

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**THURSDAY, 24 AUGUST 1933**

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### THURSDAY, 24 AUGUST, 1933.

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

#### QUESTIONS.

##### REJECTION OF MOTH INFECTED POTATOES—LOSSES TO FARMERS.

Mr. MAHER (*West Moreton*) asked the Secretary for Agriculture—

"1. Regarding the deputation which waited on him at the Laidley show, has any action been taken to minimise losses to farmers caused by the rejection of potatoes which are moth infected?"

"2. Does he propose to act on the valuable suggestion of Mr. A. J. Dean, of Forest Hill, in regard to the bag question?"

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

"1. Advice upon the best methods of controlling potato moth was given publicly in the press and by other means, and it is satisfactory to note that, during the past four weeks, the inspectors have held up, for resorting, only two consignments of potatoes affected with moth.

"2. Full consideration has been and is still being given to the matter. At the present time I am in correspondence with all the other Australian Agricultural Departments upon this very difficult and vexed problem of bags and bales."

##### ANALYSIS OF VOTING AT GENERAL ELECTION.

Mr. MAHER (*West Moreton*) asked the Attorney-General—

"The return furnished to Parliament in 1932 of the details of polling at the general election last year shows the figures at Thornton, in the West Moreton electorate, as follow:—

Cooper, 17; Krebs, 18; Littman, 43; Maher, 2.

Will he kindly ascertain whether the report presented to Parliament is a true record of the actual vote at Thornton?"

The ATTORNEY-GENERAL (Hon. J. Mullan, *Carpentaria*) replied—

"The official return furnished by the returning officer for the electoral district of West Moreton in connection with the general election held on 11th June, 1932, shows that the votes recorded at Thornton were as follow:—

Cooper, 17; Krebs, 18; Littman, 43; Maher, 2; informal, 2.

This return is signed by the returning officer, one poll clerk, and two scrutineers. I can well understand the anxiety of the hon. member for West Moreton. Perhaps he fears that the example shown by the electors of Thornton will be emulated at the next election by those of other centres."

##### PUBLICATION OF REPORTS ON QUEENSLAND WHEAT YIELD AND FODDER CONSERVATION.

Mr. MAHER (*West Moreton*) asked the Premier—

"Will he cause the valuable report on the possibilities of increasing the

Queensland wheat yield, prepared by the State Consultative Committee on Developmental Proposals in 1930, and also the recent report by the Bureau of Industry on fodder conservation, to be printed, and copies made available to members of the Legislative Assembly and interested members of the general public?"

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

"The matter will receive consideration. I presume that the report on wheat that the hon. member refers to deals with the investigation which I initiated in 1928."

##### EXPENDITURE AT ST. LUCIA FARM SCHOOL.

Mr. MAHER (*West Moreton*) asked the Secretary for Agriculture—

"1. What amount of money has been expended at St. Lucia farm school on—(a) Salaries; (b) machinery, horses, harness, and general requirements; (c) erection of buildings, cost of furnishings and equipment; and (d) miscellaneous expenditure not provided for in the foregoing?"

"2. How many boys have been trained and placed on farms?"

"3. What was the actual cost to the State finances for each boy so trained and placed?"

"4. To what fund are those outgoings charged?"

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

"1. (a) £210 7s. 2d.; (b) £465 13s. 5d.; (c) £1,030 8s. 3d.; and (d) £1,091 12s. 11d.

"2. Fifty boys were enrolled at the opening of the institution. Thirty-six, who have completed their training, have been placed on farms. It is anticipated that the balance will shortly be placed. More applications from employers are being received for these boys than can be filled.

"3. Approximately £20.

"4. Commonwealth-State Loan—Relief of unemployment."

##### SPREAD OF GALVANISED BURR.

Mr. MAXWELL (*Toowong*), for Mr. GODFREY MORGAN (*Murilla*), asked the Secretary for Public Lands—

"In view of the recent alarming spread of galvanised burr over thousands of acres of good pastoral country, will he state what action (if any) his department intends to take to prevent the further spread of this noxious pest and to bring about its eradication in the areas where it now exists?"

The SECRETARY FOR PUBLIC LANDS (Hon. P. Pease, *Herbert*) replied—

"The matter is under consideration."

##### STATE EMPLOYMENT COUNCIL.

Mr. SIZER (*Sandgate*) asked the Secretary for Labour and Industry—

"1. What date was the State Employment Council established under the State-Federal Unemployment Relief Loan of £620,000?"

"2. What date was the application of the Mount Morgan Company for assistance considered, and what date was the advance of £15,000 approved?"

"3. Who were the members of the Council present at the meeting when the £15,000 advanced to the Mount Morgan Company was approved?"

The SECRETARY FOR LABOUR AND INDUSTRY (Hon. M. P. Hynes, *Townsville*) replied—

"1. The State Employment Council was established on 5th May, 1932, but no finality had been reached regarding the State's quota of £620,000 under the Commonwealth-States loan until after the Labour Government took office on 18th June, 1932.

"2 and 3. The application of the Mount Morgan Company for assistance was the subject of consideration by the Employment Council at several meetings prior to the change of Government, but no finality was reached until the 25th June, 1932, on which date the Hon. the Treasurer was notified by the chairman (Hon. M. P. Hynes) and the two Commonwealth representatives (Messrs. J. P. Bottomley and M. P. Campbell) that the State Employment Council had approved of the allocation of an amount of £15,000 to Mount Morgan Limited. At this date the personnel of the council was as follows:—Hon. M. P. Hynes (chairman), Messrs. J. R. Kemp, J. D. Story, W. L. Payne, H. C. Quodling, M. P. Campbell, J. H. Stanley, T. J. Barry, J. P. Bottomley, D. Gunn, and W. H. Austin."

Mr. SIZER: That is a deliberate misstatement of facts.

Mr. SPEAKER: Order! The hon. member, having asked his question, must be satisfied for the time being with the answer he gets.

Mr. SIZER: One expects a truthful answer.

Mr. SPEAKER: Order!

Mr. SIZER again interjected.

Mr. SPEAKER: Order! The hon. member must obey the Chair.

Mr. SIZER: It is very hard. It was not a truthful answer.

Mr. SPEAKER: Order! I am sorry, but I shall have no alternative but to name the hon. member for Sandgate if he does not obey my call to order.

RECLASSIFICATION OF FOREST AND TIMBER RESERVES IN GYMPIE LAND AGENT'S DISTRICT.

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

"1. Is it his intention to have a reclassification of the forest and timber reserves in the Gympie land agent's district with a view to opening for settlement land suitable for agriculture and dairying? If so, when?"

"2. With reference to the areas of forest reserves in the Gympie land agent's district which Mr. Deacon, when Minister for Lands, promised Messrs. H. F. Walker, E. H. C. Clayton, and V. H. Tozer to make available for selection as soon as the marketable timber was removed, and to proceed at once with the removal, will he state—(a) If the

following areas as promised will be still available for selection; (b) if so, when and under what title:—

Glastonbury State Forest.—All the suitable land for agriculture and dairying, estimated at about 2,000 acres (Schacht's logging area).

Amamoor State Forest.—About 1,000 acres, including the northern and western section of Harry's Creek logging area.

Imbil State Forest Reserve 256.—About 1,280 acres of Blue Creek logging area.

Brooloo State Forest.—Kenilworth logging area, about 670 acres.

Little Yabba Creek.—About 640 acres, in four blocks?

"3. Have any steps been taken to remove the marketable timber from the above portions?"

The SECRETARY FOR PUBLIC LANDS (Hon. P. Pease, *Herbert*) replied—

"1. A complete investigation is now proceeding.

"2 and 3. See answer to No. 1. No part of a State forest can be open for selection without the sanction of Parliament. The authority of Parliament will be sought after the investigation has been completed."

REBATE TO PURCHASERS OF CROWN TIMBERS.

Mr. NIMMO (*Oxley*) asked the Secretary for Public Lands—

"1. What are the rebates or reductions in royalty given to purchasers of Crown timber—(a) Logs used for sawn pine for export to other States; (b) Logs used for sawn pine for sale within the State; (c) Logs used for manufactured pine plywood for export overseas; (d) Logs used for manufactured pine plywood for export to other States; and (e) Logs used for manufactured pine plywood for sale within the State?"

"2. What was the total amount of each of these rebates and/or reductions in royalty in 1932-33?"

"3. What methods are adopted to prevent the rebate being given in respect of timber obtained from private lands in the case of mills operating on both Crown and private timber?"

The SECRETARY FOR PUBLIC LANDS (Hon. P. Pease, *Herbert*) replied—

"1. to 3. The information can be obtained on application to the chairman of the Timber Advisory Committee."

NET CASH BALANCE, 30TH JUNE, 1933.

Mr. FADDEN (*Kennedy*) asked the Treasurer—

"1. Was the net cash balance at 30th June, 1933 (£1,568,396) supplied from excess collections of Trust Funds, of which railway superannuation contributions formed a part?"

"2. Is it not a fact that the credit balance of the Loan Fund at 30th June, 1933 (£3,375,524), was less than the debit balance of the Consolidated Revenue Fund (£3,806,367), the net deficiency between these two funds being £430,843, and, therefore, that the net cash balance

at 30th June, 1933, would have been non-existent but for the Trust Fund balance?

"3. Should not the prior claim upon the money that was utilised by the Government for the redemption of Treasury bills, amounting to £1,450,000, made up of £800,000 in May last and £650,000 in July, have been the repayment to the Trust Fund of the amount used from that source to finance consolidated revenue deficits, and would such repayment to the Trust Fund have provided £430,843 towards repayment to railway employees on account of railway superannuation contributions?"

"4. What appropriation or Parliamentary authority existed for the transfer in July last of the sum of £20,800 from the Main Roads Trust Fund to Consolidated Revenue?"

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

"1. These questions are really unsound assertions; but being naturally courteous, I will supply the facts. The Moore Government made use of the balance of the Trust Funds towards meeting the deficits which accrued in the Consolidated Revenue Fund during that Government's tenure of office. Until these deficits have been funded, the balance of the Trust Funds will not be available.

"2. The credit balance of the Loan Fund at 30th June, 1933, was less than the debit balance of the Consolidated Revenue Fund. This debit balance, with the exception of £165,958, represents the revenue deficits accumulated by the Moore Government. These deficits were financed by the Moore Government by using Loan and Trust Funds, and it has not been possible for the present Government to arrange for the funding of the amount. Until these deficits, which were inherited from the previous Government, have been funded, no other course is open to my Government but to continue to use these balances for that purpose.

"3. There would have been no necessity to question the use of surplus cash for the temporary redemption of Treasury bills if the finances of the State had not been left in such a deplorable condition by the Moore Government, and the present Government would not have experienced any difficulty in refunding railway superannuation contributions if those contributions had not been used by the Moore Government to finance its deficits.

"4. Legislative authority, which will have retrospective effect."

FORWARDING AGENCY—CHILLAGOE STATE SMELTERS.

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

"During the term of office of the present Government, has the forwarding agency of the Chillagoe State smelters been taken from Headrick's Limited, of Cairns, and given to a Mr. Crowley, son-in-law of the Deputy Premier (Mr. Pease)?"

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*) replied—

"The department does not possess the full information asked for."

ALLEGED APPOINTMENTS TO PUBLIC SERVICE.

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

"Since the present Government assumed office, have his brother and his nephew received appointments in the Department under his control?"

The SECRETARY FOR PUBLIC WORKS (Hon. H. A. Bruce, *The Tableland*) replied—

"I have no brother. A nephew has been appointed."

Mr. KENNY (*Cook*) asked the Home Secretary—

"Has his sister received an appointment in his Department? If so, what appointment?"

The HOME SECRETARY (Hon. E. M. Hanlon, *Ithaca*) replied—

"No."

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

"Has Mr. Hanlon, a brother of the Home Secretary, received an appointment in his Department during the term of office of the present Government?"

The SECRETARY FOR PUBLIC LANDS (Hon. P. Pease, *Herbert*) replied—

"Applicants for positions in the Lands Department are not required to furnish a list of their relations."

Mr. KENNY (*Cook*) asked the Secretary for Labour and Industry—

"Has Mr. G. Farrell, ex-M.L.A., received an appointment in his Department?"

The SECRETARY FOR LABOUR AND INDUSTRY (Hon. M. P. Hynes, *Townsville*) replied—

"No."

PRIVILEGE.

DISALLOWANCE OF QUESTIONS.

Mr. R. M. KING (*Logan*): Mr. Speaker, I rise to a point of order. I notice that the questions of which the hon. member for Cook gave notice yesterday, have been severely sub-edited or pruned. You have given reasons for your actions, but I am of the opinion that your ruling is wrong, particularly as you have allowed two questions to-day, numbers 11 and 13, to appear on the business sheet when they were ruled out of order on Tuesday last. Your ruling led to the notice of motion by the hon. member for Cook to disagree with your ruling. I am of the opinion that the question can be settled satisfactorily only by this House in accordance with the provisions of the Standing Orders. Accordingly, I give notice of motion that this House disagrees with your ruling.

Mr. SPEAKER: I cannot accept the motion. It is not in order, for the reasons that I have already stated. It is true that two of the questions asked by the hon. member for Cook are substantially the same as a portion of a question already asked by that hon. gentleman. As stated in my previous ruling, those questions were ruled out of order on the ground that they were not in order in their then existing form, i.e., with the inclusion of questions already asked. The hon. member for Cook made no endeavour to ask the questions in an amended

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form until yesterday, and when he made that endeavour the questions were allowed to appear on the business sheet so long as they did not contain the matter which was previously asked and answered. The hon. member has since made an endeavour to ask the questions in an amended form, and when he made that endeavour the questions were allowed to appear on the business sheet so long as they did not contain the questions which were previously asked and answered.

#### PAPERS.

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

Report by the Land Administration Board under "The Closer Settlement Acts, 1906 to 1931."

The following paper was laid on the table:—

Order in Council, dated 5th May, 1933, under "The State Advances Corporation Buildings Improvement Act of 1932."

#### PERSONAL EXPLANATIONS.

##### ALLEGED APPOINTMENTS TO THE PUBLIC SERVICE

Mr. R. M. KING (*Logan*) [10.48 a.m.], by leave: I wish to make a personal explanation. In a speech which was delivered yesterday in this House the hon. member for Bulimba devoted a good deal of his time to the question of the alleged appointment to the public service of relatives of members of the Opposition. In the course of his speech the hon. member said—

"The appointments did not finish there, so far as Ministers were concerned, because the brother-in-law of the late Secretary for Public Works . . ."

I would inform the hon. member that I am not the late Secretary for Public Works; I am the ex-Secretary for Public Works—

"Mr. Deshon was found to be a very suitable man for promotion to the Land Court at £1,000 a year, and his brother had excellent claims for appointment as inspector in the Agricultural Bank."

I desire to say that Mr. Deshon was appointed to the public service many years before he became my brother-in-law. By dint of assiduous and loyal service to the State he reached a very high position, and was appointed to the Land Court as a Land Court judge by the Cabinet of which I happened to be a member. (Government interruption.)

Mr. SPEAKER: Order!

Mr. R. M. KING: Everybody, I think, has admitted that the appointment was the right one—

Mr. SPEAKER: Order!

Mr. R. M. KING: But I want to say this—

Mr. SPEAKER: Order! The hon. member is not permitted to debate the question.

Mr. R. M. KING: I do not want to debate it; I simply want to say that I had nothing whatever to do with the appointment of Mr. Deshon to that particular position. As a matter of fact, although I recognised Mr. Deshon's claims, I supported another person

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altogether. (Government laughter.) Ministers of the then Cabinet can bear me out in that particular regard.

The other point is that my brother was appointed to the public service. That is quite true. I introduced my brother to the present Premier and to the Secretary for Agriculture, knowing that there was some vacancy in connection with the Department of Agriculture. The matter was entirely in the Premier's hands, and the hon. gentleman was kind enough to appoint my brother to a position, as he recognised he was a good man for the position, I had nothing whatever to do with the appointment.

Mr. BEDFORD: What are you apologising for?

Mr. R. M. KING: Allow me to say that probably if the hon. member had his opportunity—

Mr. SPEAKER: Order! The hon. member must not debate the question.

Mr. R. M. KING: I do not desire to debate the question.

Mr. SPEAKER: Order! Will the hon. member resume his seat. (The hon. member for Logan resumes his seat.) The hon. member knows that a personal explanation cannot develop into a debate, and I hope he will not endeavour to debate the question.

Mr. R. M. KING: I do not desire to debate the question, and I was not aware that I was so doing. I was simply pointing out that, so far as I am personally concerned, I had no hand in the appointment of either of these relatives of mine. It is only in keeping with the tactics adopted by the hon. member for Bulimba that he should try to make an accusation that I used my political position to get relatives of mine into jobs in the public service. There is absolutely no foundation for the statement, and I challenge the hon. member to say it outside.

Mr. WALKER (*Cooroora*) [10.51 a.m.], by leave: I, too wish to make a personal explanation. The hon. member for Bulimba in his speech yesterday made reference to the fact that certain relatives of mine had been appointed in the Department of Agriculture and Stock. I want to say that all appointments and all promotions that were made in that department went through the usual channels. To the best of my knowledge, every one was recommended by the Public Service Commissioner.

The SECRETARY FOR PUBLIC WORKS: You cannot get away with that.

Mr. WALKER: You, Mr. Speaker, will believe me when I say that. It is all very well to make sweeping assertions without knowing the full facts of the position. When the hon. member for Bulimba said that my son had been appointed as a stock inspector he was quite correct. My son applied for the position, and I understand he is regarded as a first-class man and is giving universal satisfaction. I had nothing to do with the appointment. (Government laughter.) Regarding the appointment of my son-in-law as herdsman at Dunwich—

Mr. SPEAKER: Order! This matter belongs to a debate on another motion, and the hon. member is not permitted to enter into a full discussion of the matter on a

personal explanation. He may explain or deny, but he cannot debate the matter.

Mr. WALKER: I see that your ruling is quite sound. I asked the Department of Agriculture for information regarding my son this morning. This is what I asked and the information I received from the department with the approval of the Secretary for Agriculture—

"1. When was Harry James Walker first appointed to the Department of Agriculture and Stock?—17th November, 1927.

"2. Did he subsequently pass an examination for slaughtering inspector—(a) In open competition—Yes; (b) in what year—1929; (c) what was the number of candidates—59; (d) what was his place in the examination?—First.

"3. When was he appointed an inspector?—In October, 1930, after having served six months' probationship."

Mr. NIMMO (*Oxley*) [10.56 a.m.], by leave: I wish to make a personal explanation. The appointment of my daughter was referred to by the hon. member for Bulimba yesterday as a political appointment, and I wish to state the facts.

She attended the State school, secured a scholarship for the Grammar school, and passed her junior examination, and subsequently passed her senior examination. She attended the Queensland University where she got her Bachelor of Arts degree in law subjects in May, 1929. She was the first woman to do so. On leaving the University she applied for admission to the public service; that was before I was a member of Parliament.

She joined the staff of Messrs. Tully and Wilson, and was admitted as a barrister. Mr. Story wrote to her to come in and see him, when he offered an appointment. I used no influence at all.

Mr. SPEAKER: Order! That matter can be dealt with on a motion which is coming before the House to-day.

Mr. NIMMO: I am denying that it is a political appointment. I wish to state—

Mr. SPEAKER: Order! I would point out to the hon. member that there will be an Appropriation Bill before the House to-day when there will be abundant opportunity to debate the subject. I have no desire to prevent any hon. member from giving a personal explanation, but it must be a personal explanation and must end at that.

Mr. NIMMO: I quite agree, Mr. Speaker, that your ruling is correct, but I think I am entitled to show that my daughter, on the facts I have presented, was entitled to an appointment by the Public Service Commissioner off her own bat. While she was in the public service she earned her salary.

Mr. SPEAKER: Order! The hon. member knows that he is out of order.

Mr. NIMMO: I have to bow to your ruling.

Mr. SPEAKER: All I have to say on this matter is that this sorry business has entirely justified the ruling I gave yesterday.

HONOURABLE MEMBERS: Hear, hear!

Mr. MAHER (*West Moreton*) [10.58 a.m.], by leave: I wish to make a personal explanation. I shall be very brief. My sister-in-law—(Government laughter)—is a member of the public service, and secured a position there by a competitive public examination.

Mr. MAXWELL (*Toowoong*) [10.59 a.m.], by leave: I wish to make a personal explanation. During the course of the debate yesterday the hon. member for Bulimba made a statement about political influence having been used by me to secure a position for my niece. I wish to deny that. I challenge any hon. member of this House to state that I ever did that. As a matter of fact it is quite true that my niece secured a position in the public service by examination without any political influence.

Mr. SPEAKER: Order! The hon. member knows that he cannot debate the matter under cover of a personal explanation.

Mr. MAXWELL: I do know, Mr. Speaker, and I am denying the statement made by the hon. member for Bulimba. The position is similar to that mentioned by the hon. member for West Moreton. The appointment was obtained by competitive examination.

Mr. BEDFORD (*Warrego*) [11 a.m.], by leave: I also wish to make a personal explanation. (Laughter.) I wish to put it on record that at least one member of Parliament has no relatives in the public service. I have never had a relative in the public service, not even amongst my immediate ancestors. There are none in the police force (laughter), although 400 or 500 years ago some of my ancestors may have given the police considerable trouble. (Renewed laughter.)

#### MISTAKE IN "DAILY MAIL."

Mr. WATERS (*Kelvin Grove*) [10.55 a.m.], by leave: I wish to make a personal explanation. The "Daily Mail" newspaper to-day credits me with having spoken on the Address in Reply yesterday. I did not do so, as I had spoken previously in the debate. I believe the remarks attributed to me were made by the hon. member for Cooroora.

#### SUPPLY.

VOTE ON ACCOUNT—£3,000,000.

MESSAGE FROM THE DEPUTY GOVERNOR.

Mr. SPEAKER announced the receipt from His Excellency the Deputy Governor of a message recommending that the following provision be made on account of the services of the year ending 30th June, 1934:—

From the Consolidated Revenue Fund of Queensland (exclusive of the moneys standing to the credit of the Loan Fund Account) the sum of £1,600,000;

From the Trust and Special Funds the sum of £800,000; and

From the money standing to the credit of the Loan Fund Account the sum of £600,000.

#### OPENING OF COMMITTEE.

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

"That you do now leave the chair, and the House resolve itself into a Committee

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of the Whole to consider the Supply to be granted to His Majesty."

Question put and passed.

COMMITTEE.

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

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [11.3 a.m.]: I move—

"That there be granted to His Majesty, on account, for the service of the year 1933-34, a further sum not exceeding £3,000,000 towards defraying the expenses of the various departments and services of the State."

This is the first Supply Bill usually introduced in the early stages of each Parliament. Provision is made for an estimated amount to meet the requirements of the State until about the end of October. The following sums were appropriated by Appropriation Bill, No. 3, last year, on account of the financial year 1933-34:—

	£
Consolidated Revenue ... ..	1,800,000
Trust and Special Funds ... ..	900,000
Loan Fund ... ..	450,000
	<hr/>
	£3,150,000

The amounts included in the present Bill are—

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

Together those amounts make a total on account of the current financial year of—

	£
Consolidated Revenue ... ..	3,400,000
Trust and Special Funds ... ..	1,700,000
Loan Fund ... ..	1,050,000
	<hr/>
	£6,150,000

Mr. FADDEN (*Kennedy*) [11.5 a.m.]: This motion offers us the first opportunity this session of making a survey of the financial achievements of last year and a forecast of the probable financial results of the coming year. The information available is certainly meagre. A consideration of the returns presented for the year ended 30th June last reveals that the Government expended from all sources during that period the sum of £2,228,611 more than was expended during the previous year. The Labour Government cling desperately to the policy that the greater the amount of expenditure the greater the spending power of the community and the better the opportunity of the State to recover from financial depression. The facts before us do not bear out that contention. Last year expenditure increased by £2,228,611 over the previous year, but our deficit was reduced by only £520,726, and that was achieved only after extracting an additional £975,000 from industry and the general activities of the State by way of increased taxation. Whilst the deficit of the State was decreased by only £520,726 the budgets of industry and private individuals were detrimentally affected to the extent of £975,000. There is only one purse from which our economic activities can be defrayed, and that is the purse of the public. Governments simply collect and expend the money; they do not create it. If industry is to be deprived

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of an additional sum of £975,000 for governmental purposes then industry is placed at a disadvantage to that extent in its own operations. The Governor's Speech demonstrated in no uncertain way just what was the opinion of the Treasurer and his party in this respect. It sets out that industry has to be relied upon for the relief of unemployment, and when speaking the other day the Secretary for Labour and Industry stated that industry was not doing sufficient to relieve that problem. Industry cannot be expected to give in both directions. It cannot find the wherewithal for governmental activities on the one hand, and at the same time provide the wherewithal for its own activities on the other. The State has been over-taxed and is still over-taxed, and, unfortunately, no relief is anticipated in that direction during the current year. It is all very well to criticise the late Government, but it must be remembered that they were faced with a position unparalleled in the history of Queensland, nay, in the history of the world. The prices for primary products throughout the world have fallen to an alarming extent, and the Treasurer has expressed it as his opinion that no improvement can be anticipated in this country until world price-levels are raised. The general tendency throughout the world to-day is not in the direction of a higher world price-level, and that is the position that we must face. We have also been informed by those competent to know that Australia is in for a very bad time if bad seasons are experienced. We are now gambling on a continuation of good seasons, looking for fair weather throughout. We are making no provision for the possibilities of drought or other disastrous climatic or other circumstances that might afflict our primary industries. We have been warned that if our primary industries are to suffer a bad season or two we may have to default. Faced with all these circumstances, what do we find? We find that the party in power have budgeted for an increased deficit during the current year. The deficit is to be increased by £195,556, making a total deficit of £1,740,000 for the ensuing year. Hon. members opposite may be consoled in the fact that there was a reduction in the deficit for last year, but on a comparative basis we are £494,264 worse off than we were the previous year.

The TREASURER: How do you make that out?

Mr. FADDEN: We have taken £975,000 out of the pockets of the people but the deficit has been reduced by only £520,000. Therefore, the State and the people must be £494,000 worse off. What do we find? The aggregate deficit for the two years under the present Government is expected to be £3,284,444. The deficit for the 1932-33 financial year was £1,554,444, while the anticipated deficit for the current financial year is £1,740,000. That is to say, the average deficit for the first two years of the present Government will be £1,642,222. Compare that with what the Moore Government achieved, or when the rot set in, as we are told by hon. members opposite, during the regime of the Moore Government. The average deficit during the term of the Moore Government, during the worst years which this State and the world have experienced economically, was £1,213,469, approximately £400,000 less than the achievement and anticipations of the present Government. The Treasurer, and hon. members sitting

behind him, referred to the Moore Government as the "Bradman of deficits," but if this aggregation of deficits is maintained the present Government will, at the end of their term, be known as the "McDougall of deficits," because they will have topped the score. Despite the increase in spending power, and increased deficits of the Government we find that unemployment is increasing all the time. The Director of the Bureau of Industry, Mr. J. B. Brigden, reports that during the year 1932-33 the number of unemployed has increased by 5,401. That is evidence that the policy being carried out by the Government is not in the best interests of the people.

The TREASURER: Why don't you quote Mr. Brigden's explanation of that?

Mr. FADDEN: The fact remains that the number of unemployed in that period increased by 5,401, notwithstanding that the hon. gentleman may have an explanation or excuse. The fact also remains that these men are not employed, despite the important fact that people are being taxed out of existence. They have been forced to curtail their activities, and in the curtailment of those activities they have to throw men on the unemployment market. I know that from my personal experience. It is no use our saying that we have turned the corner economically, or that the rot has been stopped. That statement is borne out by the anticipation of the Treasurer. If we look at the facts, figures, and computations which brought about the statement that the Government anticipate a deficit this year of £1,740,000, which was placed before the Loan Council, we will find that the Treasurer expects taxation revenue to be reduced by £230,000. What does that mean? Does it mean that we should be optimistic enough to think that the Government propose to reduce the incidence of taxation, or does it mean that the Treasurer is pessimistic because he realises that the productivity of the State has declined to such an extent that this year the people will not have the same amount of taxable income as in the previous year?

According to the Governor's Speech the sum of £354,000 was advanced by the Agricultural Bank to agriculture and settlement generally. That is approximately £80,000 less than the sum advanced for the year ended 1932, when according to the A.B.C. of Queensland Statistics £432,237 was advanced. I quote these figures because they are stated in the official records, and that is the only source from which we can get them.

On looking further into the position I find that there was a saving in expenditure of £117,526 in the first quarter of the 1932-33 financial year. If that rate of saving had been continued for the whole period of the financial year the saving would have amounted to £470,192, instead of £113,205 which is shown in the revenue returns. Those returns show that this saving was effected by a decrease of expenditure in the first and second quarters of £117,528 and £23,617, respectively; but in the third and fourth quarters there was an increase of £13,372 and £9,568, respectively. There are some unnecessary or unexplainable additions to expenditure to the extent of £351,987. What does that expenditure comprise? There have been no increments paid to public servants. There has been

no scholarship expenditure because although the scholarships were increased the cost of that increase will not reflect itself in the 1932-33 financial figures. There has certainly been an increase in the cost of State aid, but that increase only took place in part of the year and possibly would only amount to £7,000. So that the reconciliation of that increased expenditure must create an amount of approximately £345,000 to be explained. The 44-hour week was not re-enacted; therefore the cost is not contained in that expenditure. How, therefore, was that brought about? It appears it must have been brought about by increased employment in the public service; but, despite that increased employment we find the general unemployment position in Queensland has not improved in the same period. If the economies that were inherited by the party opposite had been maintained, there would have been no reason for increased taxation. Super laud tax would not have been necessary, nor would the increased taxation that has such disastrous effects on the industrial activities of the State. The saving would have given private industry an opportunity to function along proper economic lines, because even the most biased person will recognise that £1 in the hands of private industry is better than £3 in the hands of Governments. There is always the psychological aspect to be reckoned with when private industry is functioning along proper economic lines. The Treasurer recognises that because he stated so in his speech. The Secretary for Labour and Industry also recognises that fact because he complained that industry was not doing enough towards the relief of unemployment. I would remind the hon. gentleman that industry cannot do more than it is doing. Industry cannot find the wherewithal for governmental activities and at the same time provide for private activities, private maintenance, and private expansion. Taxation has become so oppressive in the State that we have reached a stage tantamount to the socialisation of industry. The Government are taking too big a proportion out of the pockets of the people by way of taxation, both direct and indirect. The Government have placed themselves in a most unique position as a partner in industry—a most unique partner, because they share practically half the profits but do not contribute to the losses, the responsibility, or the liability. Until such time as we can bring about a tendency to reduce taxation and give private industry an opportunity to absorb the unemployed, our difficulties will remain as they are and we shall only be able to create palliatives that will have no lasting benefit to the unemployed—I might almost say the increasing army of unemployed. It must be realised at all times that we are going to have unemployed. We have created a new industry of unemployed. Even if price levels returned to what they were in the peak year—1928—we would still have unemployment, for the simple reason that we then had a borrowing policy for the Commonwealth amounting to £22,500,000 per year, which, Mr. Brigden says, is tantamount to a wage expenditure of 28s. per week. We cannot borrow in the foreign markets of the world, so that the only alternative is to adjust our position internally, live within our income, reduce governmental expenditure without bringing about privation, and at all times allow

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industry to function so that we can maintain the standards of living that are within the capacity of industry to pay.

Mr. RUSSELL (*Hamilton*) [11.23 a.m.]: The Government have just finished their first year of office, and the public will pass judgment on them, favourably or unfavourably, accordingly as they have controlled the finances of the State. The Treasurer has had a lot to say of late as to results of that first year of office, and to the extent that he can persuade the electors that his methods in financial administration have been superior to ours and that he has achieved greater results for the people, he is entitled to credit. But while the hon. gentleman has painted in glowing colours a picture of the financial position of Queensland, there is another side to the picture—a most important aspect that public men must consider, because on the proper control of the finances will depend whether our State will prosper or otherwise. We have had a good deal of discussion in the press in regard to the results of the financial administration of the past twelve months. The Treasurer has been working to some part of the Premiers' Plan. As a matter of fact, very few modifications have yet been adopted by the party in office, although it is anticipated that during the current financial year some of the objections that were raised by the Treasurer and his party will be given effect to in the financial administration of the present year.

The Premiers' Plan was adopted in June, 1931, and was to cover a period of three years, and, under the plan, Government deficits were to be scaled down until the 30th June, 1934, when it was hoped that budget equilibrium would have been achieved. It was anticipated—or, at any rate, a pious hope was expressed, if I may put it that way—that price levels might have risen sufficiently, and that, in conjunction with the big saving anticipated in Government expenditure and interest rates, the result would have been increased national income, so that by June, 1934, we would have been able to continue on a normal course. But, unfortunately, there has been no increase in price levels—as a matter of fact, many of our commodities have gone down in prices.

We notice that at the last Premiers' Conference it was decided that the States should budget for deficits in the aggregate that would total close on £9,000,000. The Commonwealth expected, of course, to have a surplus; that surplus is mainly brought about by non-payment of war debts to the British Government. The Commonwealth Bank Board agreed to finance the Australian Governments up to £8,500,000 to cover the anticipated deficits that would eventuate up to 30th June next, and Queensland's share of that provision by the Commonwealth Bank Board was £1,850,000. The Treasurer has declared himself to be quite satisfied with the position; but, to my mind, the very idea of budgeting for a deficit approaching £2,000,000 is staggering in the extreme. It would lead one to believe that the Government are gradually getting away from the provisions of the Premiers' Plan, and in conjunction with many of the other State Governments the desire seems to be to ignore the recurring deficits and go on and subsist on borrowed money as much as we possibly can. As I said a few days ago, the carrying out of that policy by Labour landed us in

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a very bad state some years ago. At any rate, the Treasurer pins his faith on the increase of prosperity by spending loans and restoring certain deductions which were made by the Moore Administration while in office. His contention is that we have by our actions destroyed the spending power of the community, whereas the policy should be to encourage the spending power of the people by floating huge loans which may help to rehabilitate industry and put men in employment. His remedy is as old as the hills and has been tried before, and whilst it may relieve the position to some extent we have had such severe lessons in the past that we should hesitate before we embark on a policy of inflation which has been advocated by the Treasurer. He has been in the habit of saying that the deficit of the Moore Administration was the highest deficit on record in the State, inasmuch as their total in the last year of office was £2,075,180. At any rate, the Treasurer himself is coming very close to that; but in justice to the Moore Administration, as the hon. member for Kennedy has pointed out, they received a shock in their last year of office by the enormous drop in income of over £2,000,000. That result could not have been foreseen; but letting that go for the moment, we find that the Moore Administration, during their three years of office, accumulated deficits amounting to £3,640,408. This is held up to execration by our friends opposite, and it has been alleged that the Moore Administration were lacking in financial ability and brought the people of the State to a position of misery. But what do we find with regard to the present Administration? They boast that they have reduced the deficit by £520,000, as compared with the previous year; nevertheless their deficit was £1,554,444, which is an enormous amount considering the extra taxation that was imposed. For the present year they budget for a deficit of £1,850,000—the amount mentioned at the conference of Premiers in June last. Adding those two amounts together—and the latter will certainly be much greater because the Government have to make provision for increased expenditure in all departments—they will have a total deficit for two years of £3,404,444, or only about £200,000 less than the Moore Government piled up in three years; so that the average of the present Government far exceeds that of the late Government, and at the rate they are going their average will be many hundreds of thousands of pounds greater than that of the Moore Government at the end of three years. It therefore ill becomes hon. members opposite to blame the late Government for what they did in endeavouring to pull the country out of its troubles, because they themselves are going headlong to financial ruin, and instead of an aggregate deficit of 3,640,000 for three years at the present rate, theirs will be between £4,000,000 and £5,000,000.

In his last Budget the Treasurer intimated that it was the intention of the Government to raise fresh taxation, including the following:—

	£
Reimposition of super land tax	130,000
Increased income tax, chiefly on companies	270,000
Increased railway freights and fares	325,000
Main Roads Fund transfer	250,000
	£975,000

The transfer from main roads funds was, in my opinion a most indiscreet measure inasmuch as main roads funds are contributed mostly by motorists and by the Federal Government in the way of subsidy for the special purpose of making roads.

The Treasurer has said that money to which I have referred was not received by his Government because the revenue for the past year shows only a slight increase over that of the previous year, despite the extra taxation, but I would point out that most of that new taxation has actually been received, as will be seen from an analysis of the receipts of the various departments. For instance, the estimated receipts from income tax, including the new taxation of £270,000, was £1,670,000, but the Government received £1,743,383, or an excess over their estimate of £73,383. In that case we can safely assert that the extra £270,000 was actually obtained. The estimated receipts from land tax, including the super land tax of £130,000, were £460,000. The Government actually received £422,584, so that there was a deficiency there below the estimate of £17,416, but they actually received £112,584 of the new taxation—that is, the super land tax they reimposed. They certainly fell down on the railways. They proposed to increase fares and freights by £325,000, making their estimated receipts from the railways £5,925,000. They received actually £5,851,207, or a deficiency of £73,793 as compared with their estimate. Their receipts, however, clearly prove that the extra revenue they received from the railways was £251,207. Adding to these the amount of £250,000 represented by the transfer of the Main Roads Trust Funds and £16,925 derived from the collections under the transport regulations, it will be seen that the new taxation actually received by the Government last year amounted to £900,726. Despite the fact that they have derived almost an extra £1,000,000 by way of new taxation they come out with a deficit of £1,500,000. It clearly proves to my mind that the new taxation levied by the Government twelve months ago has practically been received. There have been decreases in some of the departments. The Treasurer endeavoured to convey the impression that the whole of the new taxation imposed had not been received, but my figures conclusively prove that new taxation amounting to £901,000 was actually received by the Government.

The TREASURER: There is a difference of £73,000 between your figure and that of the hon. member for Kennedy.

Mr. RUSSELL: There is some doubt about that, and I am giving the Government the benefit of that doubt. It is the policy of the Government to embark upon a vigorous public works programme. Whilst we can have little objection to the expenditure of loan money on purely productive enterprises, I do think it is a mistaken policy for the Government to sink so much money in new buildings. I have never been an advocate of a building programme in regard to the erection of buildings for the Government. I was never in favour of the new State Insurance building in Anzac Square. I am not in favour of adding a new unit to it nor am I in favour of constructing a new building in William street for the Health Department and the Department of Agriculture. That is not the proper way to expend loan money. We should make the greatest use of the human factor and as much money as possible should

be spent in wages and little or no money spent upon materials. The object of unemployment relief is to place as many men as possible back in work, and the best avenues for the employment of those men are, firstly, employment in rural industries along similar lines to that adopted so successfully by the Land Administration Board; secondly, by the employment of as many men as possible upon the construction of new roads throughout the country. Those two projects would demand the use of a vast army of labour, and by those means a large number of men would be taken off the unemployment market. It is far better to spend money in that direction than in the erection of palaces to house public servants. In Brisbane to-day we have any number of very fine buildings that can be purchased very, very cheaply or can be rented at a very low rental, and I do think that while there is the present stagnation in real estate and property generally, the Government would be well advised, if they require additional accommodation, to lease those buildings that have been vacant for many years. That is the policy that is being followed by the Commonwealth Government. I do not hold with the agitation that is being fostered by some of our Labour friends in the Federal House who are endeavouring to persuade the Federal Government to build a new post office in Brisbane. There is no need for it. The present post office is quite good enough for many years to come, and I hope that the Commonwealth Government will not waste their resources in that fashion. I would have no objection to the construction of these buildings in prosperous times, but they are not prosperous to-day, and there are many vacant buildings throughout Queensland.

Mr. W. T. KING: Would the programme not provide work?

Mr. RUSSELL: Better use could be made of the money by spending it on wages entirely instead of upon material. We have imported some of our material from the Southern States for some of the buildings already erected. We do use stone and cement, but most of our steel work comes from the South. A building programme does not give as good a result in the employment of men as other projects where the amount is expended almost entirely on wages.

Mr. W. T. KING: It all helps industry.

Mr. RUSSELL: We could help industry to a greater extent by removing the men from the unemployment market and placing them in work. The human factor is practically the main factor. The amount of money expended in wages circulates throughout the community, and that is to be preferred to a system of purchasing materials. That is my view and I hope the Government will hesitate before they go on with their building programme. It is the intention of the Government, during the ensuing year, to add further to the public debt. They have already added to it to the extent of over £3,000,000 on which the State will be called upon to pay interest. That is simply a policy of inflation over again. We have been accused of following a deflation policy. The Treasurer stated that his remedy was an inflation policy, but bear in mind that his party has been the greatest advocate of inflation ever since it came into office in 1914. Over the whole period of fourteen years the Labour Government deliberately followed a policy of inflation by

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spending an average of £4,000,000 in loan money per annum. That is to say, in addition to the national income which we were deriving, we borrowed £56,000,000 throughout that term, and the greater part of that money was spent in a similar way to what the Government are spending their money to-day. They pursued a policy of inflation, and it is only natural that after such a policy a policy of deflation must follow. Our Government were forced to adopt that policy of deflation in order to put the ship on an even keel. The Moore Government were interrupted in that policy and the old policy of inflation is being resorted to again. We will suffer from similar ills as before through such a policy being pursued. Inflation, like alcohol, may be a good thing in moderation, but once it gets a hold on the victim the dose gets larger and larger until monetary terms become completely meaningless. The great Anglophobe, the hon. member for Warrego, advocates an extravagant policy of inflation as a remedy for all our ills. I hope we will hesitate before rushing headlong into a policy which will bring in its train disaster and misery. We should emulate the policy of Great Britain, in regard to the erection of public buildings. A statement was made the other day by Mr. Walter Runciman, President of the British Board of Trade, and the Treasurer doubted the statement made by the Leader of the Opposition that Britain had gone in for a policy of housing to relieve unemployment. Mr. Runciman expressed grave doubts whether it was a remunerative method of tackling this question, as nothing could be gained by Britain extending its public works programme. Mr. Runciman's actual words were:—

"We have, in recent years, devoted £100,000,000 to schemes of this kind. The result has been that, on an average, for every £1,000,000 expended we have employed 2,000 men directly and 2,000 men indirectly. From that you will observe that this method of dealing with the unemployment problem is expensive. In our opinion, it is unduly expensive and it is an experiment we are not going to repeat. We shall not reopen these schemes, no matter what may be done elsewhere . . . With the experience behind us of the last few years, we have come to the conclusion that, whether in our own country or elsewhere, schemes of this kind of national public works are a most unremunerative way of dealing with the unemployment problem."

The United States of America has been cited where a similar policy has been adopted. It must be borne in mind that the United States of America has not pursued a public works policy previously, and that all her great undertakings have been provided by private enterprise. The scheme of the President of the United States is for the purpose of absorbing the unemployed. It is an experiment on the part of his Government. It has never been tried before in the United States where to-day there are 35,000,000 unemployed. In New York alone the Government are feeding daily 239,000 families. We have no idea of the distress prevailing in the United States, yet this is the country which hon. members opposite wish to emulate? Our conditions are entirely different. We have a small population and a policy of erecting

public buildings in Australia is a wrong policy, especially in a country like Queensland where we have so many opportunities of settling people on the land, where they can, at any rate, earn a living. They cannot earn a living in the United States because the farming industry is over done, and there is no market for their products, but in this country a man has a better chance on the land than in the city. The schemes for rural development which have been promulgated by the Land Administration Board, and were inaugurated by the Moore Government—they included the settlement of men on banana farms—have my fullest approval.

Mr. SIZER (*Sandgate*) [11.47 a.m.]: I do not propose to speak unduly long, but there is one subject I desire to devote myself to because it has been thrown loosely about the Chamber and the country for some time. That is the question of what took place at the Premiers' Conference in 1932, when it is alleged that the previous Government agreed to embark on a further 10 per cent. wage reduction in this State. I definitely say that this statement is untrue. It is of sufficient importance that I desire to place on the records of this Chamber exactly what the ex-Premier said. We will then have what that hon. gentleman and his colleagues said exactly, and not the distorted statements which have been made. Those distorted statements have consisted of the context of one sentence added to portion of another sentence, in order to make a case entirely different from the one placed before the conference.

First of all, let us deal with the question of why that conference was called. The economic experts had reviewed the position and had come to certain conclusions. As a matter of fact, the major portion of these conclusions have since been adopted, and many of them are being carried out to-day. The portions to which the Queensland Government most strongly objected and to which they refused to become parties have not been put into operation. They are—

- (1) A reduction in the wage standards.
- (2) An increase in the rate of exchange.

As the records will show, these two questions were definitely objected to by the Queensland representatives. Let me now deal with some of the statements that were made. We recall that Australia at that stage was in the most critical period of her history. Unemployment was increasing rapidly, and budget deficits were mounting up at an alarming rate. As the hon. member for Kennedy stated this morning, we were gambling on good seasons. Providence has been particularly good to us, in that during our worst years of depression we have had bountiful seasons. What would have happened to this country if we had encountered bad seasons at a time of depression is difficult to realise. Past experience tells us that periods of good seasons and bad seasons alternate. We have had an abnormally good run of splendid seasons; but we have to recognise that bad seasons may in the future have to be faced. The experts had this to say—

"Men are unemployed because prices for the products of industry over a large field are less than the cost of producing them. The fall of export prices has cut down generally the incomes of producers

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for export. Many are making losses. This falling-off in rural purchasing power has spread unemployment throughout the community.

"The restoration of employment, as opposed to temporary stimulants, is to be found in bringing into harmony the costs and prices of export industry. This adjustment must involve, for the time, a general lowering of standards in agreement with our loss of real income.

"The loss of real income has been partly covered up by two remarkable seasons. The volume of exports for 1930-31 was greater than in any previous year, and for 1931-32 will certainly be still greater. But production in export industry has become so unprofitable that the volume of exports could not be maintained even with similar seasons. In an average season it must be reduced; in a bad season greatly.

"So far we have only just 'hung on,' with employment still falling. To make export industry profitable again we must either lower costs or raise prices all round. A better balance between costs and prices and between export prices and other prices is the essential of recovery.

"Unless Government loan works are able to earn interest, they will add to the risk of default, and have transient effects upon unemployment. But the adoption of the middle course outlined in the report would widen the range of public works suitable to increase employment along sound lines. Its adoption would also allow Governments, under adequate safeguards, to lend money to private enterprises offering a prospect of profit, but into which private capital is afraid to venture because of past losses."

I propose to deal specifically with these two recommendations that were made—

"That the State Parliaments take the necessary action to empower arbitration courts and wages boards to fix wages in accordance with economic conditions.

"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."

Further on, provision is made for setting up employment councils in the various States and for other matters which were subsequently adopted. To appreciate the atmosphere of the time, we have to recall that the "Mad Mullah" of the Labour Party—Mr. Lang—was running riot throughout Australia. That gentleman had just secured office in New South Wales, and we recall how the present Secretary for Public Lands applauded the fact, which he deemed to be a great credit to Australia. It was at a time when a civil crash looked more imminent in New South Wales than at any previous time in her history. The only man in Australia who refused to recognise the difficulties confronting the country was Mr. Lang. Mr. Scullin and other Labour Premiers recognised the plight of the country, and really the substance of the report was directed towards New South Wales.

It is perfectly clear that the Queensland Government of the day were not favourable to an increase in the exchange rates. Moreover, their industrial legislation had provided that all awards must be framed having

regard to the economic effect on industry, which was all the report of the experts asked for. The Queensland representatives would not subscribe to those two matters. The best evidence that our efforts succeeded in maintaining arbitration and in preventing an increase in the exchange rate is in the fact that there have been no further reductions in wages and no increase in the exchange rate. Other recommendations have been adopted, and the present Government are even carrying out some of them at the present time. I propose to give the statement of the Queensland delegate, because it is clear and sets out the position definitely. He stated—

"The Queensland representatives have given most earnest consideration to both the committee's report and the statement of the Prime Minister. They desire to make clear that the Queensland Government has no intention of departing from the spirit of the Premiers' Plan, and so far as Government expenditure is concerned, has carried out the necessary reductions in the main, and proposes to continue to pursue a progressive policy towards financial equilibrium, and will not relax its efforts until a balanced budget has been achieved. At the same time, the representatives are not sufficiently satisfied with all the aspects of the latest report in its relationship to Queensland."

On that point it is quite essential that we should reaffirm that we intended to carry out the spirit of the Premiers' Plan, because Mr. Lang had stated that he would not go in that direction, and the Victorian delegation leader, Mr. Tunnecliffe, had swung over to Mr. Lang.

The PREMIER: What you say about Mr. Tunnecliffe is not the truth.

Mr. SIZER: At that stage he was not prepared to go on and wholeheartedly support the Premiers' Plan.

The PREMIER: That is a different thing from saying that he had gone over to Lang.

Mr. SIZER: So far as that aspect was concerned, he and Mr. Lang were in agreement—to put it that way. I do not want to do Mr. Tunnecliffe any injustice.

The PREMIER: That is what you were doing.

Mr. SIZER: It was unintentional. It was essential for the other States to say that the majority of the States of Australia were going to adhere to the Premiers' Plan. That was the point.

Then we made our position clear on the question of exchange—

"One point which appears to be still in doubt is the effect of the exchange proposals on the budgetary position. The advantages to be derived appear extremely problematical. This applies more especially to Queensland, where the percentage of exchange cost to the State's interest charge amounts to 20.64 per cent. as against the average for Australia 15.42 per cent."

Then the figures with regard to the other States are set out. The statement continues—

"Whilst much can be said in favour of an increase in exchange, there does appear a grave danger of fluctuations,

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resulting in uncertainty amongst traders, and thus creating more unsettled conditions, less confidence, and increased unemployment. These conditions might easily offset any advantages gained. It is considered that the position might be met if a rise and fall formula could be devised which would act as a barometer."

That has been practically adopted. A wise and beneficial programme has been adopted by the Commonwealth Bank Board in order to regulate the question of exchange. Then this is an important paragraph—

"The Queensland Government has already passed legislation directing the Arbitration Court to consider the possible and probable economic effect on the community as a whole in any determination it may give. Therefore, the court having full powers, no further legislative action should be required to give effect to that portion of the committee's report."

Showing definitely that no further legislative action should be required to give effect to the recommendation in that direction. It goes on—

"The information before the Queensland Government is such as to enable the representatives to say that the interest reduction legislation already in operation is proceeding satisfactorily."

Then, further on, it is stated—

"The Queensland representatives doubt the efficiency of the old wage-fixing system, particularly the disparity in wages paid to families with and without children, and also the difficulties in regard to young people obtaining employment, and is of the view that flat rate reductions would inflict hardship in quarters where it can least be afforded. They, therefore, suggest that consideration be given to proposals whereby this inequality could be overcome without any detriment to the necessary industrial recovery."

"They are also of the opinion that beneficial results towards further employment would accrue if consideration were given to an alteration of the wage payments, wherever practicable, from weekly to hourly rates."

Coming to the last portion, which seems to worry the hon. member for Maree—and if the hon. member uses similar advocacy in a court of law to that which he adopts here it is no wonder he does not win a case—the late Premier said—

"But before definitely committing themselves to any proposal, the Queensland representatives desire to remind the conference that on a previous occasion when the question of loan allocation was discussed Queensland was declined assistance owing to her having funds of her own available. It is, therefore, essential that a definite assurance be given that a similar attitude would not be adopted on this occasion."

"The basis of the allocation of funds available is of utmost importance to Queensland, and its representatives are not prepared to commit their State to any proposal until that question has been definitely and clearly defined."

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This is the point which hon. members opposite distort—

"The Prime Minister in his speech made clear that any proposals were subject to agreement amongst all the States, and the giving of adequate guarantees of their due performance. It is desired to ascertain more clearly the views of the Commonwealth Government on those points, particularly in regard to New South Wales and Victoria. . . ."

Especially I want this emphasised—

"particularly in regard to New South Wales and Victoria."

That must be emphasised because both those States had indicated that they were not prepared to proceed further with the Premiers' Plan, and from our point of view there was no use discussing the question if that was so. The Leader of the Queensland Government delegation made it clear that we were not committing ourselves to anything till we knew the attitude of New South Wales, which had not attended, and Victoria, which was sitting on the fence. We knew that their agreement would have to come automatically, but until it came we were not prepared to commit ourselves or any future Government to any fixed policy. We did not know who would be the Government after the coming election. It would be unjust to commit the State when we had, perhaps, only one month or so before we went to the electors.

Mr. W. T. KING: That is the real reason?

Mr. SIZER: That is the only reason, and there is no evidence in that report that any consideration was given to further reductions—quite the reverse—and it is on that point that the Leader of the Opposition has challenged hon. members opposite to produce direct evidence. The Treasurer has stated that on one occasion estimates were prepared in the Railway Department. Of course, dozens of things were prepared. The Government received from the Commonwealth Government requests for tabulated estimates of all sorts of things, but the statement that any cut was contemplated is not a fact. Nothing was adopted.

The TREASURER: Those figures were prepared immediately after you came back from Canberra.

Mr. SIZER: This is an attempt to cover their own deficiency. They know they cannot hope to retain the confidence of the people, and so they are trying to "redistribute" themselves into power, but let me tell them that they cannot "redistribute" people's minds. If there is any redistribution of seats it can only be for one purpose, because anyone who would find fault with the previous redistribution, on the actual figures, has a big task ahead of him. No, the truth is that it is all to be done for the purpose of political jerry-mandering. I say definitely that the statement of hon. members opposite is untrue, and they have not a tittle of evidence in their records to support it. Moreover, my contention is borne out by the fact that no Government in Australia adopted the policy of any further wage reduction and increase in the exchange, with the one exception—that of New South Wales, under Mr. Lang, which at that stage were shirking their responsibilities and smashing Australia. Whatever action was taken subsequently was taken for the benefit of Australia, and this State is getting the benefit. Had New South Wales gone on as they were going,

the Government would have been in "Quercer street," and it is only because of the acumen of Mr. Stevens and the shrewdness of the present Treasurer in getting alongside Mr. Stevens that the outlook has been altered, and the hon. gentleman has been able to get the assistance he needs, largely on the back of Mr. Stevens. I challenge hon. members opposite to submit any proof of effort or intention on the part of the Moore Government to bring about a further 10 per cent. cut. The question was raised, but we refused to be a party to such a proposal. Conference was impressed by our contentions and no action was taken by us.

Quite a lot has been said of late about the training of farm boys, but I should like to know the expenditure that is involved. The Riverview Home is being conducted by the Salvation Army effectively and cheaply, but we have in addition the new farm training school at St. Lucia, which amounts to a double-banking of this activity. I read in the newspaper where both institutions were applying for applicants. Why should there be a waste of public money by a duplication of services? The Riverview Home is quite capable of providing this very useful service without the creation of a new Government department.

The SECRETARY FOR AGRICULTURE: St. Lucia is full.

Mr. SIZER: Applications were called within the past few days.

The SECRETARY FOR AGRICULTURE: One batch of boys went out.

Mr. SIZER: I read the notice in the newspaper calling for applicants. There is also room at the Riverview Home.

The SECRETARY FOR AGRICULTURE: There is no difficulty in getting boys.

Mr. SIZER: There is no need to duplicate this service by the creation of a new costly Government department.

We have been told that conditions are improving, but I should like to know why the Brisbane City Council has had to employ an additional 400 relief workers during the past two or three weeks. If there is sunshine and happiness, and all is well, then why these additional relief workers?

Mr. W. T. KING: We stopped your drift.

Mr. SIZER: The workers are now drifting from private enterprise on to the Government relief scheme. That is how the drift has been stopped. Probably the hon. member for Marce will explain why the Brisbane City Council has engaged an additional 400 relief workers in the past two weeks.

Mr. GLEDSON: Because the men were there.

Mr. SIZER: Why are they there?

Mr. GLEDSON: They have no work.

Mr. SIZER: Then unemployment is increasing at an alarming rate.

Mr. GLEDSON: They are coming from the Southern States.

Mr. SIZER: Exactly. The further the hon. member goes the stronger he makes the case for me. The Government relief scheme is now attracting men from industry and it is becoming a permanent institution. If there is sunshine and happiness, then why are there additional relief workers?

I do not feel disposed to join in with the number of personal explanations this morning. I do not deny the fact that my father is a carpenter—and a good carpenter, too.

Mr. W. T. KING: There is nothing against that.

Mr. SIZER: Of course not. He was employed in the Department of Public Works.

The TREASURER: We did not appoint him.

Mr. SIZER: No, but you sacked him, and the job was given to a man from Mackay.

The TREASURER: What you say is entirely false.

Mr. SIZER: It is not false. My father was just as competent to do the work as any other carpenter in the State. He had no work; he was unemployed. I knew of no one better for the job of carpenter than he was, and the Labour Government found no one better to sack than he. They sacked him very quickly and his job was given to a man from Mackay. I do not know whether the Treasurer was responsible for that or not, but that does not worry me. These things are only a matter of degree so far as I am concerned.

Prosperity cannot be secured along the road of greater deficits and by gambling upon future good seasons. I do not know what will happen if the seasons fail. We should not run any risks in that respect. We should not depend upon the gambler's throw. The advantages of the economies carried out by the late Government are being frittered away. They were essential and are still essential. The Government are not following any policy that will tend to restore prosperity, being content to rely upon the stupid policy of spending loan money. The sooner they awaken to their foolishness the better it will be. Can any man read the newspapers of the last day or two comfortably? We see from them that Japan is taking up a definite attitude in economic matters, and at the same time is increasing her navy.

At 12.12 p.m.,

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

Mr. WIENHOLT (*Fassifern*) [12.12 p.m.]: This is the first opportunity which hon. members have of carefully reviewing our financial position. We cannot understand clearly the exact position until we get the Treasurer's Financial Statement, but we, at any rate, can consider how we stood during the last financial year. Our last financial year, and not only the last, but I am afraid for a number of years before, can be summed up in the following way:—More debt on the State, more taxation on individuals and industry, and the unemployed further off a permanent job on real work than ever before. I cannot believe that the same methods which have brought us into our financial boghole can bring us out. Even before the war we, no doubt, borrowed too heavily, and those of us who were in the Legislature at the time should not avoid our share of responsibility for having done so. In those days our railways were paying practically the interest on the amount borrowed for them; but on looking back one is forced to the conclusion that even

*Mr. Wienholt.]*

then we were borrowing too heavily. I, personally, on the platform and elsewhere, have not endeavoured to avoid my responsibility. Since the war ceased we have borrowed at least another £500,000,000 of loan money. The fatal weakness of the Premiers' Plan, which is so much quoted, is that after making certain adjustments and proposals to meet the serious financial position conference proposed to start the same old game of borrowing another £8,000,000. That is the gravamen of the objection to the Premiers' Plan. A little while ago the Loan Council went on the market for £5,000,000 of loan money, but £8,000,000 was subscribed, and, true to its policy and name, the Loan Council grabbed the whole lot. Had £18,000,000 been subscribed, I have not the slightest doubt but that every single penny would have been thankfully received and expended. To hear the shouts of delight from the press and our political leaders at the time one really might have thought that £8,000,000 had been paid off our national debt rather than a fresh debt to that amount incurred on the shoulders of the people of Australia. Would anybody in his sense rush home to his wife and say, "Congratulate me; I have done a great day's work. I have managed to put still another mortgagee on the house." Yet the public and the press appear to think the subscription of £8,000,000 to be a matter for the highest congratulation. May I make this simile: If a man had a good property—say, a good farm—and was continually mortgaging that property and getting more deeply involved on each occasion, might not a person who knew that owner well enough say to him, "This continuous mortgaging of your property deeper and deeper is going to be very hard on your youngsters"? That would not be an absurd or unreasonable statement. Does not the same thing apply to the people of Australia as a whole? Is not this continual increasing of our public debt also going to be hard on our youngsters, and is it not already making things hard on the young people who are growing up?

This £8,000,000 was not even subscribed to the Loan Council on its merits. The Treasurer knows that this £8,000,000 does not bear relief tax, and is not subject to State income tax, while it is only subject to Federal taxation to a limited extent. This money which was hailed with such great delight has, to a large extent, been withdrawn from industry, where it should be bearing its burden of taxation, whereas because it is going into the Government loans it becomes, to a great extent, immune. There would be avenues in industry where this money could be employed if taxation were not so heavy; but if Government loans are made immune from taxation, and we continually increase taxation on private industry, there must be a flow, as the Government float loans, from the one source to the other.

I would not be in order in discussing a matter which will come before this Chamber in the future, but I hope the Treasurer will give us some idea as to his proposals regarding railway superannuation. It is very important, because, although I am not aware of the Treasurer's proposals except what I have seen through the press—

The TREASURER: You will get that when we come to the Bill.

[Mr. Wienholt.

Mr. WIENHOLT: But it is necessary to know the position when we are discussing this Supply Bill because it may affect our loan indebtedness and the position of the trust fund. If the trust fund is to be affected, then it seems to me to raise a most important question as to how we shall stand as regards the funds.

I believe that sooner or later we must live within our means. When speaking in Parliament recently the hon. member for Sandgate advocated a reduction of taxation. Everybody is willing to see that; but I cannot see any gain in the reduction of taxation if it is to be reflected by corresponding increases in the deficits. It seems to me that anybody who wants reductions from the Treasurer should be in a position to show also some saving on the other side. The deficits—of course, they are only loan money in its worst form—are gradually increasing, and, as pointed out by an hon. member, the total of these deficits is becoming a very formidable amount. There seems to be very little satisfaction in any Government saying, "We have a deficit, it is true, of perhaps £1,500,000, but the deficit before us was £2,000,000, so we are doing better." That would be like a racehorse losing five lengths the first time round a course and being regarded as doing well if dropping only an extra three lengths behind during the second time round. I believe it is impossible to go on in the way we are going. It is absolutely necessary for Australia to stop the policy of living on borrowed money. I believe we must generally get back to a simpler standard. I see no other way to prevent a lower standard—and it is low enough now for too many—except by the Federal Government, State Governments, local authorities, and indeed individuals generally trying to do things in a simpler way. Every vote of mine during the present session will be directed to that end.

The TREASURER (Hon. W. Forgan Smith, Mackay) [11.21 a.m.]: The speakers who have applied themselves to the problem of finance this morning have dealt with various subjects. The hon. member for Kennedy dealt with what he considered the question of Government policy. The hon. member expressed the view that Government policy was based on the idea that the more money Governments spent the better it was for the State. That is not a correct way of stating Government policy. Government policy, as I have said before and repeat to-day, is based on this principle: During a period of acute depression involving widespread unemployment the Government should engage in developmental and public works that will provide employment and expansion within the State, and so relieve the difficulty that is primarily the creation of private industry. That is clear and definite. That situation does exist in Queensland and Australia to-day. Men in private employment have lost their employment. Price levels, instead of being restored, have, in many cases, continued to fall; and, unless the Government spend money on developmental projects which give employment to the people and promote the circulation of funds to various trades and industries, the position will become increasingly difficult and the charge on public revenues will become greater. He also suggested—and he was followed by the

hon. member for Hamilton in that direction—that such a line of activity would fail. Just let me examine that position. That line of activity has not failed, and it gains the support of every thoughtful individual who has dealt with the question. The policy that was pursued by the Moore Government was entirely in the opposite direction. They believed in some queer fashion that if things were made worse they would ultimately become better, and they gave ample demonstration in this country of the effect of a deflation policy. They reduced public expenditure, they reduced wages, and they reduced social services.

An OPPOSITION MEMBER: So did Mr. Scullin.

The TREASURER: They did all those things on the theory that they would improve general conditions, but instead of conditions improving as they argued they would they became undoubtedly worse. Their deficits mounted in a corresponding ratio to their deflation policy. One only needs to look at their record in that direction, and I will give figures proving my contention later on. The speeches of hon. members opposite have been more or less based on general statements made recently by the Leader of the Opposition. The Leader of the Opposition said, on 6th July, that had the position inherited from the previous Government merely been maintained the saving in expenditure should have been at least four times the saving in the first quarter of the year—that is, £470,116, instead of £118,204. Let us note that carefully. He means there—and the hon. member for Sandgate has pursued the same idea—that had the policy of further curtailment of expenditure been pursued, certain savings would have resulted. That is a mere assertion, not only lacking in evidence but against the evidence that is available. While the Moore Government pursued that policy—which they still stick to—we had record unemployment, record budget deficits, and general stagnation. The deficit for 1931-32 of £2,075,000 was the highest ever recorded in the State. It was 146 per cent. greater than their own deficit of the previous financial year. If there were anything in favour of their financial policy, it would have been reflected by the Budget; but, instead of being reflected in an advantageous way, the case against their policy is revealed by the Budget deficit increase to which I have alluded.

An OPPOSITION MEMBER: So is yours.

The TREASURER: The more they cut—the more they endeavoured to apply their policy—the worse the general position became. There can be no doubt at all of the truth of my assertion.

Hon. members opposite also dealt with the question of taxation in its relation to employment. They seem to argue in reference to taxation that if taxation were reduced employment would increase in direct proportion to the reduced taxation; in other words, to pursue their idea to its logical conclusion, they assert that were taxation abolished altogether unemployment would cease, business stagnation would come to an end, and everything in the State would be prosperous.

An OPPOSITION MEMBER: That is exaggeration.

The TREASURER: That is applying their arguments to their logical conclusions. If the entire income tax were repealed it would not employ half the number of men whom the Moore Government promised to employ when they said they would provide jobs for 10,000 men. The fact is that the revenue from taxation would not give employment to any large body of men at all. Naturally, no Government wish to impose taxation. No Treasurer would fail to introduce a measure reducing taxation if the financial position of the State warranted it. Particularly would that be the case in respect of lower incomes. The fact remains that those who pay taxation must have incomes before they are assessed, and at present they are assessed under the basis fixed by the Moore Government, with a complete exemption of £150, and further deductions for persons with family responsibilities. Obviously, I repeat, taxpayers must have income before any assessment is made.

Hon. members opposite often talk about class taxation and the advocacy by the Labour Party of what they call the class war. I believe very definitely that members of the Opposition in this Parliament and those who support them are the people who are continually in favour of class taxation—and never fail to impose it when they have the opportunity.

Mr. RUSSELL: Not right.

The TREASURER: The hon. member knows that it is correct. The hon. member also knows that having regard to the financial responsibilities of the State, the Budget position can be affected in only two ways. If taxation is reduced, as advocated by hon. members opposite, there is nothing else for the Government to do than to apply a measure of reduction of wages—which was surely prepared for the workers had the Moore Government continued in power. (Opposition dissent.) That is the logical position. The State has commitments over which it has no control, such as those in respect of interest payments and other charges that cannot at present be reduced. Therefore, if it is proposed to reduce taxation in the direction now advocated by these people, it means that they would level up the position in their Budget by reducing the expenditure by an equivalent amount. How could that be properly defined but as class taxation. If they propose to levy a further percentage cut on the wage-earner of 10 per cent.—(Opposition dissent)—it means that they propose to tax the wage-earning section of the community. Whatever it may be described as, that is what logically results—a tax on the wage-earning section of the community. The talk and propaganda about reduction of taxation by a Nationalist Government means a reduction of taxation in favour of the wealthy section of the community and taxation of those in the community least able to bear it.

One would imagine that the Moore Government had not increased taxation. As a matter of fact, the amount that the Moore Government obtained from increased taxation during their period of office was £2,780,285. That is the net result of their increased taxation, and they were quite effective in the directions they followed.

Mr. SIZER: That is the relief tax.

The TREASURER: Well, the taxation is there.

Mr. SIZER: And you have not altered it.

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The TREASURER: I am not proposing to alter it under existing conditions. I believe there are only two alternatives for Governments. If it is proposed to reduce income tax the method that must be followed is the method that the Moore Government intended to apply if they had the opportunity. If we do not propose to impose taxation in the form of wage reduction, existing forms of taxation must unfortunately continue.

The figures quoted by the hon. member for Kennedy and the hon. member for Hamilton vary to the extent of only £73,000. I suggest that they have a conference, so that they might at least supply a figure for the common use of all members of the Opposition. I prefer the hon. member for Kennedy to be correct, but, unfortunately, he has made the mistake, so far as I can see, and consolidated revenue is deprived of £73,000. The hon. member for Sandgate quoted extensively from the report of the Premiers' Conference—that notorious conference which he attended in April just prior to the elections.

Mr. SIZER: Notorious only because of Lang.

The TREASURER: It was notorious because of two things. It was notorious because the report of the Expert Committee recommended a further cut of 10 per cent., to be general all over Australia, and it was also notorious because of the fact that it is the last conference that any member of the Opposition is ever likely to attend.

Mr. SIZER: When you feel most secure—

The TEMPORARY CHAIRMAN: Order!

Mr. SIZER: That is just the time that you fall.

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

The TREASURER: In the course of his speech he dealt at length with the report and denied the intentions of his Government had they been returned to power. The report shows quite clearly, first of all, that Mr. Lyons said that his Government supported the report of the Expert Committee in its entirety. That was the policy of the Nationalist Government, and it was the spirit of the Premiers' Plan as it then existed. The representative from Queensland, the present Leader of the Opposition, said that his Government had no intention of departing from the spirit of the plan. What was the spirit of the plan? It was as defined by Mr. Lyons.

Mr. SIZER: Read that portion of the report where we said that we would not do it.

The TREASURER: I shall read those portions that the hon. member did not read. Whatever might be the capacity of the hon. member, he has not the capacity for causing me to say those things that he thinks I should say. I shall quote some evidence that convicts the Moore Government. The report says—

“The Queensland Government have already passed legislation directing the Arbitration Court to consider the possible and probable economic effect on the community as a whole in any determination it may give.”

It goes on to say—

“The Queensland representatives doubt the efficiency of the whole wage-fixing

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system, particularly the disparity in wages paid to families with and without children.”

There is also this paragraph—

“They are also of the opinion that beneficial results toward further employment would accrue if consideration were given to an alteration of the wage payments, wherever practicable, from weekly to hourly rates.”

There is the further statement to the effect that it would be difficult for his Government to carry the policy into operation with an election pending.

Mr. SIZER: Read that portion.

The TREASURER: That is contained in the report. There is the further evidence which was not used by the hon. member for Sandgate that when Mr. Tunnecliffe or his representative and the Premier of New South Wales withdrew from the conference the remaining Nationalists had a political conference of their own, where they had everything cut and dried. The evidence of that has already been quoted over and over again. The hon. member for Sandgate may deny all these things as much as he likes.

At 12.40 p.m.,

The CHAIRMAN resumed the chair.

The TREASURER: There are two facts that he cannot combat. One is that preparations were made for the application of the report of the Expert Committee to the public service and particularly to the railway service. If they desire to reduce taxation and continue other forms of expenditure, then the only method whereby it can be done is by a policy of wage reduction. So that the Opposition to-day stand for a policy of relieving the income taxpayers at the expense of the general wage-earners of the community, and to that extent they stand for a policy of class taxation.

The hon. member for Fassfern raised the general question of Loan, Trust, and Revenue Fund Accounts, and expressed concern at the general financial position of Australia. There can be no doubt about the importance of that question. In a debate of this kind hon. members' minds should be directed toward those problems that affect the State and the Commonwealth in a vital fashion. It is discredit to Parliament that time should be taken up in wrangling as to whether or not the father of the hon. member for Sandgate is still employed by the Department of Public Works, or whether some other individual has got a job. All that I am concerned about is that men or women should be appointed to positions for which they are fitted, and that qualification should be the only basis of their appointment. I would not be prepared to agree to a proposition that because a man was a Labour member of Parliament or of any political party his family should be debarred from applying for any position which became vacant in the public service in common with any other member of the community. I deprecate the argument or suggestion that Labour members should not receive jobs, and that Nationalist members should have preference for positions in the public service. We are dealing with more important matters than that. A debate of this kind should deal with the general financial position of the country, its causes and difficulties, and possible

remedies put forward. I have never contended, nor does any hon. member on this side, that the expenditure of loan funds of itself is any cure for unemployment. What we do contend, I again repeat, is that it is necessary for Governments to expend public funds during a period of depression to enable them to bridge the gap. That is the general attitude taken up by the Government. An improvement in the general position depends very largely on the conditions of trade and industry both in the Commonwealth and overseas, and the prices that can be obtained there for our products. The general manager of the Bank of New South Wales, Mr. A. C. Davidson, dealt with that phase of the question at the opening of the meat industry hall at the recent annual exhibition of the Royal National Agricultural Association, and later in Melbourne he again made a press statement on the subject. He pointed out, quite truly, that Australia would be in a difficult position in regard to her internal economy and in regard to her external obligations were it not for the continuity of good seasons, and if those were to fail certain results would follow. Those are elemental facts which cannot be disguised from anyone who considers the question. Mr. Davidson further stated that costs and prices must be brought into direct relation with each other. That requires some investigation. Obviously prices cannot be controlled when dependent on competitive conditions on the world's markets. It could not be urged as a sound policy for Australia that our costs in relation to either base cotton grown by the farmers or the manufactured article sold by the draper should be brought into relation with the price level set, say, by Japan or any other Eastern country. That shows not only the difficulty of the position but of the importance of a remedy being found in that direction. It is also a fact that to-day most countries are pursuing a policy of economic nationalism which of itself retards the distribution of trade and commerce through normal channels. People are liable to forget the basic principle of all forms of trade—that you cannot expect to continue to sell unless you buy. Stated in another way, trade involves a two-way traffic, and the pursuit of economic nationalism to its logical conclusion will either bring about a general world crash demonstrating the futility of such a policy or result finally in each country becoming, as far as possible, self-contained.

Mr. SIZER: We would be in a bad way under such conditions.

The TREASURER: That is not so, because Australia is a country that can be entirely self-contained. Every essential is here in abundance for the maintenance, in a high standard of comfort, of a very large population; but it means an alteration in the policy pursued. The hon. member for Sandgate does not follow my trend of thought. I have already said that economic nationalism carried to its logical conclusion will result either in a world crash greater than any we have yet known or in each country living as a self-contained community, not trading with other countries. Under those conditions Australia would not be an exporting country at all but would have to confine her energies to those activities capable of control in her own internal economy. That, generally, is the position. No remedy, therefore, can be found in the direction of a policy that contends that costs and prices should be

brought into relation with each other. There are factors involved in price over which neither we nor any other nation have any control. Generally speaking, price levels throughout the world are lower than costs. Indeed, the present price levels are disastrous to all countries engaged in any form of production.

Criticism has been levelled to-day by one hon. member at the policy being adopted by the United States of America. I am not here to-day to advocate the policy of America or of any other country, but there are certain significant facts to be deduced from the American position. The hon. member who spoke stated that America had approximately 35,000,000 people unemployed. That surely affords some commentary on the system that has obtained in that country, where no Labour Government have ever been in power, where unionism, as we know it in Australia, has never been established, but where capitalism, in its most efficient form, has held full sway. If private enterprise is that divinely ordained institution that hon. members opposite assume it is, and if it is capable of the success that these hon. members claim for it, why is it that in the United States of America 35,000,000 people are unemployed, many of them in dire want? It shows quite clearly that the policy of uncontrolled capitalism, leading to trusts and combines and to unrestricted labour conditions, has produced the inevitable results, and the results would be no different if similar conditions operated in this country. Moreover, it is a further indication of the failure of private enterprise to meet a crisis. The United States of America is the most highly industrialised country in the world, with a big percentage of the population highly trained in technical callings and capable of producing expeditiously the requirements of internal and world trade; yet the best that can be achieved is the spectacle of unemployment that I have referred to and the depressing picture of producers being asked to plough their crops back into the ground and the grain farmers of the Middle West using wheat and other cereals for ordinary fuel purposes. That indicates very clearly the results of capitalism, undiluted and unashamed, and it is the result that will be always achieved from such a policy: similar causes produce the same results. There is this, however, to be said to the credit of the United States—that they, as a Government and as a people, are prepared to try to do something to relieve the position, and, if possible, bring it to an end. That is to the eternal credit of the American people. They are not prepared to sit idly by waiting for something to turn up; they do not worship old shibboleths or put faith in political and economic ideas that were thrown into disregard a couple of generations ago. Their industrialists, their business people, and their statesmen are applying themselves to the situation as they understand it; they are applying what they consider to be the remedy, and I wish them every success in their endeavour.

Mr. MAHER: They are going to fail.

The TREASURER: The hon. member for West Moreton, the political Jeremiah of the Opposition, says they are going to fail. Even if that were so, it is better to fail on a trial than to be a non-starter. That is the view I take. Already there are indications

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of their success. In any case it is their own business, and if one remedy is not sufficient or effective, then other remedies will, without doubt, be applied. The danger in the world to-day, and one which may lead to further international complications, is the feeling that I am speaking against now. It is a feeling of despair—a feeling which engenders interjections to the effect that they will fail; that anything will fail. Nothing is more dangerous from the point of view of the safety of civilisation of the nations themselves than a widespread feeling of despair among the people, because that will lead always to the excesses that despair without doubt engenders. In the United States they have started to deal with the monetary and credit policies. Why should they not do so? Most authorities who have investigated this problem agree that the credit and monetary system which prevails in the world to-day is ineffective to cope with existing conditions. It is a conservative policy which is not suitable to and does not meet the needs of industry, and America is courageous enough to make efforts in that direction which probably will be crowned with complete success. In any case, they have affirmed the principle that the credit of the nation is the concern of the State. It is created by the people of the State or nation, and they have asserted the right of mobilising that national credit which the people themselves have created, and, further, that it shall be used in the national interest rather than in the interests of private gain.

The hon. member for Kennedy stated that there will always be unemployed even if price levels again become normal, and that to some extent is true. Modern methods of production have discounted manual skill, and enabled all kinds of goods to be produced with less labour than was formerly the case; so that, unless drastic reductions are made in highly industrialised countries, similar to the United States—such as reduction in hours of work—there will continue to be an unemployed army; but there is more involved in it than that. There is no analogy between Australia and America in that respect; the conditions of the two countries are different.

At 2 p.m.,

The CHAIRMAN resumed the chair.

The TREASURER: America is a highly industrialised country with a large population; Australia on the other hand is a large country with a small population and but a low percentage of its resources well developed. America is not content to sit down and suffer under conservatism and gradually freeze to death. It has therefore controlled its credit resources in the interests of its own people and asserted the principle that the policy, financial and otherwise, to be pursued by banking institutions shall be subject to the control of the Government in the best interests of the nation as a whole, irrespective of the interests of private individuals. In this country much can be done along the same lines, and a policy based upon the utilisation of the resources of our country and the development of its industries is necessary if we are to emerge from our immediate difficulties. The United States is pursuing the same policy in regard to its public works and public activities generally that we are pursuing. It is making

funds available for public works and endeavouring to stabilise the price levels of its primary products. That may be referred to by critics opposite as inflation, but such inflation would be based on real wealth. Hon. members who discuss this question either discuss it from the point of view of political perversity or do not understand the problem itself. Currency, whether it be gold or paper or otherwise, is based inevitably on real wealth. Money of any description is only a yardstick or measure of value, and the amount of credit or currency in existence in any country at a given time should be based on the actual wealth production of that country and the value of that production. If the amount in circulation is less than the value of the wealth production you have deflation; if it is in excess you have inflation, and consequently a depreciated currency. Where currency is based on the resources of the nation in the form of production, gradually recurring, in the form of wheat, sugar, meat, wool, hides, or minerals, the currency is on a sound basis and stabilisation within its own boundaries can be achieved.

I am satisfied that the world-wide difficulty is brought about as a result of the failure of private enterprise—by the failure of the ideas and principles to which hon. members opposite give allegiance—and that something in the form of control in the interests of the people will be necessary before the condition can be improved. Under the present system production rests on the basis of profits. Profits cannot be made at the present time on a large scale in view of the low price levels, and consequently production has been arrested, with consequent unemployment. The basis of industry must be altered from that of profits to that of public interest or national desires. In that direction will the remedy be found and progress generally be made.

The control of prices has an important bearing on one phase of the financial condition of the State. I refer more particularly to the payments made by Australia on her overseas indebtedness. Queensland did not participate to the same extent as the other States in the benefit arising from the internal conversion because of the fact that a large proportion of our national debt was held overseas. I have always taken the view that if present conditions are to be assumed to be normal conditions, and are to continue for an indefinite period, it follows of necessity that Australia must obtain relief in her interest burden held overseas. That principle was recognised by the British Government themselves when they controlled the loan market in their own country until such time as they had secured the complete conversion of their own internal debt at a low rate of interest. They then proceeded to convert the debt held by municipalities in that country. The aggregate indebtedness of municipalities in Great Britain assumes proportions greater than the national budget itself. Australia had a large percentage of her indebtedness due for conversion. It was part of the contract between the various States and the Commonwealth with the bondholders that conversion rights should be exercised at stated periods. Obviously, those options would have been exercised if the money market had been free and debts could be converted at a lower rate of interest. In

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placing an embargo upon the conversion of loans or the raising of loans, other than their own, the British Government interfered with the contract made with the Australian Governments. The Australian Governments were kept off the loan market for a considerable period, and it was only this year that there has been a somewhat tardy recognition of our rights in this respect. At the January conference of Premiers and a meeting of the Loan Council, I presented a written document setting out the views of Queensland in regard to this matter and a general debate ensued on the position as it affected Australia. As a result that statement was sent to the resident Minister in London for presentation to the Chancellor of the Exchequer and to the Bank of England as indicating the general views of the Australian Governments. Following upon that, small conversions have been obtained, and one is now due. I pointed out that Queensland had an exceptionally high proportion of her debt held overseas and that the burden of that high proportion, together with the cost of exchange, was largely responsible for the revenue deficit. I also pointed out that one of the aggravating causes of the deepening of the world economic crisis and the prevention of recovery had been the burden of reparations and war debts to the United States; that with export prices as they were at that time our investments from overseas loans had also become temporarily unproductive in respect of their interest charges, and that Australia was entitled to the same relief as the British Government obtained in their own conversion and for the same reasons. That was emphasised very definitely in the statement sent to London as the considered opinion of the Australian Governments. We pointed out that in terms of goods we were paying in interest more than twice the amount that was involved at the date when the contract was incurred. We claimed the right, particularly where we had contracts of optional conversion, to have the opportunity of exercising our rights and with the assistance of the Chancellor of the Exchequer and the Bank of England in so doing. The position can be briefly stated in this way: If the interest on Queensland overseas debt above 4 per cent. was reduced to 4 per cent. we would save £622,000 in interest and £226,000 in exchange, or a total of £848,000. If the interest were reduced to 3 per cent. the saving in interest would be £2,126,000, the saving in exchange would be £426,000, or a total of £2,552,000.

Those figures clearly indicate the position as it exists to-day. On the basis of existing price levels and the amount of goods that have to be sold to meet those commitments a reduction in the rate of interest to 3 per cent. would be perfectly reasonable and just. They would still, in terms of goods, get a higher return than they were able to achieve at the period when the debt was originally contracted. That applies to the whole of our overseas commitments. In any case, where we have options, and those options are set out in the contract, I consider that interference by the British Government with the terms of our own contracts is subversive of the interests of Australia, and should be removed at the earliest possible moment. The first conversion was in connection with a loan of £11,409,965, bearing interest at 6½ per cent., converted for a five-year period in June,

1933, at 3½ per cent. The next conversion was £17,221,000, bearing interest at 6 per cent., converted to 4 per cent. for a period of fifteen years. I understand that the Commonwealth Government proposes the conversion of another £15,000,000 of their own debt carrying 6 per cent. interest. Queensland has £2,000,000 of the £17,221,000 conversion loan recently undertaken. The advantage will not be felt to any great extent this financial year, but the estimated saving of interest next year will be £40,000 in addition to exchange costs. The annual saving in exchange and interest on the June and July conversions just referred to will mean a saving of £858,000, of which Queensland's proportion is £50,000.

There can be no doubt as to the justice of Australia's case in that regard, and at the meetings of the Loan Council, I, in common with other delegates, have insisted on our rights in that respect, and suitable representations setting forth our views have been made to London. Every effort, both directly and indirectly, which can be made will be made to meet the situation in the manner I have described. I say very definitely on behalf of the Government that we are entitled to complete conversion of our overseas debt at the same rate of interest and for the same reasons that Britain secured her own conversions.

The hon. member for Sandgate, in the course of his speech, dealt with the question of unemployment. He and others have asserted that unemployment has increased during the period that the Government have been in power, and they draw from that an argument adverse to Government policy. The hon. member for Sandgate said that the number of men employed on relief work by the Brisbane City Council had increased by 400 in the last two weeks. His figures are taken from a statement made by Alderman Lanham, the chairman of the Works Executive of the Brisbane City Council. I have verified the figures in the proper quarter, and that channel was available to the hon. member for Sandgate. The statement is entirely erroneous, and the figures are entirely without foundation. They have been obtained by calculating the single men twice as if they work in each week, whereas they work in alternate weeks. That is the explanation of the mistake in that regard.

Another hon. member quoted figures from the "Economic News," published by Professor Brigden. I interjected at the time that he should also read the footnote which Professor Brigden attaches to all figures in that publication. Professor Brigden points out very clearly that the increased registrations is entirely due to the fact that single men are now entitled to register for work, and are entitled to intermittent relief work. There is frequently work available for them which was not the case formerly, and, in any case, they are subject to relief conditions as set out by this Government. Those are elements in the case which hon. members opposite conveniently forget.

The Commonwealth Statistician's figures on unemployment in Queensland show a percentage of 19.9 per cent. for the second quarter of 1932, when the Labour Government first took office in Queensland. The same authority has reported a gradual decline in that figure for each quarter since Labour has been in power. The latest figures from the

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same source show the percentage of unemployment in Queensland as 15.6 per cent., as compared with 19.9 per cent. when the Moore Government were defeated. During the whole of the Moore Government's regime the unemployed figures mounted quarter by quarter. For instance, for the second quarter of 1929, when the Moore Government took office, the unemployment as recorded by the Commonwealth Statistician was 7.6 per cent. Those figures gradually rose until they reached the highest point ever recorded by the Commonwealth Statistician—namely, 19.9 per cent. for the second quarter of 1932. So that, in that regard the Opposition have little to their credit. Their record is one of conservatism, resulting in deflation, record budget deficits, record unemployment, and record distress in the community.

The hon. member for Fassfern also raised the question of the balancing of budgets. The hon. member pointed out quite truly that the time will inevitably come when we will have to live within our own resources. Let me say that we are living within our own resources at the present time. That is a fact that hon. members who criticise financial policy very often forget. Australia is entirely living within its own resources at the present time, whether it be from revenue or loan fund account. The funds used by Governments are the funds of the Australian people, and the interest payable on those loans is paid to the people of Australia and returns again to circulation. However, I also recognise the necessity of reducing budget deficits as early as possible; but I have pointed out before, and I emphasise again, that budgets cannot be balanced by a policy of reducing national income. It is impossible to balance budgets unless the family budget of our people, who make the nation, can also be balanced. People talk of bringing costs into relation with prices. That is the policy of the "poverty competition" that I have described frequently. No progress lies in that direction, whereas the policy of the present Government is the one conceived to be in the best interests of the whole State, having regard to the resources at our disposal. Earlier in the debate I quoted the remarks of the general manager of the Bank of New South Wales. I now propose to quote from the monthly circular for May of the Bank of New South Wales, wherein it is stated—

"There are times when the effort of balancing budgets is so great that it can only be achieved at the expense of balance in the community generally. This point was well brought out by Sir Josiah Stamp in a recent speech. He contended that though financial purists might regard the borrowing of money by the State for investment purposes as an 'unbalancing' of the budget, the real consideration was that a budget balanced in the strict sense might coincide with a thoroughly unbalanced condition of the internal economy. The statement might well be applied to the present position of Australia."

That sums up clearly the views held by this Government, whose policy is the best that can be adopted under present conditions in the interests of the State. We will continue to pursue that policy, endeavouring to provide employment for as many people as possible, and by that means assisting trade and industry generally. Public expenditure

will be controlled with due regard not only to the development and interest of the State, but also to that form of expenditure which will give the maximum results to the people of Queensland.

GOVERNMENT MEMBERS: Hear, hear!

Mr. KENNY (*Cook*) [2.23 p.m.]: It was interesting to listen to the speech delivered by the Leader of the Government in trying to shuffle the responsibility of his own Government and in misleading the people by saying that the Opposition stand for a policy of reduced taxation at the expense of the community. That, in effect, was the substance of the hon. gentleman's remark. Time after time hon. members on this side have stated that taxation has reached a height where it is defeating its own ends—where individuals are cast out of employment. That is recognised by the Leader of the Government. We maintain that what is needed in Queensland is a reduction of the excessive burden of taxation, a freedom from the strangle-hold that Governments have on industry to-day, and a removal of the restrictions placed upon industry in order that industry may get back to a position where it can absorb the unemployed in the Australian community. The Treasurer condemned the late Government for their action in this regard, and said that the Moore Administration increased taxation. He did not say that the taxation levied by the late Government was a definite unemployment relief tax placed on the community for a specific purpose—the alleviation of the unemployment position. When we placed that tax on the community we told the people that the scheme was not for all time, but only a palliative to try to alleviate the position. We were condemned for that policy by Government members. We were condemned from every platform in Queensland. I was in Cairns when the scheme was first instituted, when a by-election was taking place there. Hon. members opposite who supported the hon. member for Cairns then appealed to the people not to support the scheme nor accept work under it. Now they have taken control of the Treasury benches they are barren of ideas; they not only accept the scheme *holus bolus* but have increased the tax by 100 per cent., yet they say that was an increased burden of taxation placed upon the people by the Moore Administration.

The whole policy of the present Government is in effect to spend loan money to relieve the position when private enterprise cannot absorb the unemployed. That is all right, as the Government are in a position to do it, but how long are we going to continue that policy; to what extent are we going to spend loan money while private enterprise is being strangled daily? There is a limit to the extent to which we can go in this regard. The Labour Party recognises, and has recognised all its life, how far you can go with loan money. It is interesting to turn back to the record of the Labour leaders in 1910. Let me turn to a statement made by the late Mr. David Bowman, a member of the Labour Party at that time. Speaking on 6th September, 1910, vide "Hansard" for that year, page 3749, and dealing with this question, he stated—

"Well, speaking for myself—and I know that a number of members agree with me—while we are prepared to support a borrowing policy for reproductive works, we should be careful in the amount

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we do borrow. We should only have restricted borrowing. . . . I think it would be a big mistake for this Government or any other Government to go in for borrowing indiscriminately."

Then, Mr. Theodore, speaking on this subject on 9th September, 1913, vide "Hansard" for that year, page 40, stated—

"There seems to be a great desire on the part of the Premier and the Treasurer to blink our obligations in regard to the matter of loan expenditure and the matter of a sinking fund or some other effective means of paying off our public debt in due course. They seem to be satisfied to go on and allow the public debt to outlive entirely the public works that have been established by means of the loans which have been floated. They seem to have no desire to reduce the public indebtedness of Queensland. They are well enough satisfied to shuffle out of their responsibility, and to allow future generations to take up the burden—a most ungenerous and uncharitable and, with all, unwise policy and quite unnecessary."

Those are the opinions of two of the greatest leaders the Labour Party have ever had. They recognised that a policy of borrowing is not in the best interests of the community, but despite their recognition of that fact the Labour Party have increased our public debt to such an extent that we cannot afford to pay the interest we have to pay to-day. Then the Leader of the Government says, "We have to relieve the position." While he is crying out for relief, we find we are going ahead with the increase of our public debt—last year an increase to the extent of £3,000,000—and it looks that in three years of the present Government's administration the public debt will be increased by £10,000,000. This year we will have to pay £100,000 extra in interest to meet the squandering of the previous year. Surely this must have an end! It would be all right if the Government were going ahead with a definite policy increasing the public debt of Queensland such as they think advisable with the final objective of repudiation. If they mean to have Socialism and go in for deflation and reduce the value of the £ to about 6d., and wipe out the debt externally and internally, it will be a sound policy; but if there is any intention to pay our way it is necessary for the Treasurer to watch his step and see how far he goes with his policy.

The Treasurer referred to the late Government's administration as a policy of deflation; but it was a policy which was subscribed to by the Labour Party in the Federal Parliament and by Mr. Scullin and other Labour Premiers in Australia. Mr. Hogan, in Victoria, and Mr. Hill, in South Australia, both subscribed to it. Those two Premiers were cast out of office because of their action. Mr. Scullin subscribed to it, and to-day he is held up to the Queensland people as the saviour of Australian people. The Labour Party are asking the people to put him back in control of the Federal Treasury benches. Let us take Mr. Scullin himself. When this deflation policy—this tragic happening—was brought into effect, he said in the Federal Parliament on the 18th June, 1931, as reported on page 2784 of Federal "Hansard"—

"No one will welcome a practical alternative to this plan more readily

than I shall, and I shall be exceedingly glad if any hon. member can submit a practical method of overcoming our immediate difficulties. . . . Those who advocate the rejection of this policy must put forward a practical alternative, or declare to the world that Australia will go on as at present until July and then default, paying to its servants, its pensioners, and its bondholders less than 12s. in the £1. Such a policy would not reflect much glory upon them. I know that they declare that the talk of default is nonsense, and that the banks will come to our rescue. They have a sublime, child-like faith in banking institutions; but bankers will not risk the solvency of the institutions they control to save any Government or individual from default."

There the Leader of the Federal Labour Party says definitely that default was confronting us, and that if we did not carry out this deflation policy which is condemned by hon. members opposite we would be able to pay our pensioners and public servants only 12s. in the £1; yet to-day those same hon. members are holding him up as saviour and saying, "Put him back in control."

In the same debate Mr. Theodore said—

"Yes. All pensions will be reduced 2s. 6d. per week. The purchasing power of money is greater now than it was a few years ago, and therefore the pensioner will not be relatively worse off than he was two years ago. According to the cost of living figures, 17s. 6d. per week will purchase slightly more food and groceries than could be bought for £1 in 1925, when the pension was increased to £1. . . . Undoubtedly, Australia is much more generous than any other country in the matter of pensions. . . ."

"No one can minimise the severity of the economies that have been forced upon the Commonwealth—not forced upon it by its political opponents, nor by outside institutions, but by the realities of the case.

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

There Mr. Theodore says that that plan was not forced on them by political opponents or outside institutions, but by the facts that faced them, and he was prepared to reduce pensions by 2s. 6d. per week rather than give no pensions at all. After all, Labour is responsible for giving only 2s. 6d. of the pensions, and Labour was the first party to reduce them by 2s. 6d. per week; so that to-day Labour stands without any credit for giving anything to any pensioner in Australia.

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

"Critics overlook that the deficits of Australian Governments will total £70,000,000 next year at the present rate of expenditure. Federal public servants' salaries are to be reduced, but better the substantial return for labour under the plan than no salaries and wages if default had come. Better reduce pensions along the lines urged by the soldiers themselves than pay nothing or something far less than what is proposed

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under the plan. Better preserve to the old-age and invalid pensioners at least 17s. 6d. per week than leave them with 10s. or 12s. per week.

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

Common sense dictated to him, to Mr. Scullin, and to Mr. Theodore the acceptance of the plan—common sense impelled them to tell the people of Australia that it was the only way out. Yet hon. members opposite, belonging to the same party, because the responsibility is now placed on their shoulders, tell the people of Queensland that the policy is wrong, and that they will not subscribe to it. But they have subscribed to it; they have taken advantage of every economy effected under it by the late Administration, and have even gone ahead in other directions with further economies. If these economies were not necessary—if this so-called policy of wage slashing which they condemn was not necessary—why not restore them? The truth is that once they said they were necessary, and to-day, in their own party, the question is being discussed, and the rank and file behind the Government are asking them to do the very thing they say is unnecessary. They know, however, that they must gull the people of Queensland still more—that they must cover up their lack of administrative ability to overcome the difficulties that confront them.

The Treasurer repeated to-day what appears in the Governor's Speech, that world's prices have fallen. They have, but hon. members would not admit when this party were in power that world prices were a factor in the position at all. It was said to be a man-made depression and that we could fight our way out. To-day we find them whingeing and clamouring to put the blame on to somebody else. So the Treasurer says that private enterprise has brought about the depression. He said that America was not content to sit down and wait for something to turn up. The Treasurer told us, through the Governor's Speech, that he was helpless and could do nothing until there was an improvement in world price levels. He also stated that the policy now being pursued in America was a clear indication that private enterprise had failed in that country, but that is an erroneous conclusion. Private enterprise built up the American nation, and her difficulties have arisen largely through tariff barriers and through the graft and corruption on the part of her politicians eagerly seeking the political support of certain sections of the people. America's policy of extreme protection, together with graft and corruption, have been her undoing. The position facing the Governments of Australia to-day is still a serious one. Political parties throughout the world have endeavoured to expand the business activities of their respective countries with the assistance of tariff walls and other artificial measures. These industries have been established on an artificial basis which demands the sacrifice of international trade. We are prepared to sell our goods to foreign nationals, but we are not prepared to accept their goods in return. The Ottawa Conference was an attempt to overcome the difficulty so far as it pertained to the British Commonwealth of Nations. But

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because the agreement provided for a lowering of the tariff on bananas entering the Commonwealth of Australia, hon. members opposite were sufficiently hypocritical and short-sighted as to censure the Federal Government for daring to grant relief amounting to £20,000 whilst receiving benefits in other directions under a plan providing for beneficial inter-Empire trade. Labour politicians are not prepared nor have they sufficient vision to see that these matters should be viewed from the viewpoint of the nation. Quite recently the World Economic Conference failed in London because its representatives relied for their political support upon the popular vote of their respective countries. Selfishness and the desire for political support wrecked the prospects of an agreement at that conference. What hope is there for the world? We must now carry on with an intensive policy of trade war with its tariff barriers and other artificial protection. Such a policy will not bring about a solution, and, like the United States, we shall be compelled to live on our own resources.

A Nationalist Government was returned to power in New South Wales when the Labour Government were successful in Queensland, and since that time the New South Wales Premier has reduced his deficit by £10,000,000, public expenditure by £4,000,000, and has granted taxation remissions amounting to £2,000,000. Wholesale and retail trade has increased tremendously in that State. Factory employees have been increased by 11 per cent., relief taxes have been reduced by £400,000, and the tramway fares have been reduced by £500,000. The number of persons dependent upon Government aid has been reduced from 154,000 to 98,000. We have increased taxation in this State by £1,250,000. We have been compelled to increase taxation by £2,000,000 because we would not recognise the position. The number of unemployed has increased from 35,151 at June, 1932, to 40,556 in June, 1933. The Labour Government are merely waiting for something to turn up, hoping that the policy instituted in the United States will rectify the position. The Treasurer has stated that the unemployed in this State are not suffering under adverse conditions, but let me quote this report from the "Railway Advocate" of 15th January, 1933:—

"In an appeal 'over the air' (4QG on 15th April) for assistance for donations to their blanket fund, a representative of the Queensland Social Service League stated that in Queensland there were '20,000 married men, and their wives, and 70,000 children, and 14,000 single men involved in unemployment.'

"The April issue of 'Economic News' gives the total number of unemployed men wage-earners in Queensland for the month of March as 54,200. Add to that number of men 70,000 children mentioned above, the wives of married unemployed, and the number of female unemployed workers, and it will be seen that the number 'involved' in unemployment is much larger than is conveyed by official statistics."

This shows the number of people dependent on the Government in some form for assistance in March and April of this year. Yet the Government are closing their eyes to the position and waiting for something to

turn up! At the same time the Treasurer is telling the people that Queensland has turned the corner, and that the policy of his Government is bringing that position about. All that the Treasurer and his followers can advocate is for a change of Government in the Federal Parliament. They tell us that if the electors return the Federal Labour Party, led by Mr. Scullin, who brought about this depression complex, that they will introduce socialisation of banking in order to take the people's money and squander it. Everything will be all right then. According to the Commonwealth statistics on the 30th June, 1932, there were in the trading banks in the Commonwealth deposits not bearing interest amounting to £87,850,000, and bearing interest £196,194,000. On 31st October, 1932, the saving banks possessed deposits to the extent of £198,108,000. These deposits exist in the various banks in the Commonwealth to-day, because the people are not prepared to risk their money in private enterprise. They fear that Government interference will kill private enterprise. That is the reason why subscriptions to the short-dated loans of the Commonwealth to-day reach in the vicinity of £100,000,000. We must not forget that while subscriptions amounting to £100,000,000 are made for short-dated loans bearing interest at 2½ per cent., the position will eventually arise when those loans must be converted by an internal loan. When that is done Australia will be compelled to pay at least an additional 1½ per cent. interest for that money. It will be seen that the flotation of short-dated loans will not get us out of our difficulties. While we continue a policy of refusing to recognise the position and of increasing taxation at every turn—the same as the Labour Party did when they were in power before—we will intensify the position and eventually arrive at a point when we must default. We are getting very near default to-day. If the policy of the Queensland Government is to break industry and default in order to bring about their objective of socialisation of all means of production and exchange, then they are proceeding along the right lines. Why do they not bring about their objective to-day? They have the power, and I cannot see why they should bring further misery to the unemployed if, as they contend, that objective will solve our social troubles. Why should our people starve if their objective is the proper solution? Why not proceed right ahead and bring about a position whereby industry cannot carry on, and increase the unemployed army in order that the Government can take it over and control it as a State enterprise? We had State control previously in State cattle stations, butcher shops, fish shops, and other directions. What was the result? The people are to-day paying £250,000 a year interest on accumulated losses amounting to £4,000,000 and will do so for many years to come. Surely the Treasurer can paint a brighter picture and show the people some other way out of their difficulties? He is evidently content to wait until some other nation takes action to raise price levels to help Queensland out of her position.

Mr. TOZER (*Gympie*) [2.47 p.m.]: Under this Bill we are asked to vote £2,000,000 which is to be derived from practically three sources known as consolidated revenue, trust funds, and loan funds. It is a matter

of serious import to the people. Although we, as an Opposition, will not be able to alter in any way the policy brought forward by the Treasurer, we have a duty to perform to show the people that the action of the present Government is not of the beneficial nature that it is claimed to be. A stranger entering the portals of Parliament for the first time, and with no knowledge of Queensland conditions, would think, after listening to the speeches of hon. members on the Government side, that the Moore Government were responsible for the present financial and unemployment position in Queensland. But let me refer to the remarks of Mr. McCormack, who was Premier of Queensland before the advent of the Moore Government. Speaking at Rockhampton on the 4th May, 1923, Mr. McCormack said—

“We in Australia are passing, and will pass, through a very difficult time during the next few years, and to tell the people that everything in the garden is lovely is only misleading them. The only way for Australia to regain her former prosperity is by living within her means and by giving satisfactory service in whatever sphere we may be placed. In Queensland I have made a strenuous endeavour to get the Government to live within its means, and it has been no easy task. It has made enemies for me both in business and in Labour circles.”

On another occasion Mr. McCormack stated—

“It may be argued that we should increase general taxation. There is certainly no other way. It is easy enough to say that we should increase taxation. It is a very popular thing to get up and say, ‘Tax the other fellow,’ but there is a point at which taxation becomes so heavy that instead of bettering the position it actually makes it worse for the very men whom we wish to benefit.”

If conditions had been all right prior to the Moore Government taking office, where was the necessity for such statements as I have read from the then Premier, Mr. McCormack? There must have been some reason. He could see what was coming. He realised that things were going bad for Queensland, and, as a matter of fact, practically took out an insurance because he borrowed money ahead. Government members say that when the Moore Government took office they inherited £5,050,000, but I believe the amount would be reduced to £3,900,000 after consideration is paid to the commitments that had to be met. Similarly, the amount of £1,600,000 which we contend was left in the Treasury by the Moore Government was reduced, according to our opponents, when certain commitments were met. At all events, Mr. McCormack realised that bad times were ahead. When these bad times did come about it was fortunate that the Labour Government were not in power in Queensland. If they had been they would have had to meet the same difficulties as confronted the Moore Government. Hon. members opposite claim that they would have met those difficulties. Would they have adopted different methods from those of the Moore Government? They claim they would, but if that were so would not Queensland have been placed in exactly the same position as was New South Wales under Mr. Lang? Judging by the remarks

*Mr. Tozer.]*

made at the time by the hon. gentleman who is now Premier of Queensland, I should say that the plan that he would have adopted might have been regarded as a twin-sister plan to that of Mr. Lang. At all events, both plans would have had the same effect.

Listening to hon. members on the Government side one would imagine there were no unemployed in Queensland when the Moore Government took office, but on that point I desire to quote from the return published by the then Secretary for Labour and Industry on the 30th September, 1928. I would point out that it was in May, 1929, when the Moore Government came into power. In this return it is stated—

Totally unemployed, including those unemployed through sickness, etc. ... ..	46,512
Partly employed ... ..	69,664
	<hr/>
	116,176

That was a few months before the Moore Government came in. I submit that is further borne out by the fact that in 1927-28 the cost of unemployment, including unemployment insurance, in Queensland was £460,926. If there were no unemployed, where was that money spent? It must have been spent on the unemployed. That was the position, so far as unemployment was concerned, when the Moore Government came into office. It should not be necessary to repeat these statements, but when we hear hon. members opposite speaking as they do, it becomes necessary for us to state the actual facts again. We know that during the time Labour was in power in the fourteen years previous to the Moore Government coming into office, there was a rise in revenue, but when the Moore Government came in a decline in revenue had to be faced. We know that the interest bill had increased from £2,000,000 to £5,000,000, and that the exchange had increased and was costing something like £1,000,000 a year. The position was such that the Moore Government, when they came into office, had to do something to improve matters.

The Treasurer has referred to the family budget as an illustration, and said that it is necessary for the family budget to be balanced before we can possibly balance the State budget. That sounds reasonable so far as it goes, but if a family is living beyond its means with no possibility of increasing its income the expenditure has to be reduced. In a mining company, for instance, a certain amount of work may be carried on, but if you are in a difficult position you do not go on making calls upon the shareholders all the time to the extent of the uncalled capital; you consider how you can reduce expenditure. The directors say "If we are going to make calls we must be fair and reasonable to the shareholders, and in addition to making calls reduce the expenditure so as to bring the cost down. The State is in the same position as a company, because the State has uncalled capital which can be called up. When the State gets into the position that it cannot borrow any more money from overseas, is it not right to reduce expenditure and say, "If we are going to tax, we should keep down the taxation and reduce expenditure as much as possible"?

The present Government blame the Moore Government for what they call deflation.

[Mr. Tozer.

They say that we went in for wage slashing and reduction. There is no one in this Chamber who has any wish to reduce wages. Had it not been through force of circumstances there would have been no reduction at all. We know, however, that there was a falling off in the value of production in Australia of something like £2,000,000, and Queensland being a big producing State suffered a considerable loss in that respect. Those who derive their income from investments suffered through reduction in the rate of interest, probably considerably more than the reduction borne by wage-earners. We have to be just to all. I do not believe in treating one section differently from another; we must treat everyone as equitably as possible. Those who can afford to pay taxation should pay more than those who cannot afford to pay much. It would not be fair, for instance, to reduce the salaries of one branch of the public service while not reducing others. One section would then have a grievance against those who were not suffering a reduction. The fair way is to treat everybody alike, as the Moore Government tried to do, in order to improve things all round. It is absolutely untrue that we introduced our measures with any idea of hurting the downtrodden. Such accusations might be very good propaganda, and if hon. members opposite make them often enough, they will perhaps believe them themselves, besides making other people believe them. If, however, they are honest they cannot put the blame on the Moore Government.

Let me point out, moreover, that the majority of representatives at the conference at which the Premiers' Plan was adopted were Labour men, and if they had not agreed to it then it could not have been adopted. But they recognised its wisdom; they realised that it was the only plan to help Australia to a better financial position. When there was a change of Government in Queensland, the present Treasurer also subscribed to its principles, and we are still carrying on under the plan in an endeavour to balance budgets, reduce expenditure, and bring about a better state of affairs generally. How, then, can they accuse the Moore Government of being wrong in subscribing to a plan when they themselves have subscribed to it? If the things the Moore Government did were wrong, why have the present Government not altered them and restored what their predecessors took away? The fact is that they find that the position is just as we found it—that the money is not available; yet they blame the Moore Government and persistently refuse to take the responsibility for their own conduct.

A considerable amount of our trouble has been caused by excessive borrowing. A continually increasing interest bill must defeat you in the end. At one time the Labour Party held that there had been too much borrowing in Queensland by Governments of years gone by, whom they described as "Borrow, boom, and burst" Governments. In 1915 a little red book—a reprint of articles in the Brisbane "Worker," was published, and in it appeared the following statement:—

"If the working class could realise how they are robbed by the institution known as the public debt, there would be an outcry against further borrowing from one end of the country to the

other, and statesmen would find it imperative to devise means of extinguishing the debt and terminating the folly of continuous interest paying.

"The Labour Party demands that this state of affairs shall cease. It demands that definite measures shall be taken to wipe out loans as they mature.

"It is a senseless and suicidal policy for the public, and the only beneficiaries under it are the financial institutions and the mortgage-mongering owners of our large estates, who are mostly absentees.

"No person of intelligence would conduct his private affairs in such a reckless fashion, and the Labour Party will put a stop to it."

But immediately the Labour Party got into power they forgot these things, and borrowed as much money as they could get. In fourteen years they borrowed £56,000,000, which is at the rate of £4,000,000 per annum, and so increased the public debt to £112,000,000. The Treasurer has stated that during a period of depression it is a good policy to spend loan money so as to bridge the gap to better times. During the past year £3,000,000 were borrowed, and it is anticipated that a similar sum will be borrowed during the ensuing year. It can be anticipated that when the term of office of the present Government expires the public debt will have been increased by an additional £10,000,000.

It has been stated that an area of 6,000,000 acres is required for forestry purposes in this State, and up to the present over 5,000,000 acres has been set aside for the purpose, but it is utilised only for the production of timber by way of natural growth. Not all the timber on timber or forest reserves is millable timber, in some cases there being perhaps only eight millable trees to the acre. In the Gympie land agent's district, 340,000 acres have been reserved for forestry purposes, many areas producing no timber at all. The adjoining land has been fairly closely settled, and many private blocks are contiguous to the forestry area. Many of these adjoining settlers have not sufficient land to provide a living area, and there is no reason why the idle forest land, or portion of it at least, should not be made available to these settlers not under a perpetual leasehold title, or a freehold title, but under a special lease. The adjoining selectors would assist in abating the nuisance from this forestry area by the destruction of wallabies and other marsupial pests, and the Crown and the local authorities would benefit by the receipt of additional revenue. The special lease could be granted under certain terms and conditions. Whenever application is made to the Land Administration Board, one is informed that a reclassification of the lands of the State will be carried out, and that nothing can be done for the time being. It is a bad policy to keep the land out of primary production, particularly when it is recognised that by granting a special lease revenue would accrue to the Government and the local authorities, the selectors would be assisted, and an asset would be built up for the State.

I desire now to refer to a block of land on the Gympie goldfield, situated between the Ingleswood crosscourse and the Sovereign crosscourse. When mining boomed in that

district, special leases were taken up all over the land. Rents and rates were paid. During the past ten years the land has remained idle because of the slump in mining.

Mr. MAHER (*West Moreton*) [3.12 p.m.] : No doubt compared with two years ago there has been a tremendous improvement in the general financial position of all the Australian States, and the Commonwealth which could not have been possible had it not been for a strict adherence to the terms of the Premiers' Plan. The deficits of all the States in 1932-1933 amounted to £8,609,000 as compared with £8,773,000 on the original Budget estimates. The Commonwealth Government were most fortunate in having a surplus of £3,500,000. The net deficit of Australian Governments, therefore, amounted to £5,000,000. That is a matter for congratulation because those of us who had any conception at all, and two and a-half or three years ago cast our eyes into the future, could only be filled with the most dire misgivings. A very substantial improvement in our budgetary position has been brought about as well as a remarkable improvement in our general credit. It is in regard to the finances of our own State that we are particularly concerned this afternoon. I regret to note that during this year our own State is the one State in all Australia that is budgeting for an increased deficit. Had the present Government followed along the sound lines laid down by the previous Government they would have had a different story to tell, and the State finances would have been in a much sounder position than they are to-day. One of the distressing features of our finances is the tremendous amount of extra taxation which has been levied on the people by the Government. After all, there is only a handful of people in this State. The Registrar-General informs us that the State has only about 300,000 wage-earners, and it is that handful of people who are standing up to the heavy burden of increased taxation. The Treasurer, and those hon. members associated with him, talk about taxing the wealthy. That is their parrot cry, but it is a myth because the whole of the wealthy people have been just about wiped out. The report of the Commissioner of Taxes indicates that there are only 427 persons in Queensland in receipt of incomes from personal exertion in excess of £2,000 per year, while only forty-five persons are in receipt of incomes in excess of £5,000 per annum. Where are the wealthy people we hear so much about? If hon. members opposite were to confiscate the whole taxable incomes of the wealthy people in this State they would not have enough money to carry on their relief scheme for one month. There are no wealthy people here, and we are being rapidly socialised which prevents a man becoming wealthy. We are fast approaching the position in Soviet Russia where, in order to carry out public works, those in authority make levies on the wages of the workers. At the end of the half-year the Russian employee finds that his pay envelope has a deduction of 10 per cent. or 15 per cent., according to the necessities of the Government. There are no wealthy people in Russia, so it is the worker who has to stand up to the taxation. The principle of taxation in this State is being worked out along the same lines, and the tentacles of the tax gatherer are being directed toward the wage-earner, as there are no wealthy people to levy. The taxation levied makes it impossible for people to

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become wealthy. That is one of the features arising from Labour control in Queensland.

The whole question of employment rests on two factors. The first is, it is desirable that people possessing money and desirous of investing it in industry or business should be encouraged to come to Queensland; and the second factor is those people look at the attractiveness of the State as a field for investment. On the present balance-sheet of the State can anyone reasonably say that Queensland to-day presents an attractive field for investment? I do not think the Treasurer could say that if he were looking round for a good field for investment.

The TREASURER: If people listen to you they will not invest in Queensland.

At 3.17 p.m.,

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

Mr. MAHER: I only wish there was a good field for investment in Queensland to-day, but in point of fact there is not. At a meeting at Kurilpa the other day the Leader of the Opposition referred to the position of the Toowoomba Foundry Proprietary Limited. That magnificent example of Queensland enterprise which at one time employed 335 persons to-day is reduced to employing only 60. When the Leader of the Opposition drew attention to the fact that that company might find it necessary to transfer its activities to Sydney and close down the foundry at Toowoomba, to the utter detriment of the City of Toowoomba and to the State of Queensland generally, the Treasurer made this rather extraordinary reply—

“Mr. Moore’s statements are merely a form of cheap political propaganda furnishing further evidence, if such is required, of the general futility of nationalism in this State.”

The hon. gentleman continued on the same lines, which is merely a complete evasion of the important point involved. The newspapers gave prominence to the extraordinary reply of the Treasurer to a proper and practical reference made by the Leader of the Opposition, whose statement is confirmed by a lengthy reference in to-day’s Brisbane “Courier,” which reports the following statement by Mr. L. A. Boyce, a director of the Toowoomba Foundry Proprietary Limited—

“The works of the Toowoomba Foundry Proprietary Limited, which have been operating in Toowoomba for sixty-two years, are gradually being removed to Sydney, and the process will be completed unless relief can be gained from the adverse industrial conditions existing in Queensland at present.”

Surely that gives point to the criticism which the Opposition have made of the restrictive conditions being imposed on industry by the Labour Government! Times out of number we have drawn attention to the fact that industry was overburdened by excessive taxation, by restrictive conditions, and by union domination. We see the results of it now. The proof of the pudding is in the eating, and we have exemplified to-day the sad and melancholy fact of the Toowoomba Foundry Proprietary Limited contemplating the removal of its plant to New South

Wales. The company has a branch there, employing 230 men, and it must consider that the industrial and governmental outlook is better there, that taxation is less, and that it will not be subject to the same restrictive conditions and industrial adversities as in Queensland.

Mr. LLEWELYN: The company is subject to taxation on the same basis as all other Queenslanders.

Mr. MAHER: The fact is that the company is removing its plant because industrial conditions have made it impossible for it to pay the wages and give its employees the hours which the court in this State directs and which is not the case in New South Wales. If we are losing an existing industry, how many prospective industries have we turned away? How many men have come to this State with money in their pockets looking for a field for investment, have conferred with leading manufacturers and business people, and have decided that Queensland is no place for the investment of capital? During the course of the debate on the Address in Reply, the hon. member for Kennedy said that we were rapidly drifting into the position in Queensland where we would be the “wood and water joys” for the rest of Australia. That is what it looks like to me. The biggest field for industrial development in Australia will be Victoria, where approximately only half the amount of taxation is exacted as compared with Queensland. By virtue of its having such a combination of natural forces, magnificent deposits of coal, good harbours, a long established State; and provided it is able to maintain good government, I have no doubt that New South Wales will advance in that direction, too. Queensland at one time had an unique opportunity. There is no doubt we were proceeding on extraordinarily good lines until the advent of the Labour Party in 1915. If the taxation basis of the Donham Government had been maintained, with reasonable increases to meet the times through which we have passed, then I say that Queensland would have been one of the most prosperous States in Australia, with enormous advantage to everyone. As it is to-day we have not only stood still—we are retrogressing, as is indicated by the decision of the Toowoomba Foundry Proprietary Limited to remove its plant from Queensland.

The Treasurer stated this morning that the Opposition had been arguing that a reduction of taxation would eliminate unemployment, but that is an exaggeration. I do not think any member of the Opposition ever argued to that effect at all. What we said was that the heavy taxation is overburdening industry, and, if it could be substantially reduced and some serious attempt made to economise and pass the benefit of the economies back to the taxpayers, it would be a distinct advantage to the State. After all, who is more capable of finding a profitable outlet for profits earned than the man who has been able to earn the profits? Is he not better able to invest those profits to the advantage of the State than by passing them over to a Government to use in some socialistic way? The man who earns money in industry, even if he earns large profits, cannot wear more than one suit of clothes at a time nor drive in more than one motor car. If he earns big money he lives up to a certain scale and has to give

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employment to a vast number of men to do so, and he cannot put his excess profits into a rusty jam tin or empty pickle bottle and bury them. He has to put the money back into industry. He is the man who has been through the mill in the earning of it, and he is best able to re-invest the money in such a way as to give the best results to the State in the matter of employment. That class of man is entirely discouraged under the policy of the Government; he is really being hunted from the State altogether. I shudder at the possibilities which may happen during the next few years. How are we going to absorb our young people in employment without any industrial enterprises worth while in the State? Our young people cannot all go into the public service or into business, nor can they all go on the land. Unless some encouragement is given to people with enterprise and capital to come along and make it profitable and worth while to commence operations in this State, we shall be at a dead end.

The other day the Treasurer answered a question which I asked in order to ascertain what taxation concessions had been granted by the present Government to the wool industry since 1st July, 1932. The hon. gentleman gave a reply, which I do not propose to discuss now; but instead of concessions being granted to the industry, it seems to me that there have been nothing else but taxation and kicks given to it since July, 1932. If the woolgrower could have been asked the same question, this is probably the answer he would have given.

- (1) An increase in railway freights from 1st July, 1932, by the wiping out of the following reductions granted by the Moore Government on 1st May, 1932:—

Wool and cattle, 5 per cent.

Sheep—

200 miles and under,  $2\frac{1}{2}$  per cent.

201 to 500 miles, 5 per cent.

501 miles and over,  $7\frac{1}{2}$  per cent.

- (2) An increase in railway passenger fares of 10 per cent. by the wiping out reductions granted by the Moore Government—whilst similar reductions given by the Moore Government were retained in the metropolitan area.
- (3) Increased the live stock rate by 5 per cent.
- (4) Reimposed super land tax.
- (5) Increased income taxation.
- (6) Imposed super income tax on woolgrowers and others by transferring Main Roads trust funds to consolidated revenue.
- (7) Increased taxation on heavy vehicles engaged in wool traffic.
- (8) Increased unemployment relief taxation.
- (9) Branding fees increased.
- (10) Reimposed all awards in pastoral industry, causing heavy increase of cost to woolgrowers.
- (11) Introduction of 44-hour week to secondary industries and the public service must increase taxation and costs of essential requirements of woolgrowers.

It will be observed that really a burden of taxation has been placed on the wool industry instead of concessions being given, as the Treasurer would endeavour to lead the country to believe by the lengthy reply he gave to a question on the subject the other day. The wool industry has been the one great industry in Australia which has helped us to maintain our high standard of living so long, and it is rather extraordinary that the Treasurer should claim credit for the advantages which were given to this industry in 1927 when it was in a more or less prosperous condition. What we at present want to know is, what concessions have the Government granted to the wool industry since it became depressed? No concessions have been granted, but only taxation of the heaviest possible kind as I have indicated has been placed on the industry.

Mr. FOLEY: You know that is not correct.

Mr. MAHER: I have just shown that it is correct. Every concession given to the wool industry was given by the Moore Government; the present Government have only imposed additional burdens and taxation on the industry.

Mr. LARCOMBE (*Rockhampton*) [3.30 p.m.]: The speeches of hon. members opposite have been one long dirge, one bitter complaint, a mournful melancholic song. All their art has been expended, their imagination drawn upon to develop some petty little point to use against the Government—no appreciation of the difficulties involved, not the slightest attempt at co-operation or assistance—only complaint at the work of the Government, especially as to their financial record. It has been shown that the present Administration reduced the deficit by £500,000; yet hon. members opposite, instead of expressing appreciation of that fact, complain because the reduction was not greater. They do not realise the difficulties involved or the reasons for the deficiency which existed last year and will continue during the present year.

Hon. members opposite seem to have developed a fear complex. They complain about the public debt, they criticise the borrowing policy of the present Government, they grumble at increased taxation; they say they are afraid of the possible evil results of this tremendous burden. It reminds me of a lecture which was given at the Queensland University some years ago by Professor Seymour, in which he dealt with the psychology of fear, and pointed out most effectively that people had died from the fear of taxation that never materialised, from the fear of Communism that never came, from the fear of disease that never manifested itself. So hon. members opposite are affected with a fear complex, the fear of possibilities that will never be realised. They work themselves into a great state of political hysteria.

The Opposition have complained of the difficulties in which the State finds itself. Never for one moment does it strike them—so strange is their psychology—that they are responsible for the very position of which they complain. Their three years of bungling and blundering, of mismanagement and deflation—this is responsible for the difficulties in which the State finds itself. They remind me of a motor hog who knocks down a pedestrian and then abuses the doctor who cannot bring

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about a miraculous cure and restore the patient to health in a few weeks. Hon. members opposite are political and financial motor hogs; they have brought Queensland to the point of economic and financial death, and now they are complaining stupidly and blindly because the practitioners on this side of the Chamber cannot effect a magical cure. The evils done to Queensland by hon. members opposite will last in this State, unfortunately, for many years. The present Administration have done noble work in restoring the patient, Queensland, to a better state of health. A complete recovery cannot be expected immediately, nor in twelve months, or even three years.

**AN OPPOSITION MEMBER:** Will the present Administration ever do it?

**Mr. LARCOMBE:** They will do it within a reasonable time. What are the difficulties that confronted Queensland? First there was the seasonal factor—the present Government were confronted with an unfortunately bad season. In the second place the State was engulfed in the world-wide economic crisis, the result of centuries of anti-Labour rule which has brought the world to a state of disaster and collapse, and unfortunately prices have continued to fall for the past three years. That is a point that cannot be disputed. Difficulty number three is the attitude of the Federal Government in attacking our primary and secondary industries, their antipathy, unreasoning and unreasonable, to Queensland industries.

Hon. members opposite, in their hypocrisy, criticise the present Government for our difficulties. Let them look to their own party in the Federal Parliament which has robbed the sugar industry, the banana industry, the pineapple industry, the tobacco industry, and the various other industries to which we look in Queensland to enable us to emerge from our economic and industrial difficulties. Hon. members opposite place the blind eye to the telescope and are not prepared to see and admit the real causes of the difficulties that confront us.

The hon. member for West Moreton drew upon his imagination in his attack upon previous Labour Governments in regard to secondary industries. He stated that Labour Governments and their taxation policy had been responsible for throwing secondary industries out of action in Queensland; but if he only consulted the Parliamentary Library he would find that between 1915 and 1929 the output of factories in Queensland under Labour Governments increased by £22,000,000. He would also find that there had been an increase in the number of factories and an increase of some thousands in the number of factory employees in this State. If the hon. member wants a non-party political opinion as to the difficulties confronting secondary industries in Queensland, let him read from the newspapers the opinion expressed by Mr. King, chairman of the Chamber of Manufactures in this State, who stated that the action of the Federal Government was causing great alarm and great misgiving. He referred to the manufacture of earthenware and crude oil engines, and pointed to the decreased employment and to the embarrassment of those and other secondary industries at the hands of the Lyons Government. Hon. members opposite complain that Labour Governments, with their taxation policy and restrictive legislation, are responsible for the embarrassment

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of secondary industries in this State, whereas it is due to the short-sighted and hostile policy of the Lyons Government. The hon. member for West Moreton would be wise if he were to study the decline in secondary industries during three years under the Moore Government in Queensland. He would find that there had been a decrease of more than £10,000,000 in output, a decrease in the number of factories, and a decrease in the number of employees. How can hon. members opposite complain about the policy of the present Government in face of their own record? It follows them like an evil shadow, and it destroys the value of their criticisms of the present Government. One would expect in a critic some of the virtues which he proclaims—some of the initiative, resources, originality, and invention which he asserts are necessary to enable statesmen to assist the State to emerge from its difficulties; but we find none of these qualities. We find no spark of genius and no flashes of super-intelligence coming from the other side of the Chamber.

Taxation is an eternal problem. It is one of great importance, and the ideal proclaimed by hon. members opposite of lighter taxation is one of which we all approve in a general way; but no honest member would say that that ideal could be achieved under present-day circumstances in this or in any other country. Did not the "Courier" remind hon. members opposite last session that whether the Government were controlled by the present Premier or by the Leader of the Opposition taxation could not be reduced.

**Mr. SIZER:** It does not know everything.

**Mr. MOORE:** That does not prove anything.

**Mr. LARCOMBE:** The "Courier" is an anti-Labour paper, and it would be very pleased, if it could, to state that taxation could and should be reduced in this State. But that journal realises the circumstances, and admits that taxation could not be reduced, no matter what party was in power.

At 3.42 p.m.,

The **CHAIRMAN** resumed the chair.

**Mr. LARCOMBE:** What is the use of hon. members opposite preaching lower taxation when they have such an appalling record of high taxation? They promised on the hustings to impose lower taxation and failed to observe that promise. They increased taxation during their term of office by £2,700,000. The hon. member for Oxley by way of interjection said that was unemployment relief tax. That tax was only portion of this amount. The Moore Government imposed new taxes under which thousands of new taxpayers were roped in. They reduced the income tax exemption, and yet preach the virtues of lower taxation! I do not say that there was not some justification for some of the increased taxation levied by hon. members opposite, but they should have the political decency to restrain their very unfair criticism of the present Government in regard to taxation because of their own record in that respect during the three years they occupied the Treasury benches.

**Mr. NIMMO:** Did not they abolish the super land tax?

**Mr. LARCOMBE:** Of course they did, but that only shows their class taxation. They reduced the primary exemption on taxable incomes, which, under Labour, was

£250 to £100 in the case of single men and £150 in the case of married men, and at the same time relieved the wealthy interests of the super land tax. That principle of taxation is also exemplified by their own Federal Party. The Lyons Government is reducing taxation on the wealthy land owners, and at the same time are refusing to realise the position of the poor unfortunate pioneers of the country. They consider 17s. 6d. per week too much for those who blazed the track in Australia, and who bore the heat and burden of the day. At the same time relief taxation can be given by them to those in receipt of enormous incomes.

Mr. SIZER: It was Mr. Scullin who reduced the pensions.

Mr. LARCOMBE: Hon. members opposite are shifting their ground now. We are not discussing social services, but taxation. We will discuss social service when we discuss the vote of the Home Secretary's Department on the Estimates.

The Opposition speak of the heavy taxation imposed by the previous Labour Administration. They complain, too, about the taxation of the present Administration, and argue that it places a crushing and intolerable burden on industry. I agree that we should keep before us as an ideal as light a taxation as possible on industry, but that argument can be overdrawn. Their statements cannot be supported by facts. When Labour was in office previously taxation was increased very substantially, but yet £730,000,000 worth of wealth was produced under that Administration. A record income was shown by the people of Queensland during that time, and over £200,000,000 worth of products were exported. Our savings bank deposits increased by £12,000,000. All this was accomplished side by side with the taxation policy of the Labour Government. That shows it is absurd and ridiculous to argue that increased taxation in itself means depressing industry and increasing the burdens of the State.

Hon. members opposite follow their arguments with the statement that increased taxation means increased unemployment. In 1914, when Labour came into power and when taxation was low, 17.7 per cent. of the unionists in Queensland were unemployed. After fourteen years of Labour Government, during which time taxation was increased substantially, this percentage of unemployment was reduced to 7.6 per cent. What is the use of hon. members arguing broadly and generally that increased taxation in itself means decreased employment and depressed industries?

Mr. RUSSELL: You had £4,000,000 loan money every year to spend.

Mr. LARCOMBE: In the matter of borrowing, Labour Governments in Queensland from 1915 to 1919 had the lowest record of any of the mainland States. The facts and figures are contained in the documentary evidence available.

Again, hon. members opposite who complain about increasing the debt of the State and of the nation have been responsible largely for that increase. In 1914 the public debt of the Commonwealth Government was £20,000,000. Now it is approximately £500,000,000. Labour Governments did not increase the debt of the Commonwealth to that amount. The increase was brought about by a party of the same political

affiliation as hon. members opposite. That increased expenditure was largely incurred in respect of war and post-war difficulties. The Government in the Federal sphere of the party opposite have to take their share of that enormous increase, which would have been greater had they been successful in their conscription campaign. Had that campaign been successful the public debt of Australia would have been double what it is at the present time.

The hon. members opposite, who are always complaining about public debt, increasing expenditure, and increasing taxation, are those who make no real sacrifice at all. They are never short of a good meal, a good suit of clothes, or a splendid motor car. They enjoy all the advantages that the State and the nation can give; yet they whine and complain about taxation. It is not the man on the small income who complains, but hon. members opposite, who never feel the effect of taxation, which is just a bugbear with them, a figment of the imagination, some fear they have conjured up, and which has produced a state of mental instability. The evils which they fear are imaginary rather than real. There is a great deal of unfair criticism—and hypocrisy, too—in the complaints of hon. members opposite. They complain about the present Government increasing taxation; yet they increased taxation to record dimensions. They complain about deficits; yet they had unparalleled deficits during the period they were in power. Whilst complaining about unemployment not being dealt with by the present Government, they had their own deplorable record, unemployment having increased by 200 per cent. whilst they were in power. They complain that secondary industries are not being protected; yet they were responsible for stagnation and retrogression in the secondary industries of Queensland while they were in power. They complain about the handicap of primary industries; yet they give support to a party in the Federal sphere that is to-day handicapping and destroying the primary industries of Queensland in a way that earned the condemnation and disapproval of the Brisbane "Courier," the "Daily Mail," the Chamber of Manufacturers, the manager of Messrs. Thomas Brown and Co., Ltd., Mr. C. L. Harden, and other business and industrial leaders of the State.

Having those facts in mind, I am satisfied that the dirge and complaint that hon. members opposite have emitted this afternoon will bear no weight with the taxpayers and with the citizens generally of Queensland. The people of this State realise the gravity and difficulty of the present position, not only in this State, but in all States of the Commonwealth, and, indeed, throughout the world. They realise that an honest, capable, and conscientious attempt is being made by the present Government to meet the difficulties that have arisen and are arising from day to day. They realise that in regard to finance the present Administration have a better record than that of their predecessors. The question which hon. members opposite have to discuss is not whether the financial record of the present Administration is perfect, but how much more creditable it is than that of the Administration of which they were members. We have to apply a relative standard—not an absolute standard—and if we

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apply the relative standard our judgment will be quickly made and soundly arrived at in favour of Labour Government.

Mr. MAHER (*West Moreton*) [3.49 p.m.]: I was under the impression that I had exhausted my time. I would like to ask the hon. member for Rockhampton how he would like to own a property in Queen street, Brisbane, in which he had very few tenants and upon which he had to pay a municipal rating which is excessively high, and on top of that have to pay land tax and super land tax, quite irrespective of the fact that his income was practically nothing.

That is the position of many property-owners in Brisbane and throughout the State to-day who have to pay the land tax and the super land tax, and have no income to meet this taxation. Therefore, it is a distinct tax on capital. If the present conditions continue sufficiently long, it will be easy to see that the land tax and super land tax will really dispossess a man of his actual property. It is all very well for the hon. member for Rockhampton to talk about wealthy landowners, but there are hundreds of dairy farmers in my electorate who are earning less per month than many relief workers in Brisbane are getting. Mr. Mahony, one of the delegates at the Producers' Conference in Brisbane, recently said that many dairy farmers are starving, and that is borne out by the fact that many of them are in receipt of rations. These farmers, who are earning less than relief workers, are working long hours and pooling the labour of their wives and families to get that result. Again, I know many selectors who have had motor cars, as the hon. member for Rockhampton suggests, but have not been able to use them for the past two or three years because their overdrafts were so heavy that the banks could not see their way to provide the amounts wherewith to provide petrol to use the motor cars, and the cars have had to be deregistered and put into the garage. The people who have produced the wealth of the State—the hon. member for Rockhampton referred to them as wealthy landowners—are passing through conditions unexampled in the history of the State. In my experience there are very few wealthy landowners in the State. They may have acquired wealth in past days, but any money they have had has probably been reinvested in some line of industry, and industry is in such a distressful condition that they are not getting much return for their investment. The hon. member for Rockhampton is therefore proceeding on an entirely wrong basis when he alleges that we are speaking in the interests of the wealthy landowners. The income tax reports will show that the landholders as a whole are not contributing very substantially to the income taxation of the State to-day. I thought I would like to make that point clear to the hon. member for Rockhampton in order that he may have some understanding of the great problems which confront the men who are really the backbone of the country and industry generally and upon whom every one of us exist to-day.

Mr. FOLEY (*Normanby*) [3.58 p.m.]: I wish to contribute a few remarks to the discussion, in view of the one-eyed view which is taken by most of the hon. members opposite in speaking to the

motion. The whole trend of the discussion seems to have centred round the assumption that the Government are depending too much on a borrowing policy—the hon. member for Fassifern said that the policy of the Government was in the direction of increasing our national debt. On the other hand reference has been made to the deplorable state and conditions of the unemployed. Then again, we have had the taxation question raised by practically every speaker in this debate.

While on the question of taxation very few hon. members opposite made any reference to the sacrifices that are being made in Queensland by the great army of workers and working farmers who previously were not taxed under the Labour Administration. In ordinary times that great army of workers, numbering 30,000, who are now embraced in our income tax laws, paid no income tax at all, because it was recognised that unless they earned an income over a certain figure no taxation would be levied upon them. It was left to the Moore Government so to spread that taxation as to embrace 30,000 workers and working farmers who previously did not contribute any income taxation. There was not one word said about the sacrifices being borne by that army of people towards the resuscitation of better conditions in Queensland. Strictly speaking they should not pay taxation. The great army of workers are on what is termed the basic wage. Arbitration courts say that a certain amount is necessary to enable a man to sustain himself, his wife, and family in a reasonable standard of comfort; yet as a result of the financial position which prevails after three years of the Moore Government we are compelled to continue the system of taxation which they imposed on that great army, numbering just on 30,000 persons, who previously did not contribute taxation to the State Treasury.

On the other hand, I would reply to the moan of hon. members opposite about the burden of taxation on industry by reminding them that industry does not pay taxation until it earns income. That is an important point they seem to have overlooked, in stretching their imaginations to find matter for charges against the Government.

The army of the unemployed are thrown on to the Government because of the inability of private industry to use them, and we cannot permit them to be reduced to a standard of living equivalent to the coolie standard overseas. If the Government are to keep the affairs of the State going with a reduced revenue, they must either increase taxation or raise loan funds to provide them with a reasonable standard of food, clothing, and shelter. The least that hon. members opposite can do is to put forward some alternative. I have never heard the hon. member for Fassifern speak in this Chamber unless he dealt with the evils of borrowing. The evils of borrowing seem to be his main policy, yet I have never heard him suggest an alternative that could be adopted by this or any other Government, whereby this army of workless people could be put to remunerative and reproductive employment. I cannot see how any Government can carry on and provide some measure of employment or relief for the workless, except by a method of increasing taxation and raising

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loan funds. The Treasurer has referred to what is being done in America. There the Government are working along lines practically similar to those adopted by our Labour Government. We argue that some method must be adopted in the form of raising loan funds and revenue by taxation to make up for the deficiency in trade revenue generally. What other method can be adopted? If trade generally is on the decline, it will decline further unless some spending power can be created to revitalise it. It is this that we are doing. The Americans are doing it. They have a huge public works policy, combined with the reorganisation of industry, realising that it is the only method that can be adopted of creating spending power in the community, giving work to the workless and enabling them and all other consumers to spend their wages in the necessities of life, and as a result bring about a measure of prosperity. They realise that there is no alternative, and I challenge them to submit one. The only alternative that could be adopted and will probably have to be adopted in the not very distant future is so to organise industry that each individual will be assured of an income. Industry will then be conducted on the basis of income and not on the basis of profit as it is to-day. Hon. members opposite can call it what they like—Communism, Bolshevism, or any other 'ism. If private enterprise declines to such a position that we have three times the number of workless people that we have to-day, hon. members opposite themselves will probably clamour for some form of control of industry. Such a position might yet arise. The countries of the world are endeavouring to solve the difficulty presented by a glut of wheat. In America the farmers are being told to plough in half their cotton crops, and coffee is being burnt in Brazil because there is no market available for it. The basic commercial products are being produced in ever-increasing quantities, and with those facts staring us in the face there are no prospects of the position being improved for some time to come. If hon. members opposite do not wish to see a complete control of industry by the community, then they will have to submit to increased taxation and increased borrowing so that the army of workless people might have some form of employment to give them the right to provide the necessities of life to some extent.

Mr. MOORE (*Aubigny*) [4.9 p.m.]: I do not intend to refer to the speech delivered by the hon. member for Rockhampton, his argument being entirely absurd and fallacious and not worthy of a reply. To compare the years following the war when there was a tremendous inflation and expansion in business activities with the years from 1929, which marked the commencement of deflation and which grew rapidly worse till the year 1932 when the seriousness of the position became manifest is ridiculous. The hon. member for Normanby has suggested that if private enterprise failed industry would have to be controlled by the Government, but does he think that industry could be any more successfully conducted by a Government? Could a Government carry on without loss where an experienced man with a proper costing system and an incentive to make a profit had failed? How does he think that the Government will carry on without loss? We in Australia have

built up a standard of living and conditions through the lavish use of borrowed money over a long period of years, a standard that the country could not afford to maintain. We were content to pass the cost on to posterity and to secure present ease and present comfort at the expense of the future, when we did not produce sufficient to defray the cost. Instead of being prepared to recognise the position hon. members opposite blame the Federal Government and everybody else for the mess for which we are chiefly responsible ourselves. They are now content to borrow more money for similar purposes and to make the position more and more difficult. The Treasurer himself has spoken about the failure of private enterprise and of the possibility of the State stepping in if private enterprise fails. Any Government can kill private enterprise if it imposes conditions that make it impossible to carry on. If an industry cannot carry on because of the conditions imposed by a Government, then it is perfectly obvious that that industry must fail. In the Toowoomba "Chronicle" this morning there is a statement by Mr. L. A. Boyce, managing director of the Toowoomba Foundry Proprietary, Limited, as to how restrictive legislation is driving his company out of Queensland. I quote this, not as an isolated case, but as an instance of how industry is being driven out of Queensland.

Mr. WATERS: That is only one case.

Mr. MOORE: It is not. I can quote at least a dozen instances. Mr. Boyce in his statement, of which I will only quote a portion, says—

"Toowoomba suffers the added disadvantage of being subject to Queensland industrial laws. Though the cost of living here is less, prescribed wages are considerably more and conditions and restrictions more onerous than they are in Sydney or Melbourne. The Queensland court in its judgments has admitted that wages here are much higher and hours shorter than similar work in other States.

"In May, 1932, on our application, an award was granted which prescribed higher wages than those ruling anywhere else in Australia for similar work, but with reasonable conditions. We were not asking even for equality, but were prepared to carry on and give the highest standard of living in Australia. This award, however, was cancelled by the present Government, and since then the Arbitration Court has imposed some further increases in cost.

"In association with other employers the firm has now approached the Federal Court and is awaiting the outcome of that application. We wish to advise all our customers that whatever changes we may be forced to make in the location of our factories, our distributing establishments and sales and service organisation will be maintained at full efficiency."

This statement only points out that the conditions imposed in Queensland are so different to those in the other States.

The SECRETARY FOR LABOUR AND INDUSTRY: They were complaining in a similar way during your regime.

Mr. MOORE: That was why we altered the Industrial Conciliation and Arbitration Act in order to enable them and others

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similarly situated to carry on. We recognised that it was better for men in Toowoomba to be employed making articles for our own people than to drive the firm out of Queensland to another State to employ workers there to produce those articles.

The SECRETARY FOR LABOUR AND INDUSTRY: The company is employing the same number of workers.

Mr. MOORE: They are not.

The SECRETARY FOR LABOUR AND INDUSTRY: Mr. Boyce says so.

Mr. MOORE: Mr. Boyce does not say so. If the hon. gentleman will read the article in the "Chronicle" he will see that what I say is correct.

The SECRETARY FOR LABOUR AND INDUSTRY: He told me that personally.

Mr. MOORE: That is months ago. Since then the position has become worse and worse. The conditions in the neighbouring States are improving much industrially as compared with this State.

The TREASURER: The Toowoomba Foundry Company always required preferential treatment. At the direction of the court two Government auditors examined their books and reported that it could afford to pay the same award rates as any other firm.

Mr. MOORE: I am not a bit concerned with the Toowoomba Foundry Company personally, but I am concerned at the action of the Government in preventing the court from taking into consideration the economic conditions of the country and the industry in determining the conditions in an industry. The late Government conferred that power on the court, but we found immediately the present Government were returned to power they deliberately laid it down that the hours in industry must be so much irrespective of what the court believes is necessary in the interests of industry, and irrespective of the men employed in it. That is one of the difficulties. What do we find in the tentative estimates supplied by the Treasurer to the Loan Council? The Home Secretary estimates that the extra emoluments required consequent on the application of the 44-hour week to the police force at £35,000. We have not heard what the extra cost of that legislation will mean to the Government in respect of the employees in the gaols, asylums, and railways. The Treasurer himself has submitted a tentative Budget to the Loan Council providing for an additional deficit of £200,000.

The TREASURER: You have increased the police figures by 100 per cent.

Mr. MOORE: The Home Secretary himself gave the figures at £35,000.

The HOME SECRETARY: That is the total cost, but it is not the increased cost. You forget the cost when you abolished the 44-hour week. You didn't take the allowances off.

Mr. MOORE: I am not forgetting anything of the sort. The Home Secretary was asked a plain, simple question as to the extra costs of the 44-hour week in the case of the police, and he answered it. He is now trying to get away from his own figures. The tentative estimates submitted to the Loan Council provided for an expenditure for the railways of £250,000 in excess of last year. The Treasurer shakes his head, but that statement is

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contained in a statement from Melbourne appearing in the "Telegraph" of the 15th June last. That statement also stated that the receipts would be £110,000 more, leaving railways worse by £120,000. The Treasurer may still shake his head, but that information is contained in that article.

The TREASURER: We have to make up a good deal of the leeway in constructing rolling-stock which you neglected.

Mr. MOORE: That statement may go down with some people, but the hon. gentleman is getting away entirely from the principle established by the Premiers' Plan in 1931. That principle had for its basic idea the re-establishment of the credit of Australia. Anyone would think, listening to the hon. member for Rockhampton, that it was the Moore Government that brought the adverse conditions about and not that the conditions were world-wide. As the hon. member for Rockhampton said, we must look at these things from a relative standard, and not from an absolute standard; but the hon. member only wants to look at it from the relative standard since the present Government came into office, although it was looked at from an absolute standard when any other Government were in control of the Treasury benches.

The TREASURER: You did what you are complaining about now.

Mr. MOORE: No. The hon. gentleman, prior to the last elections, never admitted the position was due to world-wide conditions, but suggested that the position was due to the wilful deflation of the Moore Government.

The TREASURER: I say quite truly that you aggravated the position.

Mr. MOORE: The hon. gentleman has taken advantage of every opportunity to take the benefit of the reductions that were made, except in the case of the 44-hour week. The latter is not done in a national but in a sectional interest. I will read the question that was asked by the hon. member for West Moreton—

(1) What allowance is being made to members of the police force in lieu of the 44-hour week?

(2) What is the estimated annual cost of such allowance?

I need not read the third question. The Home Secretary replied—

(1) On the basis of four hours per week at overtime rates.

(2) Approximately £35,000 per annum.

The HOME SECRETARY: That is absolutely true.

Mr. MOORE: Why did the Treasurer say it was exaggerated by 100 per cent. There is no occasion for the Home Secretary to point his finger at me.

The HOME SECRETARY: If hon. members have not the decency to ask for the information, they cannot blame me.

Mr. MOORE: We did ask for it and we got it. I questioned the action of the Government in short spending loan money that was appropriated by Parliament to the extent of £975,000. In his Address in Reply speech the Treasurer went to considerable difficulty to point out that naturally no Government could spend all the

money that was allocated for a year because there was a "carry over"—that works were started which had to be paid for later.

The TREASURER: In one breath you say we spend too much and then in the next breath you say we don't spend enough.

Mr. MOORE: I never blamed the Government for not spending enough. I said in my speech that the remedy proposed by the Treasurer, when he was appealing to the country before the last election, was to spend a larger amount of loan money and bring about a revitalisation of industry and reduction of taxation. I tried to point out that the hon. gentleman was getting away from the policy enunciated to the people—that he had underspent to the extent of £974,000. Then the hon. gentleman pointed out that there were works in progress and that there had to be a "carry-over." We know that perfectly well, but what I want to point out is the attitude that was adopted when members of the Government were in opposition and when we as a Government did not spend £500,000 under exactly similar conditions. Listen to what the Deputy Leader of the Government, who was then the financial adviser to the Opposition, had to say. At page 40 of "Hansard" for 1930 the present Secretary for Public Lands said—

"After listening most carefully to the Minister's explanation of this measure, I have come to the conclusion that the point he failed to make was why the Bill was brought in. Queensland should not introduce a Bill of this description. The workers and the business people should not be taxed as is proposed, particularly when it is realised that £500,000 of loan money which was appropriated by Parliament has not yet been expended. People may not be aware of the fact that the Budget introduced by the Treasurer and passed by Parliament last year was in respect of an amount of £3,355,000, which amount was approved after close examination of every detail. The Minister in charge of the measure now under discussion and his colleagues in the Cabinet have betrayed Parliament by short-spending £500,000 of loan money that was approved by Parliament. If that had not been done, there would not have been this unemployment position to cope with. (Government dissent.) I ask the people of Queensland to understand this position carefully—that, although Parliament approved of the expenditure, the Treasurer and the Government generally betrayed their trust in respect of the £500,000 to which I have referred. They short-spent £543,541."

I quote that to show the humbug and hypocrisy of hon. members opposite. There are many other quotations that I could make use of. I am not objecting a bit, because I think the policy being adopted by the Government in endeavouring to secure greater supplies of loan money is not going to get us out of our difficulties. One thing to do is to make it possible for private industry to give employment—not to impose conditions that will drive private industry out of Queensland into other States. If the Government themselves are unable to say what these conditions are, why not ask the people most vitally concerned, the people who are giving the employment,

to say what conditions it is necessary for them to have in order to expand their business? Let the Government then consider the conditions put before them as to whether it is advisable to grant them or not.

Mr. W. T. KING: What did you do in that regard when you were in power?

Mr. MOORE: I will mention one thing that was done. We made an amendment of the Industrial Conciliation and Arbitration Act, and that was referred to in the extract which I read out in connection with the Toowoomba Foundry Proprietary Ltd., which was able to carry on and pay the highest wages in Australia. When the present Government came in they cancelled the legislation which we had passed.

The SECRETARY FOR LABOUR AND INDUSTRY: That is not true.

Mr. MOORE: Is it not better to have a moderate rate of wage than none at all? It is no use talking about the high standard of wages in Queensland when there is only a small section getting it. These bald assertions get us nowhere. We have to face the position as it is to-day. Is it not more advisable, if the Government do not know what to do, to get the advice of people who are carrying on industry?

The SECRETARY FOR LABOUR AND INDUSTRY: What do you say the wages should be?

Mr. MOORE: It is not for me to say what the wages should be. That is a matter that should be left to the Industrial Court, to which tribunal we left the decision as to whether the hours should be forty-four or forty-eight per week. We brought in legislation to provide that the Industrial Court must take into consideration the economic conditions of the State. Is not that sensible? Would not any individual take into consideration the economic conditions in his business when endeavouring to carry out what he was going to do? He must do that or else go insolvent. But when the Government interfere and make it necessary that the Industrial Court must impose certain conditions on all industries a serious condition arises, because we have to recognise that all industries have not the same earning capacity. It is the same in regard to the earning capacity of individuals. It is well to keep our eyes open in the position we are in to-day and see where we are going. It is necessary and wise to consider matters from a national point of view and not from a sectional angle in order to gain votes. What we individually may say will probably be forgotten in a day or two, and it will not matter much; but what the Government do to-day may have a lasting effect not only upon ourselves, but upon our State, and we should seriously consider matters and see whether the position is gradually getting worse. If we find that owing to the operation of the laws we have put into practice the position is getting worse, should we not try to see whether we can remedy the position; and if we find—as we do—instances of men losing their jobs, is it not time instead of ignoring the fact to find out the reason for it?

A GOVERNMENT MEMBER: That is what you did not practise.

Mr. MOORE: We practised it as far as we possibly could. To come into the House and deliberately get away from the plan which restored the credit of Australia which

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was designed to meet world conditions and the fall in prices, to introduce the 44-hour week in this country—the cost of which we do not know—at a time when we are deliberately budgeting for an increased deficit and have to honour our obligations entered into with the bondholders—to do these things is wrong. The Government may say that perhaps we are not going to pay the extra interest until next year or the year after; but it has to be paid, and the burden will fall on the producers who to-day are carrying the huge cost of unproductive debt on their shoulders.

The TREASURER: What about your deficits of £300,000 or £400,000?

Mr. MOORE: The Treasurer started very well in regard to deficits and increased taxation. He put on that increased taxation of £775,000, and took taxation paid by motorists for a specific purpose, thus singling out one class of the community because they had a certain type of conveyance, and had paid taxation for the specific purpose of the upkeep of roads in the community. He started off far better than we did.

Mr. W. T. KING: You increased taxation while you were in power.

Mr. MOORE: I agree that we did so. The hon. member knows that we had to face an economic blizzard of the very worst kind when incomes and prices were falling every week. It is no use ignoring those things and looking at our position from the point of view the hon. member for Rockhampton took up, and comparing them with what existed when we had boom prices after the war and everything was extraordinarily high. What we have to do is to compare our position with that of other States and see how Queensland got on. In exactly the same way the present position of Queensland should be compared with the present position of the other States. It may be very useful propaganda to say that when we took office unemployment was 11.7 per cent., according to the Federal statistician, and that when we went out it was 19.1 per cent., but when the figures are compared with what happened in the other States it is nothing. It is the comparison of one State with the other at a given time that matters. It is all very well to say that we cut down wages. We did, but hon. members know that every other Government in Australia did likewise. The Government that cut down wages most were the Federal Government, under Mr. Scullin. It was natural, inevitable. If I were in the same position again I would do the same thing again, in the interests of the community and Australia at large. (Hear, hear!) One has only to look at the way in which Australia's credit was going down day after day and week after week, and then to look at what has happened since, to understand the value of what was done. Our credit has gradually crept up. If the present Premier had been in office then he would have done the same thing as I did, not because he liked it but because he would have been forced to recognise that in the interests of Australia it was necessary. We had got into such a difficult position that action could not be delayed. Mr. Scullin said that if that action were not taken in two months he would not be able to pay 12s. in the £1. He did not do it because he liked it, nor did anybody else.

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I repeat that until we reach the position in Queensland where our expenditure and our revenue become balanced, not by excessive taxation, but by profitable industry, we have no right to give concessions to any section of the community at the expense of other sections, and to do it by Act of Parliament instead of through the Industrial Court is indefensible, for these things cost much money, they increase our deficits, and mean greater taxation on the community. Hon. members opposite may attempt to justify their action, but they are limiting the chances of those out of work to obtain it, especially when we are expecting a deficit of over £1,750,000. There is much in what the hon. member for Cairns said, it is no use "greasing the fat pig"—of having many out of work and allowing those in work to earn more. I do not know that the hon. member is not perfectly right.

The point is that we subscribed to the Premiers' Plan and thereby declared that we would continue to economise and to decrease expenditure until we balanced budgets or got to budgetary equilibrium. For the Government to abandon the plan deliberately is, to my mind, breaking faith, and will create a position where it will be more difficult to convert our overseas loans than if we observed our obligations. The hon. gentleman objected to the British Government putting an embargo on conversions, but every country is looking after its own national interests. The Australian Government imposed an embargo on new flotations of capital for a long period until they converted their bonds.

Mr. W. T. KING: Do you think they should have converted their own local authority loans before allowing us to convert our overseas loans?

Mr. MOORE: I believe in their looking after their own people, just as we believe in looking after our own people. We forget that we asked for the money which we desire to convert and that the lenders lent it to us on the terms we offered thirty or forty years ago, and we borrowed £20,000,000 at 3 per cent., and that when the price went up nobody went to them and said, "We do not think you are getting enough for this money, we think you ought to get more."

Mr. W. T. KING: You are arguing from the moneylender's point of view.

Mr. MOORE: I am arguing from the ordinary common sense point of view. If the thing should work one way it should work the other way also.

Mr. W. T. KING: Can it not work in favour of Queensland?

Mr. MOORE: Did the hon. member argue that the people who lent £20,000,000 at 3 per cent. should get more when we were borrowing money at 6½ per cent. and 7 per cent.? Has not that worked in our favour? We have to realise that the only way to get money on favourable terms is to be able to say that Australia has carried out her obligations under the Premiers' Plan. Our credit was going down and down. Our bonds were down to £55 in London at one period.

A GOVERNMENT MEMBER: Everybody else's were, too.

Mr. MOORE: They were not, although many were, and it was only because action

was taken that our credit rose, and it will be only if the people overseas find that the Government will not depart from the agreement they entered into that conversion will be made easy.

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [4.35 p.m.]: There is not very much in the speeches of hon. members to which I need reply, although the hon. the Leader of the Opposition has made some interesting statements to which I wish to refer. He said that during a period of difficulty no concession should be given to any section of the community. I shall remember that when members of the Opposition Party ask me for concessions; they have urged very frequently that certain conditions should be given to various industries. It is the duty of a Government to assist industry in every possible way, and this Government will give that assistance consistent with the means at their disposal. It is interesting to note that according to the Leader of the Opposition no concessions should be granted to any section of the community. He also stated that in accordance with the estimates placed before the Loan Council a certain position would be created in the railway service. He used a certain figure and argued that that figure was the cost of the advantages to railwaymen. That was his inference. His figure was entirely incorrect, and I shall deal further with the matter when the Budget is being delivered. It is estimated that less net revenue will be received by the Railway Department next year because of the fact that this year and next year we shall have to make up the leeway in rolling-stock repairs that should have been carried out over the past three years. Hon. members opposite may deny that statement, but the Commissioner for Railways has informed me, as Treasurer, that following a conference of railway engineers intimating that locomotive repairs were urgently required an additional vote was required for the Railway Department during the financial year. The explanation given by the Commissioner for Railways that during the lull in traffic during the three years of the Moore Government the department had a surplus of locomotives. It was the practice of the then Government to work the locomotives as long as possible, and when extensive repairs were required the engines were placed in a shed and a new locomotive taken out. That is the statement of the responsible railway official. Anyone who has travelled extensively on the railways and has a knowledge of machinery will understand that in many cases the locomotives required drastic overhaul. What has been granted in the railway service will be continued and some concessions will be granted to the various primary-producing industries in the State. We make no apology for the benefits granted to the railway workers. The matter was contained in my policy speech; we received a mandate from the people to carry it out, and we have no wish to depart from it.

The Leader of the Opposition stated that we had received in the vicinity of £700,000 by way of additional revenue from taxation. The amount received by way of additional taxation and paid to consolidated revenue was £185,000. That is the increased yield of taxation to general revenue as compared with the previous year.

Mr. FADDE: It was not the increased infliction.

The TREASURER: I shall give the hon. gentleman the increased infliction by the

Moore Government. I am not concerned with any estimates that the hon. member might make. I am referring to the incidence of taxation and the incidence of taxation is the amount received and paid into consolidated revenue. Estimates do not count at all. One year the Leader of the Opposition informed the Loan Council that his deficit would be £800,000; but he increased his estimate by over £500,000, and his excuse was that he could not estimate at the beginning of a financial year just what would be received during a period of twelve months. During his last financial year his deficit increased by 146 per cent. over the deficit of the previous year. It is a question of dealing with actual facts. If that ratio of increase had been continued, I shudder to think what the percentage increase would have been at the expiration of a further three years. I hope that the revenue deficit record achieved by the Leader of the Opposition will stand for a very long time. No other Treasurer is likely to endeavour to break a record like that. In one year the Leader of the Opposition imposed and received additional taxation amounting to £727,000. I am not dealing with unemployment relief taxation, which comes under the heading of Trust Funds. If the receipts from that taxation were added, the figures I have given would be increased enormously. In 1930 the Moore Government imposed an additional £600,000 in income tax. They reduced the exemption and brought over 50,000 people hitherto exempt into the arena of taxation. Those 50,000 people included farmers and others. They also received an additional £85,000 from succession and probate duties. The betting tax legislation introduced by the late Government also produced £42,000. This additional taxation amounted to £727,000, which is apart altogether from the imposition of the unemployment relief tax. That deals with that position very clearly and accurately.

I admit that economy must be exercised in every department. The position of Government funds is such that no additional concessions on any large scale can be afforded or granted. The concessions given in the Budget this year will be given in the interests of the State and industry. The increased budget deficit will not be represented by increased expenditure in given directions, but by diminished revenue from certain sources.

That is the position as I see and understand it. Hon. members opposite may talk as much as they like about little things which appeal to their minds, but Queensland must pursue a policy within the limits of her powers and constitution which is calculated to promote the interests of the whole State. The arguments adduced by the Leader of the Opposition were based on sectional bias. He feels that relief should be granted to a section of the community for whom he is the spokesman. The Government, on the other hand, take the view that Government policy should be conducted in such a manner that those who carry on the industries of the State and engage in useful work shall be helped as much as possible.

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

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution.

Resolution received, and agreed to.

*Hon. W. Forgan Smith.]*

## WAYS AND MEANS.

COMMITTEE—VOTE ON ACCOUNT, £3,000,000.

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

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

“(a) That, towards making good the Supply granted to His Majesty, on account, for the service of the year 1933-34, a further sum not exceeding £1,600,000 be granted out of the Consolidated Revenue Fund of Queensland (exclusive of the moneys standing to the credit of the Loan Fund Account).

“(b) That, towards making good the Supply granted to His Majesty, on account, for the service of the year 1933-34, a further sum not exceeding £800,000 be granted from the Trust and Special Funds.

“(c) That, towards making good the Supply granted to His Majesty, on account, for the service of the year 1933-34, a further sum not exceeding £600,000 be granted from the moneys standing to the credit of the Loan Fund Account.”

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to certain resolutions.

Resolutions received and agreed to.

## APPROPRIATION BILL, 1933-34, No. 1.

## FIRST READING.

A Bill, founded on the resolutions reported from the Committee of Ways and Means was introduced, and read a first time.

## SECOND READING.

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

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

Question put and passed.

## COMMITTEE.

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

Clauses 1 to 4, both inclusive, and preamble, agreed to.

The House resumed.

The CHAIRMAN reported the Bill without amendment.

## THIRD READING.

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

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

Question put and passed.

The House adjourned at 4.55 p.m.