The speeches of hon. members may read very well in the press and in "Hansard," but I contend that we should offer suggestions that will help us out of the difficulties we are now facing. Hon. members opposite may smile, but the fact remains that the industries of the State are being robbed by the shipping companies. If the Opposition are genuinely sympathetic with the primary producers, let them also press for an alteration of the Harbour Boards Acts in the direction I have mentioned. If the Treasurer has not all the desired information, another investigation might be made in regard to the transport charges imposed by the shipping companies.

I have listened attentively to the speeches of hon. members opposite, particularly in regard to land settlement. Apart from gold mining, land settlement is one of the most practical ways of helping the State and the

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Commonwealth out of the present difficulty. Millions of pounds sterling can be saved to the Commonwealth by producing tobacco here; but I suggest that, in response to the clamour of people for tobacco land, the Government will consider whether the lands asked for are capable of growing any other crop. For tobacco we want to utilise the poorer lands—lands that will grow no other crop. That class of country is available in the mineral areas, not only in the northern part, but elsewhere in the State.

Mr. MAHER: We will over-produce it tobacco next year.

Mr. O'KEEFE: Let us get to that point, and then we can regulate production. The fact remains that millions of pounds sterling go out of the Commonwealth yearly for imported tobacco. If that money can be retained in the Commonwealth, it will be to the advantage of Queensland in particular. When the Government are settling people on tobacco lands, I would recommend that they take into consideration the lands north of Cairns in the Cook electorate. If they settle people there, they will be killing two birds with the one stone. In the Palmer district there are many square miles of gold and mineral land the greater proportion of which will grow tobacco. If we were to settle people on land of that description, they would earn a good living and be permanently settled. They would rear families, and the boys would become the prospectors of the future. The very fact of these people being settled there would bring other people into the district; and that would create small townships and business centres, so that men engaged in prospecting would be able to get their supplies within a reasonable distance. One of the handicaps in the far North is the lack of business conveniences. Any person who does not understand what that country had been worth in gold should go to the Department of Mines and get the figures. Tons of gold have been taken from the Palmer field.

Mr. MOORE: That is all gone.

Mr. O'KEEFE: We realise that that gold has gone; but the Leader of the Opposition cannot tell me that only ounces are left.

Mr. MOORE: Can you tell me?

Mr. O'KEEFE: No. While we sit here and criticise one another and are not prepared to accept anything as the truth, the Government are getting nowhere.

Mr. MOORE: I quite believe that you cannot tell me. (Laughter.)

Mr. O'KEEFE: It is very easy for anyone to make such childish remarks. Had the Leader of the Opposition done something in the direction I suggest, perhaps he would have been in power to-day; but he was not prepared to spend in the way I suggest any of the money he had at his disposal.

Along the Palmer River there are many gold reefs opened and unopened. I think the deepest is somewhere about 300 feet. That country is very heavily watered, and until a few years ago no machine that could cope with the water was ever placed on those reefs. Not very long ago three big business gentlemen in Cairns decided, with the assistance of the Mines Department, to place a Diesel engine there, which was capable of coping with the water; but, unfortunately, these gentlemen all died within twelve

months of each other, and since then nothing has been done in that direction. According to the reports of the Mines Department, these reefs carry from 1½ to 3 ounces of gold to the ton. We have to remember also that for fifteen or twenty years the cost of mining in North Queensland was so great, especially in the gold-bearing areas, that we could not carry on mining successfully. The price of gold did not rise with that of other metals, so the people engaged in goldmining, especially at the Palmer, went away to other fields to win minerals. That is another reason why these goldfields were abandoned.

If the Government intend to settle more people on tobacco-growing land, they should confine these operations to the mineral and gold fields of North Queensland, which are not suitable for other crops, but are very suitable for growing tobacco. That is the way out in regard to tobacco-growing, and we shall then have an opportunity of opening more scrub areas there for dairying.

One or two hon. members opposite have made reference to the dairying industry. Notwithstanding all the growls and grouches we get from the dairy people in the State with regard to their treatment by various Governments, including the Moore Government, those people were on a fairly good wicket compared with any other industry in the State or Commonwealth generally. The dairying industry has been a sticker to Queensland, as the following figures with regard to butter production will show:—

	Lb.	Value. £
1931	92,894,101	6,303,517
1932	95,050,738	7,500,000

We have a great deal of land in Queensland that is suitable for dairying. I am not prepared to say what area is available in this part of the State, although I do not think we have too much land available south of Mackay; but above that, and especially in the Cook electorate, we have miles and miles of virgin land available. This is one industry which will help Queensland out of its difficulties and provide for unemployed workers. It will give the people permanent homes on the land. There is nothing wrong with land settlement; but I heard hon. members opposite say last week that they did not think it was a good policy. The hon. member for West Moreton stated that we were over-producing.

Mr. MAHER: Tobacco.

Mr. O'KEEFE: There is every opportunity for the Government to secure more revenue by opening up these lands, and when we get to the stage of over-production—

Mr. MAHER interjected.

The TEMPORARY CHAIRMAN: Order! I must ask the hon. member for West Moreton to obey my call to order.

Mr. O'KEEFE: Seeing that we are getting such bad treatment from the Commonwealth Government in regard to the sugar industry, it is necessary to look round and see where we can recoup ourselves for the amount of money which is being taken away from that industry. I recommend the throwing open of land wherever possible. If we have to put increased taxation on the people to bring about development, the sooner it is done the better, as we shall the sooner have a chance to remit that taxation. We must

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do something better than has been done during the past few years. I think every hon. member realises the truth of the statement that, unless we place more people on the land, we shall have no chance of obtaining the revenue we have had in the past.

No one regrets more than I the position in which we find the sheep industry. It has had a very severe blow. I think the price of greasy wool during the last year or two in Queensland has been something like 9d. to 10d. per lb. According to the "Economic News" of last month, scoured wool in England was worth 20d. per lb., which I suppose is not much good to the people of Queensland. Therefore, whilst we have taxed the pastoralists in the past, because they were the wealthy people of the day, we realise their position and appreciate the fact that it is very hard to tax them now. We have to look round for other avenues through which we may increase our production so that we may relieve them as much as possible, and so that they may be able to carry on an industry which is fast dying. There is a silver lining to the cloud, according to the press reports of wool sales of late. There has been a slight improvement in price, which means that the peoples of the world are returning to the wearing of wool. It is well worth the Commonwealth Government's while to protect the industry in every direction. A big "Back to Woollen Clothes Drive" has been mooted, which will suit Queensland and Australia very well. With that drive we should combine a "Back to the Land Drive," so that we may populate areas which are only waiting for development. If we wish to keep this land, we must use it. In the press the other day appeared a suggestion that Japan proposed to buy portion of an island within 300 miles of Australia.

Mr. MAHER: Nothing in it.

Mr. O'KEEFE: If there is nothing in it, the fact remains that it is quite possible. If the Japs do get hold of the Portuguese portion of Timor, they would have a base from which to attack Australia without difficulty, if they wished. If we are to hold this portion of the continent we must populate it; and there is no better way of doing it than that which I have suggested—settling people in the far North, especially in the mining areas in the Cooktown district, thus greatly assisting our gold production and fostering an industry which I am satisfied from my experience of the past will help Australia out of its unfortunate position.

Mr. NICKLIN (*Murrumba*) [4.54 p.m.]: The Treasurer's Financial Statement is not one to inspire confidence in the people of the State. In fact, the increased taxation which it foreshadows especially on the producing section of the people is more likely to have the reverse effect. Difficult times such as those through which we are passing are not times when additional burdens should be placed on the people. Rather should it be the endeavour of any Government to lighten the burdens which the people are carrying. If industry and the producer in particular are relieved of some of their load, they will increase their output by expanding their operations, and so add to the wealth of the State. On the other hand, if further burdens are placed upon them, it will have the effect of causing them to restrict their operations, and, in the last analysis, lead to much more unemployment,

from which this State is suffering so much at present.

In my opinion, a greater effort should be made to run the financial affairs of this State on business lines.

The hon. member for Kennedy in a very able address in this Chamber last week indicated how improvements could be made in handling the public finances of this State. If many of his ideas were adopted, and especially his suggestion that a public accounts committee should be appointed, considerable benefit would accrue to this State. Private individuals and private businesses would rapidly head for the bankruptcy court if they decided to transact their businesses upon the basis followed by the State. The State can well afford to follow the example set by private enterprise in its financial management. When private enterprise realised that times were bad and that revenue would not meet expenditure, the private individuals decided to draw the belt tighter, to buck in, and to work harder so that expenditure might be reduced and brought within income. Metaphorically speaking, the States should do the same. The Government should endeavour to bridge the already too wide gap between revenue and expenditure.

Much has been said during this debate about the alleged maladministration of the Moore Government, and many extravagant phrases have been used to describe their alleged shortcomings in the management of the affairs of State.

At 4.57 p.m.,

The CHAIRMAN resumed the chair.

Mr. NICKLIN: Our critics fail to take into consideration the economic conditions that prevailed during the Moore regime. They conveniently forget that phase of governmental control; and they fail to take into consideration the fact that during that period revenue declined to an unprecedented extent and that price levels for primary products receded tremendously. These two factors were bound to have an important bearing on the difficulties that confronted the late Government; and, whatever shortcomings might be attributed to them, at least it can be said that they realised their responsibilities to the State, and did make an earnest endeavour to check the extravagant governmental expenditure that had taken place over a period of fourteen years. During 1931-32 the Moore Government reduced controllable expenditure in this State by £2,562,000 as compared with the 1928-29 period. The present Treasurer proposes to make a reduction of £232,000, whilst at the same time increasing the taxation burden by approximately £1,500,000. During their term of office the Moore Government reduced the public debt of this State to £111,911,785—a reduction of £950,264. The public debt was reduced at the rate of over £300,000 per annum—a record that was not achieved during that period by any other State in the Commonwealth.

The revenue collected in 1915 amounted to £7,202,000. In 1928-1929 it had grown to £16,736,000. There was a progressive increase each year that the Labour Government held possession of the Treasury benches. In 1931-1932, the revenue fell to £12,944,000. There was a progressive decrease in this respect

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all the time the Moore Government were in office.

Now let me examine the figures in connection with taxation. In 1915 the taxation per head of population amounted to £1 8s. 2d., but in fourteen years under Labour rule it increased to £5 1s. 11d. In 1932, after three years' administration by the Moore Government, it was reduced to £3 4s. 4d. That in itself is something of which the Moore Government can be proud, more especially when we consider the difficult period through which they passed.

Let us examine the position in connection with the railways, which, after all, are responsible for a large amount of the revenue and also for the deficits which have accumulated. The return on the capital investment for the year 1929 amounted to £2 7s. 3d. per cent., in 1930 it was £2 4s. 2d. per cent., in 1931 £2 4s. 8d. per cent., and in 1932 £2 9s. 3d. per cent. In these figures I have not taken into account the fact that £28,000,000 was written off the capital value of the railways. It will be observed from the annual report of the Commissioner for Railways which was presented to Parliament yesterday that the net revenue of the department last year was £1,562,198. That has been exceeded only once in the history of the department. That is a very favourable commentary on the business acumen displayed in handling railway affairs by the late Government. Those figures disclose a definite attempt to better conditions. The Moore Government were able to check the financial jazz indulged in by Labour during the previous fourteen years; and they definitely reduced the public debt of the State as well as the taxation per head of population. The legacy of £4,000,000 which was left to the credit of the loan fund by the Labour Administration when the Moore Government assumed power enabled them to carry on without borrowing, finance the deficit which unfortunately occurred each year while they were in office, and still leave almost £1,000,000 for the benefit of their successors. It will be interesting to see whether, at the end of the term of the present Government, they will be able to show such a record in the handling of the financial affairs of the State.

I enter my emphatic protest against the increase which has taken place in fares and freights outside the metropolitan area. This action of the Government amounts to the extraction of a further £325,000 from the pockets of the producers and country residents. Why should the dwellers in the city have such a benefit over the country residents? Why should the country people be compelled to pay this extra taxation? The workers in the town and city areas who receive their regular wages are in a better position to pay an increase in fares and freights than the producers and the people in the country, who in the last few years have had to accept very low prices for their products, in addition to contending with the vagaries of the seasons. It is most unfair that the country people should be singled out to bear this extra taxation. Furthermore, the increases have not been made in an equitable manner, some districts having been favoured to the detriment of others. For example, the second class fare from Brisbane to Palmwoods has been increased by 20 per cent., and is now higher than ever it was in the history of the railways. That fare, for a distance of 60 miles, is 9s. On the other hand, the second

class fare from Brisbane to Tweed Heads, a distance of 69 miles, is 8s. 3d. The North Coast railway, by the way, is one of the best paying sections of railway in Queensland. The idea of the Railway Department seems to be to encourage people to go out of the State to spend their money, rather than to induce them to spend it here.

The increase in the unemployment relief tax will fall heavily on the primary producers. The increase has been brought about mainly to enable payment at the basic wage to be made to men who are employed under the unemployment relief scheme. By paying the basic wage, the scheme is no longer a relief scheme. It has become an industry, and it will prove to be an incubus which will in the long run bring about the downfall of the Government. The unemployment figures show that the number of registered unemployed in the State has progressively increased since the basic wage was paid for work done under the unemployment relief scheme. The "Economic News" for September gives the following figures of the registered unemployed in the months shown:—

June, 1931	...	...	...	25,616
July	...	...	...	23,294
August	...	...	...	22,770

The progressive decrease over that period of the year was due to the amount of seasonal work provided by the sugar and other industries. Notwithstanding that the present Government have withdrawn some 1,500 men from the intermittent relief work to work under the schemes financed by the Commonwealth Government, the number of registered unemployed for the corresponding months this year are—

June, 1932	...	...	...	35,151
July	...	...	...	35,823
August	...	...	...	37,450

The progressive increase is due in no small measure to the fact that the basic wage is now being paid on relief work. I know the effect in the country. Young men who previously were content to work on farms for comparatively low wages and their keep have in many instances given up that work in order that they may register for work under the relief scheme. In one particular place, which previously had no single men unemployed, between thirty and forty single men now line up for assistance every week under the unemployment relief scheme. The position is now that half the people of the State are keeping the other half; and, if it continues much longer, it will mean that the State will have to keep the whole of the people. Unfortunately, in many instances owing to the lack of proper organisation in connection with the intermittent relief work, and owing to the fact that a number of men are not suited to the work on which they are engaged, this intermittent relief work is not economic, and is less so since the basic wage has been paid. Last week the Secretary for Labour and Industry stated that, now that the basic wage is being paid, he will expect a full day's work from these men. I do not know whether he is getting it or not, but a rhyme I read the other day is very appropriate—

"Men may come and men may go—  
And guilty none of going slow.  
We've all to buck in pretty slick,  
Or Hynes will sack us mighty quick."

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There is one statement in the Budget with which I agree, and that is the effort to increase land settlement. The Government use the phrase, "One thousand farms for one thousand unemployed workers!" The idea is a good one, but care should be taken in putting the plan into operation. In the first place, care should be taken to see that the settlers are given a living area, and, secondly, that they are asked to engage in some industry which will give them some return. They should not be asked to produce something which is at present over-produced. It will be preferable if these settlers can be put to growing products for export.

Much has been said in this Chamber for and against the efforts of the Government to settle men at Beerburrum on tobacco areas. It was definitely proved last year that, under favourable conditions, Beerburrum can grow tobacco; and I hope, for the sake of the men settled there, that conditions will be favourable, and that they will be able to make a success of the undertaking. Personally, I would have liked to see fewer settlers there to start with, and then, if the settlement was a success, further settlers could be sent there next year. Another year would give a better indication of the possibilities, not of the soil, but of the climate. That is the great danger with which the settlement at Beerburrum is faced. For the sake of those settlers, I trust that the settlement will be a success, because nothing is more discouraging than to receive no return at the end of twelve months' hard work. In the event of the over-production of tobacco which has been predicted by people who are in a position to judge, there is one activity which some of these men at Beerburrum could engage in, and that is the planting of American pine. That area will definitely grow that class of timber. It has been proved by experiments carried out in the district that pine planted on the old pineapple areas "romp" away. In three years the pine grew to a height of 18 feet, and, if the tobacco-growing is not a success—which I sincerely hope will not be the case—then the settlers can go in for forestry.

I was very pleased to learn that the Secretary for Agriculture has decided not to go ahead with the Nerang scheme. That is a scheme which requires further consideration. It is impossible to expect to settle men permanently on banana blocks of 10 acres. It is not a living area, and in seven or eight years these men would be back again on the labour market. I feel that it is not the idea of the Government when they settle men on the land to have them back on their hands in the course of a few years. My statement is borne out by the fact that in the North Coast and Gympie districts where men are growing bananas on areas of up to 20 acres, they find those areas insufficient. The banana is one of the grossest feeders we have, and works out the land quicker than any other product. Once land goes out of banana production it is useless for replanting with bananas. On 10 acres a man cannot go in for dairying, which is the natural corollary of banana-growing in the districts concerned. I hope that, when the scheme is carried out, the men in the Nerang area will be given an area of at least 20 acres to enable them to make a success of banana-growing. Anything under that area would mean failure,

as a man would not be able to carry on after six or seven years. There is another aspect to be considered in this connection. If men are put on small areas and forced to leave in six or seven years, most likely the areas will be neglected and the banana stools left in the ground. The banana industry of Queensland was almost wiped out a few years past by the ravages of "bunchy top," and it has been definitely proved that, when plantations are abandoned, they must be cleaned up straight away to prevent another invasion of "bunchy top." I hope that, when the Minister carries out the scheme next year, he will increase the areas so that the men will have a reasonable opportunity of making a living.

The SECRETARY FOR AGRICULTURE: We propose to give them 15 acres.

Mr. NICKLIN: That is not enough.

The SECRETARY FOR AGRICULTURE: Anyhow, there will be no banana-growing here if the Federal Government allow Fiji bananas to come in.

Mr. NICKLIN: I feel certain that the banana-growers of Queensland, backed up by the people of our own State and New South Wales, which is also largely interested in banana-growing, will be able to put up a good fight against Fiji bananas being introduced.

The SECRETARY FOR AGRICULTURE: The Federal Government agreed to-day to their introduction.

Mr. NICKLIN: If that is the case, everyone in the State should get behind the banana-growers to stop this attack on a Queensland industry; and, if a good fight is put up, I think the action of the Federal Government in allowing the reintroduction of Fiji bananas into Australia can be stopped.

I would like to protest against the transfer of £250,000 from the main roads fund to the consolidated revenue. Those funds are contributed mainly by motorists, and should be utilised to increase the road mileage in the State and provide development and tourist roads. The action of the Government in transferring this £250,000 is going to be very detrimental to the State. We have the spectacle at the present time of roads which should be built by the State being built by public subscription. We need a main road along the North Coast similar to the South Coast road, but the people in that part of the State have not been able to get assistance from the Main Roads Board towards constructing the road. As a result, the people on the North Coast are compelled to build a road over a bad section by public subscription; and up to the present they have expended over £450 to do work which should be carried out by the Main Roads Commission.

In conclusion, I would say that the improvement in the prospects of the State which was brought about by the recent rises in the price of our primary products is more than counterbalanced by the taxation which has been foreshadowed in the Budget, and, therefore, the brighter side of things which the people of the State were led to expect from the statements made by the Labour Party during the election campaign have, unfortunately, not materialised. I am very much afraid that, should this policy of increasing taxation continue, we shall never be any better off than we are to-day, and

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I feel certain that the people of this State are very disappointed indeed with the Financial Statement which the Treasurer has presented.

Mr. WIENHOLT (*Fassifern*) [5.22 p.m.]: I listened very carefully to the Treasurer when delivering his Financial Statement, and I am sure that hon. members will agree with me when I say that it gives food for thought. Two things that seem to be most striking in it is the seriousness of the whole position, and the very grave difficulties that confront any Treasurer, to whatever party he may belong.

First of all, I would like to discuss the whole question of budgeting for deficits. Last year we had a deficit of well over £2,000,000, and, on top of that, we are told that this year we are to have a deficit of about £1,500,000. I say quite openly that I am not one of those who believe in the policy of budgeting for deficits. We had a very long debate and a very close vote in the Federal Parliament on this question in, I think, 1922; and I do not stand for the policy to-day any more than I did then, nor any more than I did last year, when the late Treasurer also budgeted for a deficit.

The proposed loan expenditure this year is £3,167,000. From that has to be taken the sinking fund payment, estimated at £370,000. The sinking fund, of course, is one of the little jokes of our Loan Council. Last year we paid £360,000 to sinking fund, yet we increased that debt by somewhere in the vicinity of £3,000,000 or £4,000,000. However, the sinking fund payment brings our loan expenditure down to £2,797,642. On top of that comes the proposed deficit of £1,490,000, making a proposed increase of debt for the year of £4,287,642. Repayments of loan money advanced in previous years have to come off that amount, so that, roughly, our extra indebtedness at the end of the year will be perhaps about £4,000,000.

Allowing an interest rate of 4 per cent., our interest liabilities next year will be increased by about £160,000. That gives food for very serious thought. Until a few years ago the Australian Governments borrowed a certain amount of money annually, and expended it; but to a great extent that source of supply has been cut off, a fall having taken place in our credit. We have had to replace that gorgeous loan policy, and so have embarked on what I might call a policy of creeping deficits to make up for the loan money. Of course, deficits are purely loan money in another guise, only worse. I must admit that some of the views of hon. members opposite on the question of loan expenditure rather made my hair stand on end. Few hon. members on the Government side have shown any real anxiety about loan expenditure; and one hon. member said that he believed that loan money nourished the finances of the people and of the State. The expenditure of loan money might provide the nourishment, but it seems to me to be the sort of nourishment that a mother would give her child when she gave it a suck from a gin bottle.

To my mind, the hon. member for Kennedy made an excellent speech. It was particularly pleasing to me, because he did not speak in any party sense, and in no way endeavoured to make political propaganda out of his views and his criticism. The introduction of a trained accountant mind to the financial affairs of the State is

very helpful and very valuable in this Chamber. Perhaps our Parliaments generally are weak in that trained way of looking at figures. The speech of the hon. member was very helpful indeed, and I was glad to see that notice was taken of it by the public outside.

Another interesting speech was delivered by the Secretary for Public Instruction, directed mainly as a reply to the speech of the hon. member for Kennedy. The Secretary for Public Instruction contended that the finances of the State could not be set out in the same way as the balance-sheet of a grocery business. He made it clear that his own department, which is a big spending department, did not return one penny to the State for the expenditure involved. He went further, and stated that the finances of the State could not be regarded in the same light as the finances of a private individual; but it seemed to me that, after all, the views and the criticism by the hon. member for Kennedy were still sound. The Minister took the case of a grocery business. Let us now imagine a grocer, ambitious and thrifty, making every effort to provide his children with the highest standard of education. Although the grocer might be anxious and ambitious to provide his children with such an education, his ability to bear the cost of that education must be governed by the financial success of his business. All of us wish to give the best education we can to the children of this State; but surely the sound administration and control of the State finances must also be directly reflected in the amount of money we can spend on the Department of Public Instruction. Again and again during the session we have had remarks made by hon. members on both sides—the suggestion is a remarkable one—that a Premier's reputation and success is to be gauged by the amount of loan money he can borrow. That is a very peculiar jest.

Mr. MAHER: That has not been argued from this side.

Mr. WIENHOLT: It has been continually argued from both sides.

Mr. MAHER: Not from this side.

Mr. WIENHOLT: It has. (Opposition dissent.) It has been continually said that the present Premier could not, and would not, secure loan money from the Loan Council unless he agreed to the Premiers' Plan. If hon. members only studied the Financial Agreement embodied by the Loan Council, they will see that the Premier himself, on attending the meeting of the Loan Council, holds the key of the position. He, through this Financial Agreement, is in a position to say to the Premiers assembled, "No loan money for me; no loan money for you!" He can say, "No bottle for me; no opening of the case for anybody!" He can force this position; and, if he does not agree, then whatever loan money is voted must be split up automatically on a given basis. What is that given basis? This is the delightful principle on which the amount of loan money available is split up—the more you have borrowed the bigger the amount you will get of the sum available. If I am not presumptuous, I would like to ask the Premier when he goes to the next meeting of the Loan Council, to get for this Chamber and for the people generally some clear statement—a thing we have never had, and a thing that

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we ought to get—of exactly what money has been borrowed, from whom it has been borrowed, if the sinking fund arrangements of so much per cent. on the amount borrowed are being honoured, and if the increased sinking fund provision with respect to the enormous deficits accumulated, say, in New South Wales, is also being kept. A 4 per cent. sinking fund has to be established to meet deficits. Last year New South Wales had a deficit of £14,000,000, therefore a very big payment is due in that connection. All I want to know is if these funds are being maintained.

The TREASURER: If the deficits are funded and added to the Loan Fund account, then they carry the 4 per cent. sinking fund provision. The Moore Government deficits have not yet been funded, therefore that 4 per cent. provision does not apply. At the present time those deficits are costing us £5 2s. 3d. per cent.

Mr. WIENHOLT: I realise that, because up to the present our deficits have been financed from loan money. As I have already mentioned, deficits are only loan money in a much worse form.

I wish to say a word or two on the question of unemployment, because I do certainly agree with the Treasurer in his remarks to this effect:—

“I cannot ignore the fact that sound government finance is impossible where excessive unemployment exists.”

That is true; but could not the words be turned with truth to read—

“Unemployment cannot be cured unless we also get sound government finance”?

That seems to me to be equally sound. I see no hope of financial solvency until we get a clear-cut division of the duties, the powers, and sources of revenue of the Commonwealth, State, and local authorities. Until we have that, I see no permanent recovery ahead.

So far as unemployment is concerned, I can see no daylight ahead if our only objective is to give temporary jobs to our unemployed people. We have to get industry generally back to the position in which it is fully manned by permanent employees.

I am anxious, as I think the Treasurer must be, on the whole question of the pastoral award which is to come into effect on 1st March next. That is a matter which must occasion serious thought. The ex-Premier took a responsibility when he abolished the pastoral award, lest employers might take undue advantage of the position. As matters are now, the present Premier and those engaged in the pastoral industry who support him will also take a very grave risk indeed when the pastoral award comes into effect on 1st March next. Considerable anxiety will follow.

Mr. GODFREY MORGAN: Thousands of men will be sacked.

Mr. WIENHOLT: I believe that good labour in the pastoral industry is some of the finest and very best labour in the world. We can agree on that. But all men are not equal. I am afraid that, when the pastoral industry award comes into effect on 1st March next, it will be giving improved conditions and wages, but in many cases taking away the job itself. Personally, I would like to see the only real solution for

wages—five jobs available and only three men to fill them, when the bad employer would be left and labour would get its full and real market value. The essence of employment is permanency. If, in the present condition of the pastoral industry, a wage is fixed that everybody must get—not the best and quickest and most experienced worker, but any man employed—then I am afraid the industry will get into the condition in which men will be engaged temporarily for mustering, lamb marking, etc., the work will be rushed through, and then the men who are dismissed will have to go into the nearest township and wait till they get another job. That is very bad for the man himself, and unsound from the point of view of the efficiency of the industry.

The Secretary for Agriculture must also be anxious, as he knows the position well. One can safely say that the whole pastoral industry—not the cattle industry particularly, but the sheep industry, too—has slipped. Improvements are slipping. Herds and flocks are slipping. We hear complaints here and there from people who purchase our primary products; and, if you put on an award which prevents permanent employment and leads to temporary work when the work is hurried and rushed through, I am afraid there is going to be further deterioration right through.

I do not say for a moment that a good man is not worth more than 35s. a week; but all men are not alike. Many of the men, perhaps, deserve more, and get more than the award even; but a man who gets £1 15s. a week permanently, with, of course, his board and lodging, may be a great deal better off than a man who gets a wage of £2 10s. a week and is employed only three-quarters of the time.

I want to touch very briefly on the question of taking £250,000 from the main roads fund and transferring it to revenue. Probably it is a question of “needs must when the devil drives.” The Treasurer, in any case, is very hard pressed. It seems to me that the main roads fund should be responsible for the full interest on loan money expended on roads, and it should also be liable for the full depreciation and redemption of loan moneys spent. Then I wonder if the ordinary State revenue has not a claim on the main roads fund for the extra expense that motor traffic causes to the Police Department. It seems that an allowance to the Home Office might be justified. Possibly another expense which this main roads fund should bear is in connection with hospitals. There is not the slightest doubt that since motor traffic came into being the number of accidents that they cause has a very important effect on the expenditure in connection with hospitals. A very eminent doctor from Melbourne told me that accidents from motor traffic alone in Melbourne had caused a very serious financial crisis in some of their big hospitals, so it seems to me that it would, perhaps, be reasonable to use part of the main roads fund both to finance the extra expense for police control and to contribute towards the cost of hospitals. I believe we have to get down to a less costly form of government, and during the passing of the Estimates we may be able, by close scrutiny of the different items as they come up, show where expense can be saved. There is another statement in the Budget which,

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to my mind, is very interesting. On page 14, the Treasurer states—

“In the past, railway fares and freights have been altered in a haphazard fashion, and very little, if any, organised method has been followed.”

I think that is true. The cure which I have always advocated is that, in the interests of the country, we should place the railways out of political control and interference, but not out of Parliamentary control.

I notice that on page 16 the Treasurer says in regard to loan money—

“A sound programme of expenditure on the right class of work must, eventually, be of benefit to the whole of the State.”

Surely nobody can imagine any Treasurer coming down and introducing any loan proposal, and telling hon. members that the proposed expenditure is an unsound one and not of the right class!

The question of the price of our wool and other products is very important, and the Treasurer naturally realises that. There are already certain favourable prospects; and, if our primary products increase in value, that will be a big help. Whether we shall get an increase or whether there will be still a slight decrease in the price of wool, I do not know; but, when primary products are low in price, it is reasonable to expect things to be at least a little more favourable.

Then there is the question of the exchange, which so heavily hit the former Treasurer and also hits the present occupant of the office. I am not one who wishes to see the exchange go higher and higher—far from it.

The TREASURER: If the balance of trade against Australia remains as it is to-day, the exchange is bound to increase, though I do not hope so.

Mr. WIENHOLT: Of course, the Treasurer does not hope so. There is a certain school of thought which advocates an increase in the exchange, believing that it will increase the value of our primary products, but I do not believe in that. I can see nothing hopeful in wanting to see our currency further and further depreciated in value. I would like to see a steady improvement in the exchange in our favour; but any rise cannot be in our favour.

Mr. MOORE: Which is our favour?

Mr. WIENHOLT: I have already told the Committee that the depreciation of our currency cannot be in our favour. If our exchange improves, as it may do with the improvement of our credit at home, then it is going, indirectly, at any rate, to be of immense assistance to the Treasurer.

Then there is the question of our loan conversion, and to what extent we may hope to gain in the near future from the improved position of our stocks in London. That is of very great interest to the Treasurer. So far as I can see, there are only two loans at home by which, so far as one can see, we are likely to get any immediate help. The first is one of £2,000,000 at 6 per cent., which falls due in 1934, when we have the option of paying it off. There is a reasonable chance of reducing interest on that loan in the fairly near future. If we could get a reduction to the market rate of 4 per cent., there would be a very considerable saving. We also have a loan of £3,750,000, if I

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remember rightly, redeemable at any time on giving six months' notice. The rate of interest on that loan is 5½ per cent., and, if we could save 1½ per cent. on it and 2 per cent. on the other loan by converting them into one loan at the ruling rate, we would be within a reasonable distance of saving the better part of £100,000 in the course of the next few years.

Mr. GODFREY MORGAN: The other loan does not mature for two years.

Mr. WIENHOLT: There is always a chance of floating a loan before the other actually matures. That means that there is a reasonable prospect that the country may gain to the extent I have suggested; and, with the savings in exchange, the gain to the State may be considerable. The whole position is one which calls for great thought and care on the part of the Treasurer. If I were Treasurer and a free man, I would not be hampered with too many academic political principles in the near future. That seems to be the main danger. It would be ungenerous indeed for any of us not to say that we realise the hon. gentleman's difficulties. He has no easy task. I think I can say that, although it is not through the act of any hon. member on this side of the gangway that the present Government are in power. Yet since it is so, many persons are glad to see the hon. gentleman in the position of Treasurer. I hope that he will be successful in his job of pulling the country through. Whether any of us can help him I do not know, but we will, at all events, try to do so in every way. At any rate, I hope for better times, and I hope that the hon. gentleman will have the health and strength necessary to cope with his task.

Mr. G. P. BARNES (*Warwick*) [5.53 p.m.]: I find myself a good deal in sympathy with some of the sentiments expressed in the Financial Statement by the Treasurer. On the very first page I find words which I think will appeal to every man, on whatever side of politics he may be—

“The policy which the Government intends to pursue as regards the public finances of the State is, no doubt, by far the most important aspect of the statement I am about to make.”

There can be no two opinions in the mind of every well-wisher of Queensland as to the correctness of that statement. Everything depends on the way in which our finances are handled—depends entirely on the success of the Government in dealing with them.

One has not to go far to realise that finance to-day is of the first importance. In every newspaper one picks up one finds emphasis placed on the importance of handling our finances along right lines.

I have two or three press comments on this all-important subject of finance. This is the first:—

“The city editor of the ‘Times,’ writing on 29th August, said: ‘In spite of the progress made towards the attainment of budgetary equilibrium, this has not yet been reached by the States, though the revenue account of the Commonwealth Government for the year to 30th June last was balanced, and the Commonwealth Government has announced its intention of again balancing its Budget for the year ending 30th June, 1933.’”

Finally, it states—

“It is understood that no approach to any oversea market is contemplated in connection with these capital works or the deficit. Clearly no effort should be spared by the various States to achieve balanced Budgets.”

Those comments confirm the introductory remarks by the Treasurer in his Financial Statement. The recent conversion loan of £150,000,000 floated in England was an outstanding success and a triumph for British financial stability. The Governor of the Commonwealth Bank, interviewed in London upon the completion of this conversion, said—

“It will also enhance the prospects of converting later some of the high interest-bearing securities which Australia now has the option to repay; but consideration of this matter must await further developments regarding British and other Dominion issues. Any progress made in Australia in carrying out the Premier's plan for rehabilitation will be closely watched at this end, and will have a material effect on the terms obtainable for conversions.”

Those remarks confirm my own opinions, and confirm the introductory comments of the Treasurer. They are matters that should weigh with every person entrusted with the responsibility of attending to the affairs of Queensland.

I am also in accord with many other opinions expressed in the Budget—opinions that are fully confirmed by the comments I have quoted. They set out the position with clearness and candour.

Perhaps at this stage it would be well if I were to mention that the amount required last year to meet exchange on remittances overseas was £1,047,718, and that the sinking fund contributions amounted to £363,318. Every figure I quote will prove the point I am endeavouring to make. I find on further analysing the Financial Statement that figures are given indicating how the receipts were £335,472 under the estimate, and how that shortage was made up by a reduction in receipts from taxation, railways, and so on. No Government could have been responsible for those lessened receipts. A shortage of that kind could not have been accounted for by any means whatsoever.

Let me now analyse the figures concerning the expenditure. The expenditure for the 1931-32 period is given as £631,451 under the estimate. Surely a figure such as that indicates that great care respecting the expenditure had been observed by the late Government! That fact is altogether to their credit.

I find a further explanation which has to do with the conditions of the country's finances. It is that the receipts from taxation fell from £2,556,050 received in the previous year to £1,157,329 last year, or a reduction of £881,721. There is a further explanation in the shortage of receipts from income tax. During 1929-30 the income tax collections amounted to £2 12s. 11d. per head of population; the following year it was £2 13s. 11d.; last year it was only £1 14s. 9d. Notwithstanding a reduction in the statutory exemption, in 1931 there was a falling off of nearly £28,000,000 in the gross income for income tax purposes. Unquestionably the financial depression is reflected in the

remarkable reduction in the income tax collections per capita last year. This only emphasises the true position which had to be faced by the Moore Government in attempting to bring about budgetary equilibrium. Further explanations can be given regarding the condition of things which obtained when the Financial Statement was being prepared. These statements accurately explain the deficit of £2,075,180 for the financial year just concluded. Circumstances operated beyond the power of any individual to control, and, if I were facing the electors to-morrow, I should unhesitatingly say that, under the circumstances existing, no other result could have been achieved.

That portion of the Financial Statement which deals with the maturing debt indicates that the purchase of bonds of the 7 per cent. and 6 per cent. American loans was an advantage to the State.

Whilst we may agree with the Treasurer as to the importance of the Financial Statement, we cannot see eye to eye with him in believing that the policy which he is adopting will achieve success. To my mind, the Treasurer's fond hopes will not be realised by pursuing a policy such as he has indicated. For example, he anticipates reducing expenditure by only £220,000. No one will disagree with the necessity for reducing expenditure during the troublous times through which we are passing. Indeed, it is incumbent upon every governing body, as well as on every business man, to reduce controllable expenditure as far as possible. The question is: Will the policy enunciated by the hon. gentleman succeed in achieving budgetary equilibrium? For instance, the Treasurer proposes to reimpose the super land tax, from which £130,000 is expected to be realised; income tax is to be increased by £270,000; railway fares and freights by £325,000; a transfer from main roads fund receipts will bring in £250,000; and adjustments in estimated receipts as the result of the revised Estimates are expected to realise £70,000. At that point we must disagree with the Treasurer, because increasing the burden of taxation on the people of Queensland at such a time is most unwise. All things considered, I question whether it was absolutely necessary to follow this course. We know that the Commissioner of Taxes has not succeeded in drawing from the people the total income tax that was expected. The assessments have not been honoured; and how the Treasurer can hope to succeed in raising a further £270,000 is beyond one's comprehension. In any case, it seems exceedingly unwise to attempt it.

As a member representing a country district, I object to the increase in railway fares, from which it is expected to receive an additional £325,000. The country has been carrying a load that is altogether excessive. From the time the Labour Government came into power in 1915 until 1929, railway fares were increased by about 87 per cent. and railway freights by 113 per cent.; and, although a reduction was made by the late Government, we are told that the people in the country will have to face this extra burden of £325,000. On behalf of the country, I say that it is an unwise procedure. It is not just.

The Government are encouraging settlement on the land, but this is a poor way of holding out the hand of encouragement to people to go on the land. We have to bear

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in mind that the imposition of this extra taxation does not end there, because we passed a Bill the other day which indicates that £500,000 is to be raised in another direction for unemployment relief purposes. That should not have been necessary when the Government are receiving £620,000 in one direction and £940,000 in another.

I entirely disagree with the efforts that the Government are making in order to realise the first fine sentiment expressed in the Financial Statement. There are other directions, too, in which the high purpose is not being followed in a successful way. A court was held the other day with regard to bringing about an adjustment of wages; and, when you are told that things must stand in abeyance for three months at a time when we are trying to bring ourselves into line with other places, it is not very encouraging. Competition with the Southern States is extremely great; and, whilst I am altogether opposed to a low wage, there are other directions in which adjustments might be made. A married man carrying responsibilities cannot do with less than he is getting. If anything, he requires more; but there are directions in which consideration should be given in order to reduce expenditure. That applies particularly to young life. The apprentice life, the young men and women of twenty-one years of age, are not carrying responsibility. It is necessary for the country to deal with them, and to realise that the worth of a man's service is his experience, and not his age. Again and again I have had young fellows of eighteen or nineteen years of age commencing life who have come to me for a job. You cannot give them a job because you have to pay according to years, and not according to experience. I maintain that a man of twenty-five or thirty years of age is worth more than a young man of twenty-one or twenty-two years of age. It is in that direction that the country needs to give consideration and intense thought in order to bring about a solution of our industrial trouble due to this cause. We are ruining our young fellows by giving them a great deal too much for their work.

With regard to the realisation of our purpose, one gets a shock when one looks at things as they are. Here we are calculating upon receiving so much more from our railways. The latest report shows that our railways are slipping further, and I am afraid that we are unlikely to receive the amount anticipated, even with the extra taxation that the Treasurer has put down on that score. I imagine that the great bulk of the wool has already been delivered, and a very fine revenue should be forthcoming from last month's wool freights. If, with the wool freights in hand, the railways show a shrinkage, how can we hope to recover this extra amount from railway earnings, unless it may be that the State Transport Bill, which has been introduced is going to bring back to the railways the traffic which has been lost, and which we have not been quite able to assess? I hope that will be the case.

We find that the public fund balances at the end of September have now been reduced to £404,838, and that fills one with a good deal of concern. Seeing that we are slipping rapidly, and have got through half the credit-balance which existed when this Government took office, and we are living at a fairly high rate, one fears what

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the consequence is going to be in a few months. Whilst I approve of the sentiments expressed at the beginning of the Financial Statement, one cannot but have doubts about it. The difference between the policy and administration of the Moore Government and that of the Labour Government can be stated in a few words. The Moore Government, or any Liberal or National Government, desire to do things on permanent lines, and are not out to do things just for to-day. Their consideration is what will be permanent and help in building up the country. The unfortunate policy of Labour is too often—and I feel sure that it will be realised in regard to the present Government—to respond to the demands of to-day and to meet conditions as they come along, instead of following a policy which is going to count in the days to come.

The policy that was adopted by the Moore Government is necessary more than ever before. We see the need for it on every hand; and the lesson is enforced by the experience of every Labour Government that ever existed. So long as they can go on giving more and yielding more in this direction and in that, they can continue in existence; but at the present moment more than ever I urge upon hon. members opposite the necessity for doing what will build up a permanent structure. It may be difficult to resist the clamour; but, for the sake of our future, everything should be considered with an eye to what it will mean by and by. There is ample evidence that herein lay the weakness of Labour's policy in the past. We see it in declining production. Labour's encouragement of an exodus from the land meant that young people, instead of remaining in the country and producing as they should have done—production going hand in hand with railway construction and expenditure on similar developmental agencies—came to the cities, and production on the land decreased. The following figures will indicate what I am trying to prove:—

VALUE OF PRODUCTION PER CAPITA.

State.	1914.		1926-27.		Increase.	
	£	s. d.	£	s. d.	£	s. d.
Queensland ..	56	4 10	60	7 10	4	3 0
Western Aus- talia	47	12 0	79	11 2	31	19 2
New South Wales	43	4 10	80	2 0	36	17 2
Victoria ..	37	9 2	71	0 5	33	11 5
South Australia	33	6 10	74	2 5	40	15 7
Tasmania ..	30	15 0	56	18 10	26	3 10
Average, States	42	4 5	73	4 5	31	0 0

In 1914 Queensland occupied first place with a production equal to £14 0s. 5d. above the average of all the States, whereas in 1926-27 she had fallen to second last place, being £12 16s. 7d. below the average of all the Australian States—a total slump of £26 17s. per head of population. In the face of those figures, there must have been such a sympathetic treatment of the people by the Government as led to a disinclination to work upon the land, with the result that many of them eventually found their way into the cities, and gradually became unemployed. Our industries became overstaffed. We are not producing enough; and production is the life of every country. These figures prove that the policy of the Labour Government was absolutely wrong.

I know that at the present time the Government are anxious to settle people on the land. There are vast areas in the State which can be used for a purpose; and I am sure that every man in this Chamber will lend a hand if the Government do the right thing. A huge blunder, however, is made in insisting upon perpetual leasehold conditions instead of allowing settlers to choose their own tenure for themselves. Why not give the people every encouragement we can in order to bring about a realisation of the purpose of the Government? I have lived many years and seen much pioneering work; and even to-day I have been approached by men who are ready to do the like again. They want to take up land, and they ask what help we can give them. The question always is: What help can we get? Many of these new settlers are a sturdy type of individual, although, perhaps, adventurous. From my long experience of agricultural development, I am convinced that the proper system of granting assistance is that of backing individual effort. If a settler carries out £1 worth of work, then advance him the sum of 10s. By the time that he has developed his property by the sweat of his brow he begins to acquire a liking for his enterprise, and will continue to like it and to develop it; but, if he is to receive immediately the full value of his contemplated effort, and he is to be continually nursed, he will meet with failure. Allow the individual to do a certain amount of work for himself and he will begin to like it, and will develop into a citizen who will be of some value to the community.

I am extremely anxious just now to obtain a definite pronouncement from the Government of their intentions in connection with the wheat industry. We are now in the midst of harvesting; and it is the intention of the Wheat Board to approach the Government when the present agreement expires in a month or two. In the interests of the stability of this industry and for the encouragement of wheatgrowers, it is necessary that a definite pronouncement should be made by the Government as to their intentions during the present harvesting season. I am aware that the Government have already been approached by the Wheat Board, but no delay should take place in the announcement of a definite wheat policy. I have noticed all through my life that too much zigzagging takes place in connection with life on the land. A man may be a wheatgrower to-day, a dairy farmer next year, and a sheep farmer the following year. There is too much zigzagging in agricultural occupations, with no great desire for permanency of employment. If the wheatgrowers are discouraged and they are to turn their hands to other agricultural pursuits, there is no knowing to what industries they will turn their attention. I am anxious that the Government should now definitely decide how this great industry is to be controlled. We are merely on the brink of wheat production in this State. I have travelled a great deal through this land; and I am sure that there are thousands, even tens of thousands—nay, hundreds of thousands—of acres of land suitable for wheat production if we are prepared to enter upon a scheme of vigorous development. I feel that I am on strong ground to-night in appealing to the Treasurer to give an indication of the intentions of the Government. As far back as 24th September, 1928, and also when the Treasurer was Secre-

tary for Agriculture in the previous Labour Government, he took a very keen interest in wheat production, and had a very thorough grip of the ramifications of the industry. On 24th September, 1928, the then Secretary for Agriculture, the present Premier, realising that the position of the wheat and flour milling industries was not satisfactory, and wondering how the wheat industry might be helped, and incidentally the farmer, wrote in this strain:—

“I desire to intimate that I have for some time been concerned with respect to the production and subsequent disposal of the Queensland wheat crop. From inquiry, I find—

1. During the last eight years the Queensland wheat crop has been unable to provide more than approximately two-thirds of Queensland's requirements in flour;

2. Large quantities of Southern flour are being introduced into Queensland by boat, rail, and motor;

3. Notwithstanding this, on the average of fair wheat seasons, approximately 20 per cent. of the crop has been exported from the State;

4. Several Queensland flour mills have not turned a wheel for an indefinite period, and none are working to full capacity;

5. On the one hand, Queensland flour millers have extensive wheat storage facilities, which, for the most part, are lying idle, while, on the other hand, the Wheat Board contemplates the provision of additional wheat storage at country stations.

As the responsible Minister for the Crown concerned with these matters, I feel that the circumstances warrant my conferring with the parties intimately interested, and to this end I desire to invite your co-operation in a conference between accredited representatives of the wheat-growers and one representative from each of the flour milling companies.

“I have sent this communication direct to the chairman and other members of the Wheat Board, and to each firm of flour millers operating in the State. I see no objection to the attendance of the manager and of the secretary, or accountant, in addition to the board members, while at the same time it will be competent that the principals of the firms engaged in the flour milling business have with them such of their business executives as they may deem desirable.

“I trust that you will agree to co-operate in this matter with a view to devising a policy that will be of advantage to the parties concerned, and to the State as a whole.

“I shall await your advices, on receipt of which a date will be arranged for the conference.

“I am,

Yours faithfully,

(Sgd.) W. Forgan Smith,

“Secretary for Agriculture and Stock.”

I feel strongly on this subject to-night with this letter before me, and I am sure that the Treasurer has no objection to me reading it.

The TREASURER: As a matter of fact, I stand for that policy to-day.

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Mr. G. P. BARNES: I am appealing as one who is in full sympathy with the principle that something should be done to follow out the exact purpose expressed in this letter. The farmer, as a result of what took place, benefited to an extent that can be stated in £ s. d. I have figures showing just what the advantage by them meant. The matter was placed in the hands of Mr. Macgregor, who was brought from South Australia and was then engaged in preparing the preliminary agreement between the Wheat Board and the millers. The agreement was made and entered into. Mr. Todd was Chairman of the Wheat Board. The personnel of the Wheat Board was strongly representative of those engaged in the industry. I do not believe it was possible to pick a stronger body of men to consider and enter into the agreement that was the subject matter of consideration on that occasion. As a result of that agreement the farmers in Queensland received 4s. per bushel for their f.a.q., or for average wheat 3s. 10d., whilst the ruling price in New South Wales was 3s. 4d. a bushel. The actual money advanced to the farmers in Queensland for that season's wheat was £129,483.

Then came the difficulties which arose in the year 1930-31, when there was a tremendous slump in the price of wheat. In order to save the country, and in order to save the farmers, the Sugar Acquisition Act was brought into operation. Everyone was, as it were, groping in the dark and wondering what was to be done. Happily the Government of the day—the Moore Government—took advantage of the Sugar Acquisition Act. The result was that in the year 1930-31 the average price for wheat in Queensland was 3s. 9d. per bushel, whereas in New South Wales it was only 1s. 7d. per bushel on rail. As the result of the splendid move made by the Moore Government, following the lead of the previous Administration, the farmers of Queensland received an additional amount of £300,000. As compared with his fellow farmer in New South Wales, the Queensland wheat farmer received 2s. 2d. per bushel more; yet we have had many suggestions that the farmer in Queensland has not been treated fairly.

Statements have been made in connection with this matter that have wounded people unjustifiably. For twenty-four years I have been a member of this Parliament. Statements have been made in this Chamber that the firm with which I am associated and other firms have cheated and robbed the farmers. A greater lie was never uttered so far as I am concerned, even from the time when as a boy of seventeen years I was controlling a business on my own. I have lived among the same people all my life. I defy anyone to make a charge outside similar to the totally unwarranted statement made in this Parliament. I do not know that anything has wounded me more deeply. The statement is absolutely false.

It is quite true that a difference of opinion has arisen between the Commissioner of Prices and the firms named. It was mentioned by the hon. member who made the unfounded charge that "two firms did not cheat and rob." May I say that one of the firms, Messrs. Gillespie Brothers, were not at that time milling, whilst the other firm that was named received their accounts just

as we did? In the accountancy work associated with any business one must naturally rely upon the staff engaged on that work. My accountant assures me that the statement of affairs of my firm is absolutely in accordance with the agreement. Certainly when the auditor came to Warwick he said, "Mr. Barnes, you have paid £50 too much. Your calculations are too high." Subsequently another calculation was made, and we were told that we had paid £1 ls. 5d. short. Now we have got a further letter, which reads—

"Treasury Buildings,  
"Brisbane, 23rd July, 1932.

"Sir,—Following on a communication from the Queensland State Wheat Board, Toowoomba, to the Under Secretary, Chief Secretary's Department, Brisbane, respecting the stocks of flour and wheat held by millers on the 16th January, 1931, a further investigation into this matter was made by Mr. Senior Audit Inspector Keenan.

"I am now directed to forward herewith copy of a statement prepared on a flour basis by Mr. Senior Audit Inspector Keenan, and to request that you will forward a cheque, at your early convenience, for the sum of £362 19s. 4d. shown to be due thereon.

"Yours faithfully,  
"E. H. LINDSEY, Secretary."

That is the amount that we are supposed to have robbed and cheated the people of. The thing is wrong. The first statement made was based upon the wheat and flour taken into stock under the Sugar Acquisition Act; and in that connection my firm paid £5,476 13s. 4d., and the amount stated in the letter is the amount which is in dispute. My people assert that we are absolutely correct. The reply sent by my firm on 4th August reads—

"The Secretary,  
"Commissioner of Prices Office,  
"Box H.494, G.P.O.,  
"Brisbane.

"Dear Sir,—Your letter of the 23rd ultimo duly reached us together with your claim for further payment by us of £362 19s. 4d., under the Government Proclamation operative from the 16th January, 1931.

"After so long a lapse of time we are surprised to receive such a demand, and frankly, we contend that our method of calculation as per statement furnished at the time more truly reflects the understanding arrived at at a conference between the State Wheat Board and the millers with the Minister for Agriculture in the chair. Such conference followed on the issue of the Proclamation and was held in Brisbane on the 21st and 23rd January, 1931. It was then understood between all concerned that the millers would require to pay to your office the difference in value between the price paid for wheat and the price fixed as a result of the Proclamation, namely, 4s. 2½d. rails country station, such figure having been agreed upon after a long and full discussion.

"We hold that our statement of amount due was in conformity with such arrangement, whereas your method is to convert all the wheat into flour tonnage. We hold that it was agreed that flour stocks should be converted into bushels of

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wheat. Then again you seemingly have ignored the matter of old wheat which was taken over by us in September, 1930, at 3s. 8½d. per bushel. Your calculation at £3 per ton of flour is equivalent to 1s. 3d. per bushel of wheat, so that any stocks of old wheat under such calculation would cost us 4s. 11½d. against the price agreed upon at the conference—namely, 4s. 2½d.

“We suggest, therefore, that you please review the whole position in the light of the foregoing, as we cannot see our way to meet your claim.”

That explains the whole thing; yet we are charged with being cheats and robbers! Is it a fair thing to find your people “dubbed” in that way? I have been in this Chamber for twenty-four years, and I have never heard a statement that could be regarded as being more contemptible than that made against people who want to do the right thing. Who wants to rob the country out of £362? We only want to do what is right. The Treasurer knows the difficulty of doing a normal trade in the milling industry. To-day you cannot do trade with Cairns and get your own money back, and you require a bigger price further South in order to compensate for the price you get up there. The prices were all fixed by arrangement. The millers did not dictate them; they were fixed at the conference. The price was fixed in order to meet the competition of New South Wales. Whilst no one wants that Northern trade, we carry it on in order to meet what the Treasurer desires—that is, instead of exporting wheat at a great loss, we should grist flour from wheat grown in Queensland and find a market for it in the State. That is what we have been endeavouring to do.

The TREASURER: That is the policy we desire now. We want Queensland wheat grown by Queensland farmers and made into flour in Queensland.

Mr. G. P. BARNES: I am simply speaking on this subject to-night in order that the hon. gentleman may not lose sight of the purpose he had in view in the year I have referred to, and still carry out his purpose. Otherwise the wheatgrowers of Queensland will be discouraged, which will be quite contradictory to the desire of the hon. gentleman when he wrote the letter I quoted and arranged for the conference in question, which really brought about the happy condition of things which obtains in connection with the wheatgrowing industry of Queensland. I shall be glad at any time to discuss the matter further with the hon. gentleman. There is much more to be said upon it than I have said to-night. I desired to speak, firstly, in the interests of people who are growing wheat, who should not be discouraged, and who, in view of low prices, require all the encouragement we can give them; and secondly, to stress the position of my own company and other millers in connection with this matter.

In the few moments I have left I want to urge that we cannot too earnestly bend our efforts in the settlement of the people on the land. It has been the purpose of my life to see in what directions wheatgrowing and dairying could be developed—especially in what other directions we can aid the cultivation of wheat. I believe myself that both north and south of Rockhampton alone there are hundreds of thousands of acres of land suitable for wheatgrowing. My purpose

to-night is to suggest that experimental areas should be set apart for the cultivation of this crop. Wheat is grown in every country of the world. Our trouble is with regard to rainfall; but, if experimental plots were put down in various areas, probably the development of the wheat industry would be far ahead of what it is to-day. Of course, there are areas on the Downs which we are not cultivating to the extent we should, and around Inglewood we can still expand and do very much better than we are doing at present.

I cannot too strongly support the hon. member for Nanango in his comments about the weiring of our streams. A wonderful opportunity is offered to us of spending money in a way which will improve production. I have in mind streams such as the Condamine and the Lockyer. The weiring of any of these creeks below the range can be done cheaply, and I believe that very great development would follow.

Another direction in which relief work can be utilised is in the building of a transcontinental railway. It may be said that it is wild talk to speak of building railways now; but, if money cannot be obtained under the ordinary loan system, it could be obtained on the land grant principle, and by building a railway from Camooweal to Eromanga and from Camooweal to Darwin we would be doing a wonderful thing for Australia.

In conclusion, I would like to say a word or two in regard to forestry. I understand that in the Millaa Millaa district alone there is timber worth about £18,000,000. I am not sure whether that figure needs confirmation, but it is undoubted that we have a great deal of timber in the North which can be converted into money. In the North great activity will be found in dealing with some of this timber, especially by Mr. J. M. Johnson, who is drying and sending away 50,000 superficial feet a week. More could be done in that direction.

Mr. G. C. TAYLOR (*Enoggera*) [7.53 p.m.]: I rise to compliment the Treasurer on his successful Budget. I claim that under the circumstances it is a very good Budget, and one that will meet with the approval of the whole of the people of Queensland. It is a paradox to think that at a time when the production of the State has reached the highest peak in its history we should have to introduce such a Budget to cover the deficits which the previous Government left to us.

There is not the slightest doubt that the job which confronts all the Governments of Australia is a very difficult one. The position in the South seems to become more acute every day, owing to the deflation tactics of the Tory Governments there; and we in this State will no doubt find ourselves in the unfortunate position of having to erect greater barriers against the inroads of the unfortunate workers from the South, who are being deflated there in large numbers. That is probably a position which our friends on the other side would like to see in Queensland, in order to destroy the very fine Budget which has been produced by the Treasurer. We know beyond a shadow of doubt that the whole world's position is becoming worse. Queensland is merely one economic cog in the whole mechanism of world production and consumption. We are suffering from the pangs of

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economic dislocation, not because we have contributed directly to the malady, but because there is under-consumption of world production, due entirely to the financial chaos born of the present system of international credits.

During the last year wool production in Queensland exceeded the production of all previous years. The wool production of Australia last year amounted to 937,596,816 lb., of a total value of £44,222,000. In 1926 the total wool production for the Commonwealth was 830,459,607 lb., having a value of £57,750,000. The present unsatisfactory position of the woolgrowing industry is due in a large measure to the under-consumption of woollen products in Europe and in other parts of the world, which, in turn, has resulted in diminished activities on the part of those creditor countries who eagerly sought Australian wool in the past. The serious lack of purchasing power in wool-consuming countries has reflected itself in the lessened demand for woollen goods; and this has had serious economic and financial repercussions in this country. We consume only 2½ lb. of wool per head of the population; but, if we could stimulate the purchasing power of the workers, there would be a greater demand for woollen products on the home market. I have figures to prove that the consumption of woollen products and those products requiring wool in their manufacture means the utilisation of only 2,220,052 lb. of wool, clearly indicating that something is radically wrong with our economic position when only that small amount of wool is consumed out of a total of 93,000,000 lb. We shall have to pay greater attention to the economic forces in this State. The serious diminution in the purchasing power of the workers has not only caused a lessened demand for woollen products, but it has also caused a serious economic deadlock in the operations of many dependent industries.

At 8 p.m.,

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

Mr. G. C. TAYLOR: The fact remains that the wool industry must be considered from the point of view of world economics. Russia is a country which possesses a larger number of sheep than Australia. There are in Russia 147,151,000 sheep, or 42,000,000 more than in Australia. From that huge number Russia produced 38,426,000 lb. of wool. Those figures show that that country is only producing one-third of the quantity of wool that we produce from our flocks.

Mr. SPARKES: Don't you give the Australian grazier any credit for producing a heavier fleece?

Mr. G. C. TAYLOR: I am coming to that point. By scientific methods and the culling of our flocks, together with inbreeding and crossing, we have developed our flocks from a humble position forty years ago to their present high status. By this method we have produced the finest texture of wool in addition to increasing the weight of the fleece. All this is reflected in the increased production of wool in this country. When we come to consider the question of the future of the wool industry on the world's markets, we must recognise that Russia may become a strong competitor of Australia. Other countries are also making considerable

headway in the production of wool. If a country like Russia can produce the same amount of wool per sheep as we produce in Australia in another ten years by the application of the same scientific methods as we have adopted, then a very serious problem in connection with retaining our present markets presents itself. We must hope that the application of science will further increase the weight of the fleece. We cannot overlook the fact that at all times we consider the marketing of our products from a parochial viewpoint. We believe that we are the only country in the world that produces such wonderful staple products as wool, wheat, butter, meat, etc., and, in considering the present economic crisis, we believe that, by the application of a few palliatives, bringing about a slight amelioration in our conditions, we shall be able to overcome our difficulties. The problem cannot be solved by any of the measures brought before this or any other Parliament in the Commonwealth. It is well known that we are not in a position to compete successfully with the more highly developed scientific methods of production of woollen goods, because we cannot get to the world's markets as quickly as can the manufacturers in Britain, the United States of America, and Europe. That is a serious drawback so far as the woollen industry is concerned. We are attempting to maintain the principle of primary productivity of wool; but in a few years we shall be faced with a serious problem if we do not attempt to bring about a changed attitude of mind so far as regards the development of secondary industries to assist the wool industry in the Commonwealth. Woollen goods that will compare with the best woollen goods produced anywhere else in the world can be produced in the Commonwealth, and particularly in Queensland.

Mr. SPARKES: The trouble is that it would cost us three times as much to produce them.

Mr. G. C. TAYLOR: The trouble is that hon. members opposite, and particularly the pastoral people, have made no attempt to grapple with the question.

Mr. COSTELLO: The trouble is the unions.

Mr. G. C. TAYLOR: The woolgrowers themselves could have established co-operative woollen mills twenty or thirty years ago if they had shown any foresight.

Mr. COSTELLO: The industrialists would have killed them.

Mr. G. C. TAYLOR: The industrialists cannot kill anything with the meagre wages they receive. They get no more than will enable them to cease work at midday on Saturday and recommence on Monday morning. I ask those hon. members opposite who interject, are there any millionaires among the industrial workers of the State? Would a census of the people owning Rolls Royce, Packard, and other high-priced motor cars, costing from £700 to £1,000, reveal that these cars are to be found at Spring Hill, Fortitude Valley, South Brisbane, or such places? No; the industrialists even in the shearing industry do not make sufficient to enable them to retire and take a trip to the old country or tour the Commonwealth to see the sights. As a matter of fact, if they are able to live without assistance between shearings they are doing remarkably well. Their plight was a most unenviable one under the Moore Government.

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We cannot grapple with the question as an individual State Government. The problem is beyond the solution of any one Government in the Commonwealth. A broader vision must be brought to bear upon the present economic position.

Mr. SIZER: You could solve everything before the elections.

Mr. G. C. TAYLOR: The hon. gentleman could not solve Hornibrook's Causeway. In this Budget we are attempting to lessen the burden that was placed upon the people during the three years that the Moore Government held office. If we can in any way lessen that burden, we shall have accomplished something.

Mr. SIZER: Your way of doing it is to increase taxation.

Mr. G. C. TAYLOR: The Moore Government's policy of deflation has now become one of the bugbears of the world; and the hon. member for Sandgate is to blame for the defeat of the Moore Government, because he was in charge of the department that did everything possible to reduce the standard of wages, the standard of living, and common decency in the industrial arena. As a result, to-day our friends are in opposition. We all know that at the present time there is a slight upward tendency in all commercial factors in the State; and that is not due in any way to a reduction of wages or to an increase of hours. It is not due to a deflation policy. It is due to the very fine effort that the Treasurer made when he prepared the Budget and gave effect to some of the points in the policy speech enunciated by him at Mackay.

Mr. SIZER: How do you account for the increase in the unemployment figures?

Mr. G. C. TAYLOR: The meat industry is another industry that our friends opposite attempted to boost by purchasing the abattoirs.

Mr. SPARKES: Don't you agree with them?

Mr. G. C. TAYLOR: Certainly not. In this State we have to consider the export meat trade also, because there is more to be gained by Queensland than any other State in Australia in that connection. Hon. members opposite purchased an institution that was not being successfully run by the people who previously owned it. If it had been successfully run, they would not have got the works at the price they paid.

Mr. MOORE: That is quite right. That is why we got them cheaply.

Mr. G. C. TAYLOR: The Leader of the Opposition will find out that the abattoir will become a bugbear to the State of Queensland. The anti-Socialists sitting opposite demonstrated their hatred of Socialism by selling all they possibly could of the State enterprises. In fact, they were prepared to throw to their friends all the State stations and everything else at a price, and then turn round and sink over £500,000 in a socialistic venture.

Mr. MOORE: You can get the stations back at the same price.

Mr. G. C. TAYLOR: At the same time they proclaim their anxiety as to what Socialism may do for the State of Queensland. It is a well-known fact that the agreement in connection with the abattoir would not have been for the benefit of the State had our friends opposite been in charge of the Government benches to-day, because,

when permits to kill for export are given to private firms, it goes to show that they were not conversant with the position, or, if they were, they were not acting in the best interests of the people of Queensland.

Mr. SPARKES: Do you propose not to give permits?

Mr. G. C. TAYLOR: If permits were not given to private firms, the abattoir would be killing all the time for itself, and no private company would be taken into consideration. Of course, hon. members opposite did the job; but, if rumour is correct, it is probable that T. A. Field, the millionaire carcass butcher from the South, will be operating in Queensland and within the city of Brisbane area within a very short space of time. That goes to show that hon. members opposite knew something before they purchased the abattoirs.

Mr. SIZER: You seem to know more than we do.

Mr. G. C. TAYLOR: If the hon. member were to tell the world all that he knew, there would be a wonderful revelation. (Laughter.) The Government are attempting to do something at a time when the crisis has reached its peak, so far as the deflation is concerned; and we know that it is only by giving careful attention to the industries of the State that anything will be accomplished in the next three years or afterwards—that is, if it is possible, in the face of the world's economic depression, to accomplish what we desire.

The question of the export trade is one that concerns this State. The total value of meat exported in 1931 was 17,148,542 lb., and of mutton and lamb 8,520,062 lb. We know that all that did not go through the abattoir at Cannon Hill, and that private companies were responsible for the export of more than three-fifths of that amount. The position is that the Government are faced with having to handle the question of the abattoir, and to see that the abattoir is run successfully in the face of opposition from friends of hon. members opposite.

Mr. SIZER: What do you mean?

Mr. G. C. TAYLOR: I mean that, if Mr. Field and his friends are operating here in a few months, the graziers of Queensland would sooner sell them their cattle than they would sell them to the State abattoir. The Leader of the Opposition, when Premier, said that the abattoir was going to be a wonderful proposition, and was going to handle the whole of the export trade of Queensland. He conveyed the idea that it was going to make a wonderful profit out of killing stock here and sending carcasses all over Australia. He painted a wonderful picture of the old Australian Meat Export meatworks, or Swifts', sending carcasses of cattle and sheep to the South, and the wonderful trade we were going to do there, when, as a matter of fact, most of the stuff which goes South goes on the hoof.

Mr. SPARKES: Don't be childish!

Mr. G. C. TAYLOR: Does the hon. member tell me that they are going to buy from you people?

Mr. MOORE: They kill for themselves at the abattoir.

Mr. G. C. TAYLOR: They do not all kill at the abattoir.

Mr. MOORE: They cannot kill anywhere else.

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Mr. G. C. TAYLOR: They do not kill there; but Redbank kills there.

Mr. MOORE: Why don't you find out for yourself before you make statements? I tell you Field does kill there. You make inquiries.

Mr. G. C. TAYLOR: I say that Tom Field does not kill at the abattoir. It is a well-known fact that the Premier knows more at the present time about the abattoir than the Leader of the Opposition did before he purchased it. We will not in any way attempt to cut down wages of the employees in order to meet the desire of the butchers, particularly of the people who are now killing there, and who previously killed at Redbank and other places. We were promised by the Moore Government a wonderful export trade from the abattoir, and we know we shall be very lucky if we get any export trade at all. (Opposition dissent.) It is true that Swifts and the Redbank Company kill there. Swifts—if they pay anything at all—only pay a rental.

Mr. MOORE: They do not pay anything of the kind. They pay so much a head.

Mr. G. C. TAYLOR: They do not increase the export trade at all. The fact remains that the abattoir is a Government abattoir, and that hon. members opposite made an agreement with Swifts that they could kill there for a certain period.

Mr. MOORE: Of course we did. They gave a guarantee that they would kill so many.

Mr. G. C. TAYLOR: Hon. members opposite bought the works from them, and gave them back to them to use. (Opposition laughter.) I do not care how much hon. members opposite interject or sneer at me, because I know they cannot evade the fact that they bought the abattoir partly on the plea that it was going to increase the export trade.

Mr. MAXWELL: It is not owned by the State.

Mr. G. C. TAYLOR: Who owns it?

Mr. MAXWELL: It is owned by a board.

Mr. G. C. TAYLOR: Hon. members opposite admit that they spent £500,000 and the State got nothing for it.

An OPPOSITION MEMBER: The State guaranteed the bonds.

Mr. G. C. TAYLOR: They are as good as cash.

Mr. SIZER: No, they are not.

Mr. G. C. TAYLOR: Hon. members do not mean to tell me that a firm like Swifts let hon. members opposite take them down! (Government laughter.)

Mr. SIZER: Those bonds are not negotiable.

Mr. G. C. TAYLOR: To-day, as a result of the Ottawa Conference, Argentina is in a better position in respect to the supply of meat to the United Kingdom than it was previously.

Mr. SPARKES: You are silly.

Mr. G. C. TAYLOR: We shall see whether I am silly when we remember that the amount of British money invested in Argentina is £730,000,000, whilst, apart from the war, only £600,000,000 of British money is invested in Australia. Believe me, the British Government at Ottawa gave greater preference to Argentina in regard to meat than we are going to get. (Opposition dissent.) Only to-day we have word that the

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Commonwealth Government are going to permit 4,000 cases of Fiji bananas to enter Australia; and that is a forerunner of what is going to follow. We know the results of the Ottawa Conference from little cablegrams that have leaked through the censor and appear from time to time in the press. The Commonwealth Government never stood to their guns to protect the industries of Australia at Ottawa, more especially the wheat industry. That is a well-known fact.

Mr. SPARKES: Does the hon. member realise that meat would now be 2s. 6d. per 100 lb. less if the recent grant had not been made?

Mr. G. C. TAYLOR: That is very probable. If hon. members opposite were to give adequate and serious consideration to the importance of British investments in Argentina, they would not be such ardent champions of Mr. S. M. Bruce and his party who attended the Ottawa Conference.

The Federal Government are attempting in every way to defeat the Queensland Treasurer in his budgetary achievements. To hear the hon. member for Sandgate, one would conclude that this State is not entitled to a proportionate share of customs revenue or of any other funds in the hands of the Commonwealth Government. They refer to the fact that the Queensland Government obtained £940,000 from the Commonwealth Government, but we are entitled to our proportionate share of some of the Commonwealth revenue, and we are not in receipt of a greater amount than that to which we are entitled. The political party of hon. members opposite in the Federal sphere will see that we do not get more than our share.

If we are to continue to increase butter production at the same rate as production has increased during the past three, four, or five years, the dairying industry will have considerable difficulty in meeting its share of our loan commitments overseas. Last year the dairying industry reached the peak in butter production, when 97,597,523 lb. were produced, of a total value of £5,250,000. Eighty per cent. of this butter was exported overseas. The industry is very stable at the present time, but it is faced with the question of overproduction in the future.

Mr. SPARKES: No.

At 3.28 p.m.,

The CHAIRMAN resumed the chair.

Mr. G. C. TAYLOR: We shall have to face keener competition in the markets of the old world.

Mr. EDWARDS: Those sentiments were uttered twenty years ago.

Mr. G. C. TAYLOR: Twenty years ago the people were not confronted with the problem of lack of markets. Purchasing power is limited because there is not a large wage fund for the workers. I am endeavouring to point this out to hon. members opposite, and to intimate to them that production proceeds apace in other countries as well.

The CHAIRMAN: Order! I ask the hon. member to address the Chair.

Mr. SPARKES: Less production will not help.

Mr. G. C. TAYLOR: No; and under consumption will not help the position either. We must recognise that we are faced with

the problem of under consumption throughout the world, and that that problem is the most serious that this or any other country which engages in an export trade has to face. Why does that position arise? Because for the past seven years a deflationist policy has been pursued throughout the world. During that period there has been a steady grinding down of wages, a consequent reduction in the standard of living, and an increase in the number of unemployed, causing increasing misery and affecting the purchasing power of the people to such an extent that they cannot purchase the goods of exporting countries. We, as a unit of production, must suffer.

Mr. COSTELLO: What was the cause?

Mr. G. C. TAYLOR: The cause was in the fact that between 1914 and 1918 every country in the world went mad and borrowed billions of money for the purposes of destruction. There were over 20,000,000 men on the pay roll of countries engaged in war. Those nations went on borrowing and borrowing, and, when the day of reckoning came, they found it absolutely impossible for them to meet the bill. The cost and effects of the war gripped the financial institutions in a similar manner to what prickly-pear did our lands in the Dalby and Chinchilla districts; but we have not yet been able to discover a financial cactoblastis to clean up the mess. The press to-day has told us of an American financial magnate who escaped by air from London to Athens in order to evade being extradited to the United States of America for putting through something like 5,000,000 dollars. His operations were on a similar scale to the Kreuger Corporation. Over two hundred and forty banks have "gone bung" in the last few months in one State in America. Yet hon. members opposite think that, by a little inflation at the present time, they can overcome the present economic difficulty. They cannot. An attempt is being made to-day to inflate the price of wool. An hon. member opposite suggested that the election of an American President was going to have a great effect on the world's economic position. Palliatives will not cure our troubles or get us anywhere, until those people who are yelling and talking so loudly about patriotism come together and show a true patriotic spirit by wiping out the interest on the debts incurred during the war. Just recently the English Government made an attempt to get down to bedrock by converting debts amounting to nearly £2,000,000,000. The fact remains that that was an attempt to lower the cost of interest, and it was successful. The English Government are faced with the problem of providing for 4,000,000 workers. We must find interest on our debts. It is true that Australia has been granted a short respite in this direction because the English Government have agreed to make no demand for interest for a year or two; but we are getting no actual reduction. We are only getting a little rest, as it were, from payments in connection with the burden of interest. At the same time, the people who are benefiting by the interest rates are supposed to be amongst the greatest patriots of the country. This is a time when the patriotism of these people can be put to the test. In view of the condition of the world's markets, we cannot hope for success so far as increased trade in the future is concerned until we give more attention to the problem of under consumption.

The hon. member for Nanango said that things are not as black as I have painted them. I would remind the hon. member that, if no censorship existed in Australia to-day, information of an astonishing nature would be available. Information which is hushed up by the press is in many cases published later in magazine articles published elsewhere.

Mr. EDWARDS: In Russia.

Mr. G. C. TAYLOR: No. Even in one of the most loyal parts of the British Empire—Northern Ireland—press reports indicate that riots are occurring in which women and children are participating. Yet the hon. member for Nanango says that things are not as black as I paint them.

Mr. SPARKES: You told us at the beginning of your speech that things were better.

Mr. G. C. TAYLOR: Yes, so far as Queensland is concerned; but we are wrapped up in the world-wide troubles of to-day, and we cannot afford to be parochial in our outlook, hoping that distance from the older countries of the world will enable us to escape. If the policy of hon. members opposite had been given effect to, we would have been in the position of dealing with bread and food riots in this land of plenty.

Mr. EDWARDS: You are the type of man who creates them.

Mr. G. C. TAYLOR: I have always recognised that the best organisers of the Communist Party are hon. members opposite, whose policy and that of the parties under the same banner has always created the economic position in which the seeds of communism flourish. Hon. members opposite are the people who plough and fallow the ground in which the seed of communism can germinate. Do hon. members opposite mean to tell me that, in the conditions existing in the South and in the conditions that will exist after Mr. Stevens has done his cleaning up in New South Wales, the seeds of communism will not flourish?

Mr. EDWARDS: Do you think Mr. Lang improved the position in New South Wales?

Mr. G. C. TAYLOR: To that I would retort: Does the hon. member think that Lang did anything wrong? The hon. member surely does not think I am so stupid as to answer any question he likes to put to me. (Laughter.) What I am more concerned about is the fact that the prototypes of hon. members opposite—Messrs. Bruce, Lyons, Latham, etc.—are creating a position in Australia that is fraught with grave danger. They are going in for a wage reduction policy. They attempted to forestall us in Queensland by giving a basic wage of £3 6s. per week in one of the Federal awards, and they came a thud. They believe that low wages and long hours are the remedy for the present position. But do other leaders of the world's industries agree with them? Men like Henry Ford and the men who lead General Motors to-day believe in shorter hours and higher pay.

Mr. MAXWELL: Not now. They are cutting down wages.

Mr. G. C. TAYLOR: They are advocating a six-hour day in the United States of America. Don't forget that you people on the other side—

The CHAIRMAN: Order! I must ask the hon. member for Enoggera to address his remarks to the Chair. I am not going

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to allow him to indulge in a dialogue with members of the Opposition.

A GOVERNMENT MEMBER: What about members of the Opposition?

The CHAIRMAN: I shall attend to the Opposition.

Mr. G. C. TAYLOR: Hon. members opposite know that before very long we in Australia will have to shorten the working hours to six hours a day, and we shall have to increase wages, because we cannot meet the position by a deflation policy.

Mr. BRAND: Why don't you do it?

Mr. G. C. TAYLOR: We have already increased wages in Queensland, and we are going to shorten hours at the earliest possible moment.

An OPPOSITION MEMBER: When will that be?

The CHAIRMAN: Order!

Mr. G. C. TAYLOR: The position is as I have stated.

Mr. SIZER: Is it coming this year?

Mr. G. C. TAYLOR: It will come in good time, and it will come a darned side quicker because we are on this side. The position is that we owe £117 8s. 1d. per head of the population. We have an interest bill of £5,338,254 per annum.

Mr. EDWARDS: The Labour Government created that.

Mr. G. C. TAYLOR: The interest amounts to £4 14s. 9d. per head of the population.

Mr. MOORE: Rip Van Winkle.

Mr. G. C. TAYLOR: The fact remains that that debt is on the people of Queensland, and there is no possible chance of us doing any good with it until we increase the purchasing power of the workers.

Mr. BRAND: The Labour Party put that debt there.

Mr. G. C. TAYLOR: The Labour Party did as much as your friends did previously. That debt has been mounting up for years, and the Labour Party cannot be blamed for it. We cannot get any income from the man on relief work, and that is the position hon. members opposite wanted to create; in fact, they started something that grew up like a toadstool. (Interruption.)

The CHAIRMAN: Order!

Mr. G. C. TAYLOR: Hon. members opposite started something, and then they did not know what to do with it because it got too big for them. At the finish they intended to make the relief system the industrial wage system of Queensland. That was the position created by hon. members opposite, and we have only just come in in time to remedy it. You were going to make the wage you were giving to relief workers the basic wage in Queensland. You set out to do that, and had you not been removed from office, that would have been an established fact to-day; yet you consider that the position might have been better if your policy during the last three years was followed up to-day.

The CHAIRMAN: Order! I have repeatedly asked the hon. member for Enoggera to address his remarks to the Chair. He must not address hon. members opposite directly. If he does not take notice of my

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instructions, I shall ask him to resume his seat.

Mr. MAXWELL: Give the boy a chance!

The CHAIRMAN: Order! I warn the hon. member for Toowong to obey my call to order.

Mr. G. C. TAYLOR: As I said at the outset, the Moore Government were part and parcel of the party which represents Australia in the Federal arena. I want to prove conclusively that, in the policy initiated by hon. members opposite during the past three years and adopted by their associates in the South, this country is going to be in a very bad condition in future. Hon. members opposite ought to know that this State can only get out of the economic morass they brought about by an increased purchasing power of the worker.

Mr. SIZER: How will you bring that about?

Mr. G. C. TAYLOR: It can be done by the patriots in the State and by the financial institutions releasing some of the frozen finance they have got and putting it into circulation. There have been too many fixed deposits in Queensland as the result of the depressionist tactics and preaching of the Moore Government during the past three years. If hon. members opposite believe that by taking money out of circulation they can increase the purchasing power of the community, they are taking an uneconomic view of things.

While the Budget of the Treasurer may not be able to solve all the economic ills from which the State is suffering as the result of three years' maladministration, it will certainly improve matters; but it is not the be-all and end-all so far as regards the solving of the problem which confronts us. We are not going to solve the problems of the world to-day by the mere production of a Budget either in the Commonwealth or State Parliament. I know that the whole capitalistic system is falling down around the ears of the people that built it, but they do not realise the position. I am not alone in making that statement. It is the view of hundreds of other men who understand world economics, and who to-day are trying to point out to the Governments of the world the grave dangers which confront us at the present time. We shall not find a solution of our problems whilst we create thousands of unemployed, and whilst we pauperise the whole of the workers. The only way in which we shall solve the problem of unemployment is by creating work; and the only way to do that is to strike off the backs of the people of this country and the rest of the countries of the world the financial Jews who have a grip on them. Our troubles to-day are caused by usury—the whole world is in its grip. At any rate, that is the main cause of our troubles. In South America Brazil dumped 18,000,000 or 20,000,000 bags of coffee; in Hungary they put out fires with wine. In Canada the other day the bottom fell out of the wheat market—48 cents a bushel for wheat! What is going to happen? Are they going to burn the wheat. The Governor of one American State issued an edict and stopped the production of cotton. Why? Because he knew perfectly well that in the near future there would be over-production, which would cause a slump in prices. Ask any of the business men who handle fruit in Brisbane, and you will find that some of them

have been known to dump bananas in order to keep up the price.

Mr. TOZER: Well, the growing of them gave work to somebody.

Mr. G. C. TAYLOR: If the primary producer got paid for these things, well and good. When I talk about the worker, I talk about anybody who works, including the man who works on the land, the man who works in the office, the man who works in any way for wages or salary.

Mr. COSTELLO: What about the man who works on a soap-box?

Mr. G. C. TAYLOR: Never mind about the soap-box! If it were not for the soap-box, hon. members opposite would not be here.

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

The House resumed.

The CHAIRMAN reported progress.

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

The House adjourned at 8.54 p.m.

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