

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 10 OCTOBER 1933**

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TUESDAY, 10 OCTOBER, 1933.

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

QUESTIONS.

MAIN ROADS CONSTRUCTION—MATERIALS  
AND COSTS.

Mr. KENNY (*Cook*), for Mr. MAHER  
(*West Moreton*), asked the Secretary for  
Public Works—

“1. Is bitumen used on main roads  
construction work imported from over-  
seas? If so, from what country?”

“2. What quantity has been used by  
the Main Roads Commission during the  
past five years, and what was the total  
cost of purchase?”

“3. On to-day's quotations, what is  
the estimated cost per mile of 'A'  
grade road constructed of—(a) bitumen,  
(b) concrete?”

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

"1. Yes. From the United States of America, Mexico, and Trinidad.

	£
"2. 11,286 tons bitumen ...	87,266
391 tons distilled tar	6,579
182 tons bitural (a tar product) ...	1,586
155,492 gallons emulsion	7,697

The distilled tar, bitural, and bitumen emulsion are all of Australian (mostly Queensland) manufacture. The improvement in quality of prepared tar products is being reflected in the increased quantities of these Australian products now being purchased.

"3. There is no standard cost per mile of road, as variations occur through a multiplicity of causes. Foundation conditions, intensity of traffic, climatological influences, etc., are all influencing factors. On a square yardage basis the comparative costs for bitumen and cement would be somewhat as follows:—

(a) *Bitumen Roads*.—A bituminous penetration road costs on the average 5s. 9d. per square yard 2½ inches thick, to which must be added the cost of the metal courses upon which it is placed. Bituminous and tar spray (one coat tar and one coat bitumen) costs on the average 1s. 2d. per square yard, to which must be added the cost of the metal course upon which it is placed. Bitumen spraying costs 9½d. per square yard per coat.

(b) *Cement Roads*.—Cement penetration macadam (reinforced) costs on the average (4½ inches thick) 10s. 6d. per square yard, to which must be added the cost of foundation metal. Lesser thickness is not proportionately cheaper and is generally undesirable. (Used only on flooded country or on bad foundations.) Reinforced cement concrete premixed costs on the average from 16s. to £1 per square yard (5 inches thick), to which must be added the cost of preparing the foundation with metal or otherwise.

Such work is too expensive except where traffic is very heavy or where flood and foundation conditions render other types less economic."

#### ESTIMATED AREA AND YIELD OF WHEAT

Mr. ROBERTS (*East Toowoomba*), for Mr. DEACON (*Cunningham*), asked the Secretary for Agriculture—

"Has the department any particulars of—(a) the estimated area sown in wheat in Queensland this year; (b) the estimated yield?"

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

"Yes. (a) The Wheat Board state that from returns they estimate 375,000 acres; this, however, is regarded as somewhat excessive, and possibly 300,000 acres will be nearer the mark; (b) the estimated yield as stated by the Wheat Board will be in the vicinity of 4,500,000 bushels."

#### INCREASES IN PUBLIC SERVICE SALARIES.

Mr. MOORE (*Aubigny*) asked the Treasurer—

"1. What rules have been adopted in the allocation of increases in the public service?"

"2. From what date will the increases be paid?"

"3. What is the cost of such increases for the current financial year?"

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

"1 and 2. The following statement contains the desired information:—

The Moore Government, by Order in Council of September, 1930, excluded all employees of the State from the industrial court. The effect of this action was that public service awards previously in force became inoperative. The Government also passed a Salaries Act which came into effect on 15th September, 1930, and imposed reductions ranging from 10 to 15 per cent. on the salaries and wages of State employees. Increases in that financial year were also limited by the Moore Government to employees receiving less than £450 per annum, and the amount of increase was limited to a maximum of £25 in the case of males and £15 in the case of females.

At the Premiers' Conference held in June, 1931, at which the 'Premiers' Plan' was evolved, it was agreed that there should be a reduction of 20 per cent. in all adjustable Government expenditure as compared with the year ending 30th June, 1930, including all emoluments, wages, and salaries. Following upon this agreement, the percentage reductions in the salaries and wages of Queensland State employees were increased from the 10-15 per cent. basis to a 15-20 per cent. basis. The effective result of these arrangements was that Queensland employees suffered substantial reductions in salaries and wages approximately a year earlier than the employees of the other Governments.

Notwithstanding the general 15-20 per cent. reductions, automatic increases were withheld during the years 1931-32 and 1932-33, except in the case of employees who attained the age of twenty-one years and became eligible for the payment of the basic wage, and in some small groups of apprentices and minors. In the other States and the Commonwealth, however, the automatic increases continued to be paid. Thus, Queensland State employees were much more drastically dealt with than the employees of the other Australian Governments.

By the operation of these arrangements, some groups have not been paid increases for three years, others for two years, others again for one year; and increases are accumulating for the current financial year.

The present Government gave careful consideration to the whole question and decided that common equity demanded that some relief should be extended to State employees. In existing financial

circumstances, however, the Government was not able to provide sufficient funds to permit of the payment of all increases withheld. Provision has, however, been made for a partial restoration of the automatic increases, and in the allotment of these increases consideration has been extended to those officers who have suffered most. Under the scheme, increases generally will be paid as from 1st October in lieu of 1st July, the maximum nominal increase payable to any officer will not exceed £50 per annum, and, in the case of an officer from whom increases have been withheld for two years or more, a second increase will be paid as from a specified date.

The following case will illustrate the position:—A male clerk was appointed as from 1st May, 1931, at a nominal salary of £90 per annum; in ordinary circumstances he was eligible for £110 as from 1st November, 1931, £130 as from 1st November, 1932, and £150 as from 1st November, 1933. Under the approved scheme he will be paid £110 as from 1st October, 1933, and £130 as from 1st November, 1933. He will, however, still be the equivalent of one year's increase (£20) below his nominal salary of £150.

By the operation of this scheme, at 30th June next there will be in most cases a general lag in salary increases of one year only, and much of the confusion which has arisen in seniority and grading will be rectified.

"3. Approximately, £60,000, exclusive of increases bringing juniors up to the basic wage."

NUMBERS OF EMPLOYEES IN DEPARTMENT OF LABOUR AND INDUSTRY IN SEPTEMBER, 1932 AND 1933.

Mr. MAXWELL (*Toowong*): I desire to ask the Secretary for Labour and Industry whether he has an answer to the following question, which I addressed to him on 5th instant:—

"What was the number of employees of his department, excluding relief workers, paid from consolidated revenue, the Trust Fund, and the Loan Fund respectively, in (a) September, 1932; and (b) September, 1933?"

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

" (a) September, 1932—			
Revenue—Permanent	...	...	85
Temporary	...	...	8
Trust —Permanent	...	...	86
Temporary	...	...	36
Loan —Temporary	...	...	2
Total	...	...	217

" (b) September, 1933—			
Revenue—Permanent	...	...	128
Temporary	...	...	4
Trust —Permanent	...	...	109
Temporary	...	...	15
Loan —Temporary	...	...	2
Total	...	...	258 "

DOCUMENTS LAID ON TABLE OF HOUSE UNDER STANDING ORDER NO. 298.

Mr. KENNY (*Cook*), without notice, asked the Premier—

"Prior to the adjournment of the House on Thursday last the Premier made a statement with respect to certain documents which the House decided I should lay on the table under Standing Order No. 298. Will he table the query submitted to the Deputy Commissioner of Taxes and the reply by the Deputy Commissioner thereto?"

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

"The answer is in the negative."

Mr. KENNY: You are afraid. You deliberately lied.

The SECRETARY FOR PUBLIC INSTRUCTION: Mr. Speaker, I draw your attention to the interjection by the hon. member for Cook. He said, "You deliberately lied."

Mr. SPEAKER: I did not hear the interjection, but if the hon. gentleman made it, then I ask him to withdraw it.

Mr. KENNY: I did make the interjection so as to draw the attention of the public to the statement by the Premier.

Mr. SPEAKER: Order!

Mr. KENNY: I withdraw.

The PREMIER: He should apologise, too.

Mr. KENNY: I want truth and justice.

PAPER.

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

Annual report of the Director of State Children Department, for the year 1932.

ADDITIONAL SITTING DAY.

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

"That, for the remainder of this session, unless otherwise ordered, the House will meet for the despatch of business at 10 o'clock a.m. on Friday in each week, in addition to the days already provided by Sessional Order, and that Government business do take precedence on that day. All provisions of Sessional Order of 16th August last shall, mutatis mutandis, continue to apply."

Question put and passed.

SUPPLY.

FINANCIAL STATEMENT—RESUMPTION OF DEBATE.

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

Question stated—

"That there be granted to His Majesty for the service of the year 1933-34, a sum not exceeding £300 to defray the salary of the aide-de-camp to His Excellency the Governor."

Mr. FADDEN (*Kennedy*) [10.41 a.m.]: I regard the discussion on the Financial Statement as the most important business that hon. members are called upon to consider. The subject is of increased importance in times of economic difficulties because the affairs of government then demand the

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application of business acumen in carrying out a very detailed investigation of finance. We are all agreed that finance is the life blood of government. The public are coming to an appreciation of the fact that government is business, that government is finance, and that finance is government. I am particularly disappointed at the absence of the report of the Auditor-General at a time when one is compelled to carry out a thorough investigation of the financial position of the past as reflected by the Financial Statement of the Treasurer, and to gauge the financial requirements of the future. If the report of the Auditor-General is to be of any use to this Parliament, and to hon. members constituting it, it must be available at the time when it is most opportune to derive benefits from the information which must be contained in it. It is necessary that we should peruse the various reports and tables associated with the financial transactions of the State that are embraced in it in order to found our criticism. I do not make that complaint in any carping spirit, nor do I blame the Auditor-General for the delay. The financial year ends on 30th June, and from then to the opening of this discussion, very little time is given the Auditor-General to have the accounts of all departments audited and collate the information on which his report is founded, but his report is so important—so indispensable to this Chamber—that some alteration in the practice should be made. I respectfully urge consideration of an amendment of the Audit Act. That Act was passed in 1874, and apart from minor amendments made up to 1909, it has not been altered. It must be recognised that the financial activities and governmental methods of finance have altered very materially since 1874, and I urge the necessity to overhaul the Act with a view to bringing it into conformity with the present day requirements of this Parliament in meeting the financial responsibilities that are cast upon it.

A cursory examination of the Financial Statement may console some hon. members, because they may conclude that the position has improved to the extent of about £520,000 as compared with the previous year. That conclusion would be arrived at by comparing the deficit for 1932-33, amounting to £1,554,444, with the deficit of the previous financial year of £2,075,180. But in order to arrive at a proper and wise conclusion as to how that position has affected the State, one must dig deeper than the surface. The improvement of £520,000 must be money obtained from the pockets of the people, because the Government must depend upon production and the industrial resources of the State to find the wherewithal to carry out their functions. That being so, the apparent benefit of £520,000 has come out of the pockets of the people, and a study of the position reveals that this £520,000 has come out of the pockets of the people to an extent even greater than appears on the surface. If one thoroughly analyses the position the definite conclusion must be arrived at that while the Government benefited to the extent of £520,000 by way of decreased deficit, the public's purse was detrimentally affected to the extent of extractions aggregating over £1,000,000. Those extractions were brought about by the infliction of additional taxation. In that regard it is interesting to note that while the taxable income for 1931-32 was £17,681,862, upon which an

average rate of 1s. 8d. in the £1 was levied, for the year 1932-33 an average rate of 2s. 1d. in the £1 was levied on £15,478,273. So despite the fact that the taxable capacity of the public's purse declined by £2,203,589 the extra tax inflicted was £110,179. That was brought about by inflicting an average increase of 25 per cent. in taxation, that is, by increasing the average rate of taxation on the public's purse from 1s. 8d. to 2s. 1d. in the £1. By that means an extra £311,812 was wrung out of the already overtaxed purse of the Queensland public, for had the average lower rate of 1s. 8d. been maintained on the taxable income fund the Government would have received £1,289,856 in lieu of the £1,601,666 that was inflicted, so that an advantage of £311,812 must have been obtained, but obtained at the expense of the industrial and private activities of the State. From the re-enactment of the super land tax the sum of £121,759 was received. Railway freights were increased by £325,000, and the sum of £250,000 was transferred from the Main Roads Fund. Transport fees brought in £17,000 of new revenue, and I estimate that other fees, which comprised increases under the Justices Acts, the Magistrates Courts Acts, the Supreme Court Acts, and the Real Property Acts, brought in at least £6,000. So that the extra imposts and transfers from other funds amount to £1,031,571. That was the extra burden put upon industry that enabled the State apparently to improve its position by £520,000.

In addition to the figures and facts just quoted I desire to point out that this Government obtained an advantage of £72,166 in the interest payable on the public debt. That was brought about by advantageous conversions of the over-seas debt. In 1931-32 the interest payment was £5,004,626, while for the year 1932-33 the sum paid was £4,932,460, so that there was an advantage of £72,166. If that figure is taken in conjunction with the other figures that I have given we are approximately £600,000 worse off on a comparable basis than we were for the year ended 30th June, 1932. The position can be stated in another way. After inflicting extra taxation and additional imposts, the State had a deficit of £1,544,444. Extra taxation and imposts aggregated £1,031,571, and the extra advantage bestowed upon this Government by way of reduction of interest on the public debt was £72,166, so that compared with the last deficit of the Moore Government we are very nearly £600,000 worse off on a proper comparable basis. In addition to the imposts inflicted upon the public's purse a certain advantage was brought about by reduced expenditure. The expenditure was reduced by £118,205, which is approximately £170,000 less than the estimated reduction. Of that amount £72,166, or 61 per cent., constituted a reduction of interest on the public debt which was brought about by virtue of the overseas conversions, so that the actual economies effected represent the comparatively negligible amount of £46,000.

Let us see where the bulk of the saving was effected. It was brought about by a reduction in the medical and dental inspection costs in the Department of Public Instruction to the extent of £2,700. The Queensland University grant was reduced by £1,000, the endowment fees on secondary education were reduced by £13,400, the State schools suffered to the extent of £10,000,

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technical education costs were reduced by £4,800.

The economies that were levied by the Moore Government have not been continued; they have been dissipated. In the first quarter of the last year the present Government inherited a decrease in expenditure of £117,528; in the second quarter that decrease had dwindled to £23,617; the third quarter converted it into a disadvantage—namely, an increase of £13,372—and the fourth quarter shows an increase of £9,568. The net decrease (reduction) in governmental expenditure for the year was £118,205, and, as I mentioned before, that sum includes a saving of £72,160, brought about by the reduction of interest on the public debt. The year's saving on the basis of the first quarter should have been £478,000, so that £350,000 actually was dissipated during the year, to the disadvantage of the public in the way of increased cost of government.

I notice that on page 4 of his Financial Statement the Treasurer works out certain figures to show a very favourable comparison in expenditure. He takes 1929-30 for comparative purposes; but, as this was the year before economies in governmental expenditure were rigidly enforced, let us take a more comparable basis and apply our attention to the year 1930-31, the year when economies were exemplified. The figures show that the total expenditure for 1930-31 was £15,914,696. The reduction of expenditure in 1932-33 as compared with 1930-31 was £963,608, and the percentage was 6 per cent. Comparing last year with 1931-32, the reduction was £118,205—namely, from £15,069,293 to £14,951,088. The reduction is .7 per cent.—less than 1 per cent. Those percentages are entirely different from the percentage of reduction when we compare last year's figures with those of 1929-30; when the reduction is 10.59 per cent. Comparisons as between latest years must necessarily be of greater advantage and necessarily reflect a truer position and be a better guide to the House in appraising the future financial activities of the State.

Coming to loan expenditure, the outstanding feature under this heading is that the loan expenditure shows increases for 1932-33 over 1931-32 in the following main directions:—

	£
Buildings ... ..	149,118
Commonwealth State loan for relief of unemployment ...	548,008
Special loan for relief of unemployment ... ..	362,278
	<u>£1,059,404</u>

The Estimates submitted last year denoted that under the heading of Loan the Treasurer intended to spend £3,167,242; the actual expenditure was £2,118,022, which was £979,220 less. In considering that result certain items are informative. For instance, the Commonwealth loan for relief of unemployment was short spent by £63,930. There was short spent out of the special loan for relief of unemployment £577,722, or a total of unemployment relief money under-spent of £641,652. That constitutes 65 per cent. of the total loan money under-spent. In other words, unemployment suffered to the extent of £600,000 by the short-expenditure of loan money budgeted for. Having regard to that fact, it is interesting to note that the revenue from the unemployment relief tax

increased by over £700,000, brought about by extra impositions on the public's purse last year when the present Government increased the effective rate from 6d. to 9d. in some cases and to 1s. in others—or double the tax. There was therefore £700,000 less in the public's purse—the only fund that can properly relieve unemployment—whilst the amount short-spent on loans obtained from the Federal Government for the purpose of relieving unemployment was £641,000 is almost equivalent to this extra taxation wrung from the public for the relief of unemployment. Having regard to that under-expenditure, having regard to the fact that the loan was obtained for the specific purpose of relieving unemployment, was it right, was it just, and was it essential to increase the unemployment relief tax to the extent I have indicated on the pretence of relieving unemployment in this State?

The railways under-spend £76,113, or 8 per cent. of the total amount expended. In the Agricultural Bank, which administers the funds for the relief of the unfortunate farmer in distress—who is equivalent to the unemployed in other industry—we find that £71,011 is not spent, equivalent to 7 per cent. of the total amount.

In parallel with that under-expenditure of £979,220, let us consider the other facts obtained from the Financial Statement. The monthly loan expenditure this year was as follows:—

	£
January ... ..	170,767
February ... ..	190,803
March ... ..	224,214
April ... ..	104,682
May ... ..	183,858
June ... ..	300,739
July ... ..	124,709
August ... ..	110,379
September ... ..	185,341

Is there any significance in the fact that the loan expenditure jumped from £183,000 in May to £300,000 in June, and then fell back the following month to £124,000, and has averaged almost that minimum since? Does that denote that there have been certain adjustments between consolidated revenue and loan expenditure? Is it possible for this House to get the true reason for that abrupt increase between May and June and the decrease to the minimum in July, August, and September? Let us linger on the figures for the present financial year:—

	1933.	£
July ... ..	...	124,709
August ... ..	...	110,379
September ... ..	...	185,341

The total for the three months of the current year, £420,429, represents an average per month of £140,143. The Estimates that hon. members are asked to consider provide for a twelve months' loan expenditure of £3,300,000, which is equal to a monthly expenditure of £275,000. It will be seen, therefore, that for the first three months of the present year the Government have short-expended the sum of £404,571. For the three months of 1933-34 the Treasurer has only spent at the rate of about £1,681,700 for the year instead of £3,300,000. It must be understood that I am not complaining of the fact that the Treasurer is not borrowing and spending money, because this State, the

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other States of Australia, and also the Commonwealth of Australia have learnt a very bitter lesson from the borrowing policy they have pursued for so long and so disastrously, and in the backwash in which we are at present engulfed; but I do complain that hon. members and the people of Queensland should have their legs pulled by being told that we expend £3,300,000 for this year—and that we were to spend £3,000,000 for last year—when the figures indicate that there is no possibility and no intention of spending such a sum of money. People are being led to the belief that the solution of our problem is to “borrow, boom, and bust”—a policy similar to that which we had during fourteen long years in Queensland. Surely Queenslanders and the legislators of Queensland have learned enough from the policy that was carried out during previous Labour Governments! Did they not increase the public debt of Queensland to almost double? Did they not borrow £56,000,000 in fourteen years? Have we not to take almost £2,500,000 per annum out of consolidated revenue to pay for that disastrous policy? If it had not been for the extravagant policy of borrowing and spending during prosperous times—prosperous times, mark you—we should not be carrying the heavy taxation burden we bear to-day. Consolidated revenue is called upon to provide £2,500,000 per annum to meet the interest deficiency upon our public debt. That is the policy that hon. members ask us to pursue to restore budget equilibrium, to rehabilitate industry, and to solve the unemployment problem. The solution of the unemployment problem lies in less borrowing and expenditure by Governments, so that private industry may have a chance to borrow more and to expend judiciously. The greatest benefit that could be bestowed upon industry to-day is that it should be enabled so to function as to assist the Government and the State. Industry would then have a chance to rehabilitate itself to the advantage of the unemployed.

Industry and industry alone will solve the unemployment problem. I am convinced that it cannot be solved by Governments: the problem was in no small degree created by Governments. Proof of that is to be found in the figures contained in the Commonwealth “Year Book.” During the period from 30th June, 1927, to 30th June, 1931, the State Governments of Australia borrowed and expended a sum of no less than £150,000,000 on the construction of public works, and the Commonwealth Government expended the sum of £85,000,000 for the same purpose over the same period, making a total expenditure of £235,000,000. We have been told by hon. members opposite that economic recovery will be found in an intensive public works policy pursued by Governments generally. It is suggested that we should be guided in that policy by the experience of other countries of the world, but a recommendation as to what would be a solution of the problem in England or in European countries cannot be applied generally in Australia. Economists advise us that Governments should restrict public expenditure during prosperous times and that they should embark upon extensive programmes of public works during times of depression. The opposite policy has been pursued in Australia. A sum of £235,000,000 was expended on public works by the Federal

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and State Governments during the most prosperous times in the history of Australia. A solution will not be found by adding to the already over-capitalised public facilities. Already public facilities capable of providing for the requirements of a population of 20,000,000 have been constructed in Australia, but the cost must be borne by a population of 6,000,000. Is that position to be aggravated? We must jettison the old tradition that the solution of our ills lies in governmental expenditure. We shall have to adopt the policy adopted by the ordinary housewife who is anxious that her husband should not become bankrupt—we must live within our means.

The Treasurer, in his Budget Speech, has given what he considers to be certain reasons for the under-expenditure of loan money. He states—

“It will be realized that, for some works, considerable time is required for the preparation of plans and specifications.”

That may be an excuse, but it is certainly not a reason. We have before us the “Estimates of the Probable Ways and Means and Expenditure for the Year ending 30th June, 1934.” We are asked to pass those estimates. We have been told by the Government that the amounts set out in the Estimates will be expended. If a certain amount only is to be spent on account of this year then we should be informed of the intentions of the Government. We should also know if a part of the appropriation for this year is not to be expended until following years. It is prudent to ask how much of the £1,017,714 provided as loans and subsidies to local bodies will be spent at some future date. Plans and specifications will be required for work to be carried out by the expenditure of that money. Will the money be spent in this or in subsequent years? We have a right to know if there is to be any over-lapping between appropriation and expenditure, and whether the matter will be adjusted in the years to come. But in any event that is not an excuse for the under-expenditure of money provided by Parliament. Speeches by hon. members opposite could be quoted as an attack against the late Government for an unexpended appropriation of £500,000.

The poor unfortunate local authorities are to be saddled with the responsibility of solving the unemployment problem. I notice that £1,017,714 is to be advanced to local authorities for expenditure, and it will be specified that that amount must be expended on the relief of unemployment. Local authorities are already overburdened with debt. When speaking of local authorities we must keep in mind that we mean the taxpayers and ratepayers, and to a greater extent the man on the land—the producer of wealth. If local authorities are to be forced to expend or borrow another £1,000,000 on works, it must mean a further tax on production and a further tax on the present over-rated community. I say that advisedly. My latest figures in respect of arrears of local authority rates are for the twelve months ending 31st December, 1931, and show that £1,000,000 were outstanding. In 1927 the arrears of rates were £700,000, so that there was a 50 per cent. increase in the intervening period. What is the position in respect of loans advanced to them? The arrears of interest and redemption payable on account

of loans due by local authorities to the Government were—

	£
30th June, 1928 ... ..	157,587
30th June, 1929 ... ..	190,599
30th June, 1930 ... ..	217,797
30th June, 1931 ... ..	232,087
30th June, 1932 ... ..	248,553
30th June, 1933 ... ..	314,474

It will be seen that the arrears as at 30th June, 1933, were nearly double the figures at the corresponding date in 1928. Yet in spite of these figures the Government intend to force another £1,000,000 expenditure on local authorities in seeking a solution of the unemployment problem that they themselves are unable to solve. It means that local authorities are to be saddled with activities that they can ill afford to finance. When local authorities obtain this money, how do they spend it? In some instances it is expended profitably and productively on interest-bearing propositions, but in nine cases out of ten work is created on unproductive schemes, mere sand shifting and weed cutting. What solution is that of our unemployment troubles? Does it justify lending local authorities an extra £1,000,000? Does it mean that the unemployed have nothing to look forward to but two or three days' road work per week? Does it mean that it is simply another palliative, nothing of lasting benefit, and that the Government have "thrown in the towel" so far as arriving at a solution of the problem is concerned? To expend £1,000,000 in rural activities would mean the creation of wealth and of more lasting benefit to the people generally than to congregate the unemployed in the cities and put them to useless and extravagant work. That work upsets their morale, because they know it is of no benefit. They look upon it as something of an expedient, and such schemes must upset the temperament of the average Australian. He does not want charity; he wants work. He will realise that the work provided by local authorities will bring a solution of the problem no nearer, that it will not bring about his cherished desire of honest work by honest methods.

Mr. WATERS: What is your solution?

Mr. FADDEN: My solution would be very forcibly brought forward if this party were on the Government benches.

Mr. W. T. KING: You had three years to do it in.

The CHAIRMAN: Order!

Mr. FADDEN: Let us consider the building vote, and its relation to the public works policy. The building vote has increased from £274,766 to £431,374, an increase of £156,608. The increase is to be expended to the extent of £45,630 on State schools, which I think is a very doubtful item to charge to loan money, because on account of its nature it should be a consolidated revenue expenditure. Intermediate schools will absorb £34,000, and Brisbane buildings £100,000, so that practically the whole of this expenditure is non-productive. Quite apart from being non-productive it is of an expenditure nature, inasmuch as there will be a permanent infliction of repairs and maintenance in connection with it. The time is not opportune for the establishment of intermediate schools or for the expenditure of money on intermediate

schools, and having regard to the present financial state of the country and to the decrease in taxable capacity of the country must be looked upon as no other than an extravagant luxury that the State cannot afford if the affording is to come out of the other fellow's pockets. The Government intend to spend nearly £500,000 in adding to the present cumbersome public work facilities of the State, but an important primary industry and land settlement department such as the Department of Public Lands is to have only £300,000 allotted to it. The very solution of our problem must lie in the proper settlement of people contentedly on the land; yet that department—which I am going to say has functioned very well during the past year and has been conducted in a businesslike way—is to be deprived of money which is to be expended on public buildings in the capital city of the State. I notice that mining, which has saved Australia before to-day and which will be a big factor towards saving it again because a revival of mining is the best money spinner that we can have—I notice that mining is to receive only £70,000. Formerly, the amount devoted for the purpose was charged against consolidated revenue, but I notice it is charged as an appropriation from loan funds this year. A solution of our problems will come not only from land settlement but also from mining activities. It would be preferable to waste money in the search for mineral wealth than it would be to expend it in the work of cutting weeds and shifting sand in the principal cities of this over-taxed State.

Apart from Agricultural Bank advances—and it is interesting to note that the advances of that institution which is established to help the man on the land declined to the extent of £71,000 last year—the Department of Agriculture, which is closely allied with the primary production of this State, has been given only £2,700, as compared with £500,000 to be expended on public works, of which £100,000 is to be spent in the metropolis. The railways have been allotted £266,700, approximately £160,000 less than the Department of Public Works. We were told that the railways were in a disastrous condition—that the locomotives, rolling-stock, permanent way, and everything else connected with the railways had been allowed to fall into a state of disrepair. The railways must exist to assist the man on the land, and it is preferable to spend an extra £250,000 to rehabilitate them in order that they may provide the maximum facilities for the transportation of primary produce than it is to erect buildings in the capital cities—buildings that are not of a productive nature but are on the contrary subject to maintenance and repair costs for a long period of time. Most of the buildings are wooden structures. In that regard it is noted that it is anticipated that the royalties in the Department of Public Lands will decline £45,000 this year despite the building activities as evidenced from the Estimates. The Government have definitely adopted a policy for the city dweller which is detrimental to the rural population of the State, and our problem to-day is to encourage people to leave the cities to seek occupations and activities in the country. What we want in Queensland is an increase in the rural population, and in order to get that we must confer upon the people in the country all the facilities we can give them. But this

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Government are doing just the opposite. They are encouraging people to come from the rural centres into the cities to the detriment of production and the financial capacity of the State generally.

I propose now to touch on the Trust Funds. An examination of the Trust Fund balances gives some indication of the disastrous state of the trust accounts of this State, and evidences in no small manner the total disregard possessed by the Government of the true definition of the word "trust." The following deficits appear in the accounts, and have had the effect of diminishing the cash balances available in the funds, whilst many of the assets valued in them are "dud" assets and have no value whatever:—

	£	s.	d.
Central Sugar Mills Fund .. ..	94,430	9	1
Chillagoe State Smelters Recon- struction Account	194,501	8	8
Helidon Quarry, Special Standing Fund	4,072	0	9
Harbour Dues Fund .. ..	237,171	3	11
Inkerman Irrigation Area, Working Account	63,706	3	0
Irvinebank State Treatment Works Fund	36,656	17	5
Sapphire Trading Account .. ..	52,421	7	10
Stock Diseases Fund .. ..	292,114	17	10
Unemployment Relief Fund .. ..	73,602	6	11

That makes a total of £1,036,706 odd debits set off against the credits in the trust accounts. What a fine selection of "dud" assets and "dud" debts! Those bad debts should have been got rid of before items were transferred from the credit accounts of the Trust Funds to the consolidated revenue. The amount in question has been expended out of such funds as the Public Service Superannuation Fund, the Railway Superannuation Fund, and cash deposits under the Insurance Act. No wonder the railwaymen could not get their money, and no wonder they are getting further away from getting their money! Despite the existence of such accounts we find that this Parliament is actually asked to appropriate funds this year that will aggravate the position and increase the responsibilities. I refer particularly to the appropriation on account of the Chillagoe smelters and the Harbour Dues Fund. I also notice that a new so-called asset has been created in the shape of the Bowen Coke Fund, which this year has a debit of £6,000 odd; Parliament is asked to appropriate £73,000 for the current year. We have not enough "dud" assets! The position is to be aggravated! Parliament is to be asked to accumulate such funds, to continue the practice that has brought the trust funds of the State to the position they are in to-day.

Touching upon the Chillagoe smelters, it is noted that the amount in connection with that "dud" asset last year was £172,385; this year it is increased to £194,501. The badness of it has been made more rotten by £22,116. The Harbour Dues Fund—on which I touched on last year, and which I pointed out was being administered in a way that was detrimental to the State generally—has moved from £218,315 to £237,171, or an increase of £18,856. There is an increase in those two items alone of £40,972. They are debits appropriated out of the money that should have gone to pay the railwaymen their just dues—their confiscated capital. We are

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asked to aggravate that position. Have hon. members opposite no regard for their responsibility to this State? Do they not recognise that they are the custodians of the public purse and are in the same position as ordinary trustees? Are they going to connive at and allow this position to go on—to dissipate the trust funds which are the only assets supporting trusts actually in existence?

I desire to make special mention of the Main Roads Fund. The sum of £400,000 is to be appropriated out of Loan Fund and paid to the Main Roads Fund, and out of that sum of money £250,000 is to be transferred to consolidated revenue. If that does not mean that loan money is being used for consolidated revenue purposes I do not know what it means. The sum of £250,000 is to be transferred from Loan Fund and from Loan Fund funds its way to consolidated revenue. What sort of a practice is that? What effect will that transaction have upon the future credit of the State? People will not know where they are. Anything can go from Loan Fund to consolidated revenue, the accounts can be juggled, they can be misappropriated, at the behest of the Government. What protection is that to anybody investing money in the State? What protection is that to the people who supplied that money—namely, the civil servants and the railwaymen by virtue of their superannuation funds?

Let us further examine the position of the Main Roads Fund. A credit balance of £5,989 was carried over from 30th June of the last financial year to the 1st July, 1935, although the balance was £499,000 at the end of the previous year. Add the loan appropriation I have just mentioned of £400,000. Add the receipts—having regard to last year's receipts I am giving the fund credit for the sum of £700,000 for receipts; that is more than last year and, I think, is a maximum estimate, having regard to the fact that the Treasurer is budgeting for decreased revenue almost all round—and the total funds that the Commissioner of Main Roads can possibly have at his disposal will be £1,105,989. Out of that £250,000 is to be transferred to consolidated revenue; an Act permitting that course has already been passed in this Chamber. The expenditure, according to estimates for main road activities is to be £1,075,000. The total expenditure will be £1,325,000, and the total fund available £1,105,989. Under the circumstances the excess of expenditure will mean a debit of £220,000, an overdraft on the trust accounts, and a further aggravation of the position, and a further adding to the already "dud" assets to the extent of £220,000. The Government cannot have it both ways or all ways. For the Government to spend the £1,075,000 the revenue must be increased to £900,000. Out of whose pocket is that increase to come? If not, a new "dud" account showing a debit of £220,000 will be created in the trust funds. That is the position that the figures disclose.

It is well also to note the movement of the State Insurance Fund. While the credit balance in that fund increased by £70,372 during the year, the securities have increased by only £77. Does that mean that the insurance officers have received instructions that they must leave their moneys in

the trust funds to be used by the Government for other purposes as against providing the securities. The securities have been increased previously to the extent almost of the credit in that particular fund, but this last year they are £71,000 further away. In other words, the asset representing the liability of the State falls short by £71,000, and that amount has been used for the general activities of the State. That is a very serious position, and it is one that should be explained, and readily explained. We ask other insurance companies to make a deposit in order to maintain their stability. They are doing that to the extent of £700,000, but our own position is that we are £71,000 weaker than the liability. What does that position mean? It means that money has been got from every possible and available source, but we are told that we are round the corner—that sunshine and happiness has returned. There is as much sunshine and happiness displayed in the financial position of Queensland as there is of that commodity in the arctic regions in winter time. The sooner the people of Queensland and hon. members recognise that fact and face it the better for everybody concerned.

The Public Service Superannuation Fund increased in credit by £108,540 during the year and the Railway Superannuation Fund by £91,615—a total increase of £200,155. The Main Roads Fund credit last year was reduced from £365,553 to £5,929. The effect of the transfer of £250,000 from this fund to consolidated revenue is apparent. Compare the position of that fund with the Railway Superannuation Fund. The railwaymen improved the position of the latter fund by £91,615, and following upon the repeal of the relevant measure, could not get a refund of their contributions. Main roads funds were dissipated to the extent of £450,000, and a sum of £250,000 was transferred to consolidated revenue.

Another significant feature of Government accounts is that at 30th June last the credit balance accounted for in trust funds was £1,996,550 13s. On the same day the Treasurer actually had in all available sources cash balances amounting to only £1,564,640 19s. 7d. Allowing that the whole of the available cash belongs to trust funds and allowing that all the debits referred to by me as bad debts are good, there is still a deficiency of £431,909 13s. 5d. That represents trust money used for general purposes.

There is no balance-sheet in respect of trust accounts as at 30th June last. There is a trial balance, or at least a concoction of figures. I am at a loss to know how any hon. member without an intimate knowledge of accountancy can intelligently interpret the figures for his own benefit. The only businesslike method of proving or disproving figures is by the compilation of the balance-sheet. What is the position? On the liability side we have "sundry creditors," made up as follows:—

	£	s.	d.
Insurance Act, cash deposits ..	707,856	5	9
Public Service superannuation ..	1,273,315	2	0
Railway superannuation ..	386,230	0	7
Real Property Act ..	45,500	0	0
State Insurance Fund ..	3,311,060	13	5
Supreme Court Fund ..	13,563	18	3
Testamentary and Trust Fund ..	2,887	2	0

Those figures represent a total credit in trust funds, and a total amount to be

accounted for in respect of certain creditors of £5,740,413 2s. Then we have the various credits representing appropriation by Parliament, and these, together with the credits set out above, make a total of £6,320,701 10s. 1d., leaving £583,288 8s. 1d. of direct appropriation to be accounted for. What assets do these sums represent? The tangible assets, comprising real property securities, amount to £45,500. The State Insurance Fund securities amount to £3,226,834 19s. 5d. The testamentary trust fund securities amount to £300. These make a total of £3,272,634 19s. 5d. for securities. Even assuming that all cash in the public balances was trust funds cash, the maximum amount available is £1,564,640 19s. 7d., and the assets, therefore, total £4,837,075 19s., leaving a deficiency of £1,486,425 11s. 1d. That deficiency is real, to whatever extent that it is not represented in "sundry debtors" accounts on the debit side by tangible assets. In other words, the deficiency is real to the extent of actual bad debts, plus cash shortage of £431,909 13s. 5d. Naturally I am not in a position to obtain the figures for bad debts because the facilities are not available to me for the purpose. The deficiency is accounted for by the shortage of cash amounting to £431,909 13s. 5d., and by the absence of tangible assets in "sundry debtors" accounts amounting to £1,054,515 17s. 8d. The deficiency is real to the extent of a shortage of cash, plus the actual bad debt portion of the debit accounts. I venture the opinion that for the year 1933 it is real to the extent of at least £1,000,000.

That leads me to the public debt of Queensland. The Treasurer's tables give the net debt of the State as £114,068,100. I submit definitely that that amount is incorrect. It is understated. There is another debt due by the State which should be included. The cash balances of the State are given at page 44 of the tables. These are shown at £1,564,640 19s. 7d. The trust and special funds were in credit £1,996,550 13s. It therefore follows that the Treasurer has expended from trust funds the sum of £431,909 13s. 5d. The debit balances of the Consolidated Revenue Fund as at 30th June, 1933—I particularly desire hon. members to follow this closely in an impartial way, because I am putting the position before the Chamber in a way which I trust will assist and not retard—were £3,806,366 18s. 10d. The credit balance of the Loan Fund was £3,374,457 5s. 5d. Consequently, there is no doubt whatever that the Consolidated Revenue Fund debit is greater by £431,909 13s. 5d. than the Loan Fund account. Scrip, etc., were issued for the Loan Fund credit, and naturally the amount has been included in the debt of the State; but what of the amount, at least £431,909 13s. 5d? It is not shown. It is a debt due by the State of Queensland. It is due to the Railway Superannuation Fund under a specific Act of Parliament. It is a loan. It is due also to the Public Service Superannuation Fund under an Act of Parliament. It is a loan; it is due also to the insurance companies under the Insurance Act. If it is not a loan, what is it? These specific Acts definitely state that the amounts are loans due by the Treasurer. The amounts were advanced to the Treasurer. If they are not loans, are they gifts? If they are not gifts, are they debts? If they are debts, why are they not included in the public debt of the State?

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The public debt of the State has been understated to the extent of more than the cash shortage for the reason that I have just outlined. The public debt of Queensland has been understated to the extent of the cash shortage plus the "dud" assets appearing as set-offs to the specific trust fund credits. Someone has fallen down on his job. The Treasury officials have fallen down on their job. The Auditor-General has fallen down on his job. This absolutely illustrates and confirms the wisdom of my suggestion last year, that a reform of accounting principles of the State is long overdue, and that a public accounts committee should be appointed as a protection to the Treasurer and Cabinet, as well as to hon. members.

There is another aspect of this particular matter, and it is this: At the 30th June, 1932, by the same means that I outlined with regard to 1933, there was a deficiency in the trust funds of £2,132,023 9s. 9d. That is made up by a deficiency of cash of £1,050,758 10s. 4d., and the amount of the bad debts portion of the debits appearing in the trust and special accounts of £1,081,264 19s. 5d. That deficiency is real to the extent of the total of £2,132,023, less tangible value of debit accounts. The Auditor-General in his report for the financial year 1929-30 had this to say—

"The gross debt given by me is £190,000 in excess of the Treasury figures; the sum in question represents amounts received from the Commonwealth for advances in connection with wire and wire-netting for settlers. I regret I cannot see eye to eye with the Hon. the Treasurer as to the manner in which these advances should be treated in the Public Accounts. The position is this:—The Commonwealth makes advances to the State at a prescribed rate of interest and stipulates that a sinking fund payment of 2 per cent. per annum shall be made to the National Debt Sinking Fund for a period of twenty-five years.

"Assuming the sinking fund contributions accumulate at the rate of between 5½ and 5¾ per cent. per annum compounded, the fund will amount to the principal debt at the end of the term."

This is the part I desire to emphasise—

"The fact that the Treasury is recording the transactions in connection with the wire and wire-netting through a 'Trust Account' is not, I think, material to the point of issue."

£190,000 is not material to the point at issue because it goes through a trust account! How about the £1,000,000 shortage in cash that has gone through the trust accounts? I say definitely that the public debt of the State at the date stated is understated by an amount that I am not able to ascertain at the moment, but is at least £1,000,000.

As I indicated at the opening of my speech, the Auditor-General's report for 1932 was not available last year early enough to enable us to comment upon it in the Budget debate, but it can be commented upon at this late stage and it loses none of its significance in consequence. If hon. members will turn to page 22, they will find that the trust funds to be accounted for were £2,074,562 7s. 2d., and the net cash balance to do that accounting and to carry out the whole of the activi-

ties of the State was £1,023,803 16s. 10d., or a shortage of £1,050,758 10s. 4d. The public debt of the State—instead of being £111,622,414 as outlined by the Auditor-General, who states that was a reduction of £16,306 as compared with the previous year—is understated to the extent of the cash deficiency at least. I say definitely that such a statement is incorrect, and does not give Parliament the true financial position of the State, nor afford it the protection to which it is entitled.

Mr. LARCOMBE (*Rockhampton*) [11.51 a.m.]: Unfortunately for the argument of the hon. member for Kennedy, the precepts and teachings that he enunciated were never practised by his own party.

Mr. SPARKES: That is no argument.

Mr. LARCOMBE: The hon. member is not capable of appreciating an argument. If we hear a wine-bibber preaching temperance we smile. If we hear a reprobate preaching morality we turn aside with contempt. When we hear hon. members opposite preaching economy we laugh in derision because they have had control of this State for so long, they had ample opportunity of putting into practice the precepts and teachings enunciated by the hon. member for Kennedy this morning, but they entirely disregarded them. The record of the Moore Government will follow the criticism and comment of hon. members opposite so long as they remain in the public life of this State. Let me summarise the wonderful results of their inglorious reign. Hon. members opposite preach surpluses; yet they were responsible for the most appalling chain of deficits with which the State has ever been cursed.

Mr. RUSSELL: You have made a good start, too.

Mr. LARCOMBE: The hon. member for Hamilton cannot deflect my line of criticism by an interjection of that nature. We have a long way to go before we beat the record set by hon. members opposite. Again, hon. members opposite preach the virtue of light taxation, yet in new taxation they added another £3,350,000 load on to the heavily-burdened taxpayers of this State in the three years they were in power. Hon. members opposite preach the virtue of conserving State funds; yet they squandered nearly £4,900,000 left them by the McCormack Government. When hon. members opposite preach about unemployment, and refer to the present Government's handling of the problem, we have only to recollect that under the Moore Administration unemployment increased by 200 per cent. in order to realise the fatuity and insincerity of their attack. So the criticism of the hon. member for Kennedy carries no force or weight. He presented his case excellently from the viewpoint of the Opposition, but he cannot live down the record of the Moore Government and its odious effect upon the State.

I would like to mention briefly the effect of the record of the Moore Government. For the three years they were in power the wealth production of the State decreased by £12,134,000, the railway receipts dropped by £1,650,000, the total State revenue decreased by £3,740,000, the output of factories decreased by £10,700,000 in value, the number of factories in operation decreased by 140, the number of factory employees was reduced by 10,000, and the Savings Bank

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deposits made in 1929 were £24,620,000, and were only £16,760,000 in 1932, or a decrease of £7,860,000 in deposits made in one year. That is the fearful and appalling record of hon. members opposite who have the presumption and the temerity to criticise the first Budget and the financial record of the members on this side of the House.

Hon. members opposite say, "We were not responsible for the conditions prevailing in 1929-32 which produced that result." I am not blaming hon. members opposite entirely, but their policy of deflation, reducing wages, lengthening hours, their bungling, incompetency, shortsightedness, and inexperience were all largely responsible for the appalling results contained in that statistical summary which I have outlined.

I would like to deal briefly with the contention of the hon. member for Kennedy, because the Government under-spent their loan appropriation by over £1,000,000. That is a new line of criticism for hon. members who are constantly complaining that the present Administration were spending too heavily from loan funds and unduly inflating the State debt. Hon. members opposite cannot have it both ways. If they complain about under-spending of loan expenditure, then their argument about over-spending and increasing the public debt drops to the ground; it has no logical foundation at all. Further, the hon. member for Kennedy did not mention that the expenditure of loan funds of the present Administration last year was over £1,000,000 in excess of the expenditure of the Moore Government during the last year of their term of power. Moreover, most of the money spent last year was spent on the relief of unemployment.

The hon. member for Kennedy also failed to take into consideration the expenditure from trust funds. If he had done so he would have found that the increased funds provided by the present Administration from loan and trust funds last year exceeded by considerably over £2,000,000 the expenditure of the previous Administration in the corresponding period. The hon. member for Kennedy also failed to mention that, although the present Administration spent a little over £2,000,000 from loan funds, allocations and commitments of over £1,000,000 were outstanding at 30th June, 1933. The money was allocated, and will be spent on the purpose for which it was allocated—the relief of unemployment. If hon. members opposite will consult the tables relating to the Treasurer's Financial Statement they will find that the expenditure for unemployment in the last financial year exceeded by £2,000,000 the amount spent in the corresponding period of the Moore Government.

The hon. member for Kennedy complained about the increase in the public debt. The Labour Government cannot be held responsible for the undue inflation of the State debt. When Labour Governments were in power in Queensland between 1915 and 1929 they had the record of the lowest percentage increase in public debt of all the States of the Commonwealth, and they had a similar record in regard to loan expenditure. If one goes back to the work of Coghlan on "Australia and New Zealand," one will find that the public debt of Australia was built up long before the Labour Party had control of the Treasury benches of this or any other State in Australia.

The public debt of the States as well as the Commonwealth has been enormously increased in the past seventeen years by war expenditure. We know that since 1916 the expenditure of the Federal Government and the States has been enormously increased by war service expenditure and commitments resulting from the war. We can claim that we have not unduly increased the public debt nor unduly inflated loan borrowing. Hon. members will find in an issue of the "Brisbane Telegraph" of 1927 the statement that the public debt of Queensland was not unduly large compared with the assets of the State and the population of Queensland. That was after twelve years of Labour administration!

The hon. member for Kennedy complained of the expenditure by local authorities of moneys provided by the present Government from loan funds, and stated that a large percentage was wasted. A small percentage may have been wasted, but that is usual in all expenditure, whether it be by the State by the private company or by the individual. It is exceeding the limits of fair criticism for him to say that a large percentage of the money made available by the Government to local authorities is wasted. As a matter of fact, the present Administration have instituted reform inasmuch as they have provided that all requests for loans by local authorities shall be subject to investigation by the Bureau of Industry, and moneys shall be advanced only after very careful investigation and survey. As a result the funds that have been spent by the local authorities have resulted in developmental work. For instance, the Rockhampton Harbour Board is doing considerable work in preserving its assets and increasing the value of its property by the expenditure of moneys advanced by the Labour Government.

The hon. member also complained that the State was not £520,000 better off, as compared with the last year of the Moore Government regime. In fact, he said the State was £600,000 worse off, although we had collected a substantial sum by way of increased taxation. Taking all the increased collections into consideration, he asks hon. members to believe that the State was £600,000 worse off. If hon. members were to trace every movement in the matter of credit each year in the same way as has been done by the hon. member for Kennedy, the value of comparison would be almost defeated. Let us apply his argument, however, to the financial position under the Moore Administration and let us see, by parity of reasoning, what was the adverse condition on 30th June, 1932. The nominal aggregate deficit, according to the financial figures in the Treasurer's Statement was £3,640,000. The Moore Administration transferred £700,000 from trust funds to loan fund. The increased revenue from new taxation was £3,350,000. Therefore the deficit at the end of the 30th June, 1932, was £7,690,000, and not £3,640,000 taking into consideration, as the hon. member for Kennedy did, the increased collections in taxation during the three years of the Moore Government.

The hon. member for Kennedy also complained that the economies effected by the Moore Government were not continued by the present Administration. It is, after all,

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a difference of opinion; but the hon. member is not satisfied with an improvement in revenue of £402,000 and a decrease in expenditure of £118,000. That splendid result in the first year of the administration of the present Labour Government is not appreciated by hon. members opposite. Their attitude reminds me of the story of Tomkin's dog, related, I think, by Thackeray in one of his essays. The dog howled when it was on the chain, and was perfectly miserable when it was released. Hon. members opposite howl when expenditure is increased, and they are perfectly miserable and dissatisfied when it is reduced. When they were in power they had a record which did not savour much of the economy of which they frequently boast. Between the years 1928-29 and 1931-32 expenditure decreased by only £1,853,000, whilst revenue decreased during the same period by £3,742,000. In short, under the Moore Government the reduction in expenditure was £1,909,000 less than the reduction in revenue. Where is the economy? Where is the sound finance? Where are the precepts which the hon. member for Kennedy called upon hon. members this morning to adopt? Hon. members opposite had an opportunity to bring about a proper relationship between revenue and expenditure and they failed miserably, despite the facts that the wages of workers throughout the State were reduced by about £9,000,000, that hours of labour were increased, industrial awards were scrapped, taxation was increased enormously, and every form of financial device available to a Government was put into practice. Despite all these things the reduction in the expenditure was £1,909,000 less than the reduction in revenue. They have very little ground for their criticism of the results achieved by the present Administration.

Considering the world-wide depression, the scandalous way in which the Federal Government have dealt with Queensland industries, and the handicapping legacy left by the Moore Government, the reduction in expenditure and the increase in revenue during the first twelve months of the present Administration is commendable in the extreme. Hon. members opposite should look above party. They should show a spirit of co-operation, and they should come forward and frankly admit that the position in Queensland has improved during the past twelve months. The Budget is very satisfactory, considering all the factors that I have enumerated. It contains no new taxation proposals and no proposal to reduce wages and salaries.

Mr. GODFREY MORGAN: And no reduction in taxation.

Mr. LARCOMBE: Has there been a reduction in taxation in other parts of Australia?

OPPOSITION MEMBERS: Yes.

Mr. LARCOMBE: The New South Wales Government have provided for a nominal reduction in taxation amounting to £3,000,000, whilst at the same time budgeting for a deficit of £3,600,000. That is political trickery, political legerdemain—pure delusion. That is not a reduction of taxation at all. If the Queensland Government decided to pursue a similar course taxation could be considerably reduced. The New South Wales Government have embarked upon a policy of vote catching and political expedi-

ency. Can anybody justify such a shirking of the issue and such a refusal to balance the Budget? Is that a reduction in taxation by £3,000,000? It is nothing of the kind. The true position is reflected in the anticipated deficit, which is a tax the citizens must pay.

Let me now turn to the Federal Budget which hon. members are so fond of eulogising. What a blare of trumpets and what a press campaign throughout Australia of the delightful news that the Federal Government were going to reduce taxation! What a glowing account of the proposal to reduce taxation by £5,400,000 during the present year! But not a word about the increase in indirect taxation through Customs and excise duty amounting to £4,500,000 imposed by the Federal Government during the last financial year, and not a word about the fact that the Federal Government are budgeting for a deficit of over £1,000,000. If we take into consideration their estimated budget deficit, and the increase in taxation which they imposed last year, there is no reduction in taxation at all in the Federal Budget. The Federal Government are not really reducing taxation; they are merely remitting additional taxation which they imposed. Last year they collected in gross excise duties alone £2,000,000 above the receipts of the previous year. The total increase in Customs and excise duties last year amounted to £4,500,000. We should not look with a cold eye on the proposals of any Government to reduce taxation nor speak harshly of any proposal to give relief, but the taxation relief proposals of the Federal Government are dishonest, and reveal their duplicity. The Federal Government budget for a deficit in excess of £4,000,000 for the next two years. The policy of the Federal Government should be exposed; it is incorrect and unfair. The increases which they made last year should be set side by side with their proposals this year. If that were done we would have a proper perspective of the position, and find that the Federal Government's claim of giving a considerable remission in taxation cannot be substantiated.

One hon. member opposite interjected that the Budget brought down by the Treasurer of Queensland provides for no reduction in taxation. No dishonest reduction is provided for at the expense of consolidated revenue. Unpleasant as taxation is, Governments of Australia must face the position. If taxation is necessary, then it should be imposed on the incomes of the wealthy who can afford it. If Governments did that Budgets would be balanced and we would find the true financial position. Our Budget does not provide for any reduction in wages or salaries, or for retrenchment. When hon. members opposite occupied the Treasury benches they dismissed thousands of employees engaged on public works, and intensified the unemployment position. The estimated deficit this year is £230,000 less than the actual deficit of the Moore Government during their last term, whilst the actual deficit last year was £520,000 less than that of the last year of the Moore Government. Funds are provided for a vigorous public works policy. During the last financial year substantial funds were made available to make advances to settlers for land settlement and all phases of primary developmental cultivation. Money was also made available to local authorities for improving

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our assets. We have authorities like Mr. O. C. Lansdowne, chairman of directors of McWhirters' Ltd., eulogising that policy. We find other business men praising the policy of the Government. They do not discuss politics at all, but merely express their opinion on Government policy. The Budget is a welcome contrast to the Budgets of the Moore Administration to which we listened for three years. They were Budgets of hopelessness, despair, constant drift, reduction of wages, retrenchment, higher taxation—each year a higher deficit than that of the year before. All those results are contained in the record of the party in behalf of which the hon. member for Kennedy spoke this morning.

Hon. members opposite say, "What about the economic blizzard? We were struck by the full fury and force of the economic blizzard." That excuse is not valid. I have figures prepared by the Registrar-General to show that in the year 1932-33 the price of butter, frozen beef, frozen mutton, cheese, raw sugar, hides, sheepskins, and other primary commodities were lower on the other side of the world than they were in 1931-32. Hon. members opposite did not strike the full force of the economic blizzard. It was encountered by this Government. The figures of the Registrar-General show that. These are not my figures, but figures which are drawn out by a competent officer who has been collecting statistics capably and accurately for many years.

Mr. SPARKES: What about wool?

Mr. LARCOMBE: The price for wool was lower in 1930-31 than in 1932-33. It was slightly better in 1932-33 than in 1931-32. In all the other commodities I mentioned there was a reduction. Therefore, the present Government have met the full force of the economic storm, and hon. members opposite cannot lay the flattering unction to their souls that that is an excuse which they can put forward with reasonableness and fairness. They were not struck by the full force of that terrible economic catastrophe.

The effect of the Labour Government's Budget upon the trade and industry of the State is reflected in the newspaper reports that we read from time to time—not the leading articles, but the trade and financial reports which repudiate and contradict the leading articles of the anti-Labour papers. In the "Courier-Mail" of the 4th September last we have the following information:—

"Stocks and shares.

"Good inquiry for investment stocks.

"Price fluctuations show upward tendency."

Then on the 12th September we have that newspaper reporting the remarks of Mr. F. O. Nixon, the secretary of the Brisbane Timber Merchants' Association, in which he spoke of the increasing building activity and pointed out that there was a 25 per cent. increase in dwellings built last year as compared with the previous year. That increase came about under the policy inaugurated by the present Government.

Mr. C. TAYLOR: I thought you struck a blizzard!

Mr. LARCOMBE: In spite of the blizzard we have produced that splendid improvement. We are registering progress in the

face of trials and tribulations, whereas when hon. members opposite encountered difficulties with their policy of despair, they went under. The present Government have fought courageously and have faced their difficulties, with the result that we have the evidence, not of Labour members, but of the "Courier-Mail" reporting an improvement. Again, we have that paper on 29th September quoting the Timber Merchants' Association report as follows:—

"Business stagnation is petering out, giving way to better prices, better demand, and consequent added employing, with greater spending power and prosperity slowly coming over the horizon."

At 12.20 p.m.,

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

Mr. LARCOMBE: I am not claiming any miraculous improvement. I am giving the remarks of the business community to show that the rot has been stopped, that the change of the barometer now is in the right direction, and that the position—industrially, economically, and financially—is improving as the result of the first year of Labour Government under the able leadership of the present Premier and Treasurer.

Mr. MAXWELL: What about the unemployed?

Mr. LARCOMBE: If the hon. member will peruse "The Economic News" for September, he will find that the number of employed in Queensland increased by 5,000 in the last quarter as compared with the position in 1932, whilst the number of unemployed decreased. There again we have evidence in confirmation and support of the policy, record, and work of the present Government. (Opposition interruption.) Hon. members opposite may interject, but they cannot contradict the official facts and figures. As the immortal Robert Burns has said—

"Facts are chieft that winna ding,

And daurna be disputed."

There is no disputing the force and logic of the figures I have quoted. We can prove our case from the mouths of anti-Labour reviewers, and even of anti-Labour critics. Hon. members opposite, unconsciously at times, express opinions which confirm the views I am stressing.

The task of the present Government is tremendous. They have to quicken into life the prostrate form of finance and industry which they found in Queensland when they came into office. Life is now returning to the patient, animation is appearing, and normal health will follow in a reasonable time. It will not come about miraculously in this or any other State. Queensland is the victim of circumstance just as is every other State in Australia. Queensland is a victim of Federal Nationalist administration and policy. They have robbed us of our yearly income to the extent of £1,300,000 in one industry alone. Through the reduction of duty and increase of excise in our tobacco industry the growers in the electorate of the hon. member for Cook, who so frequently interjects, gets 18d. per lb. for growing tobacco, and the Federal Government grab 4s. 6d. per lb. as excise. Yet hon. members opposite

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eulogise and support the Federal Government in that policy!

Mr. KENNY: Some of the growers get 3d. per lb.

Mr. LARCOMBE: Some of them get nothing, thanks to the policy of the Federal Government. Their tobacco lies on the farm unpurchased. Tobacco leaf is pouring into Australia in large quantities from the other side of the world, while the tobacco grown in the electorate of the hon. member for Cook is lying on the farm unpurchased. On last year's crop produced in Queensland £500,000 may be payable by way of excise.

Mr. KENNY: Who pays that 4s. 6d.?

Mr. LARCOMBE: The poor unfortunate grower.

Mr. KENNY: No, the consumer.

Mr. LARCOMBE: No, the consumer is not paying a higher price. Immediately the Lyons Government came into power and increased the excise the price of tobacco leaf fell 9d. per lb. in Australia. The grower suffered, the combino benefited, and hon. members opposite supported that policy. Before the election the Leader of the Opposition said he was concerned about it and supported the objections of the tobacco-growers, but so soon as the election was over he did not utter one syllable of complaint. If what he said before the election was correct, it harmonises very well with the viewpoint I am stressing.

Mr. MOORE: I would never think the same as you do.

Mr. LARCOMBE: The hon. gentleman never will. The "shire council outlook" will always stick to him. The people had three years under him as Premier, and he met his political Waterloo. He looked upon his work not as an economic but as a political task. He was then relegated to the political obscurity from which he will never again emerge as Premier of this State.

I am pleased that the Budget also deals with the important question of overseas loans. It rightly draws attention to the burden that Queensland is suffering as the result of the blundering of the Federal Government. We have an Imperialist representing us as High Commissioner on the other side of the world, and when £100,000,000 of money could have been secured for the conversion of Australian loans a miserable £20,000,000 was converted at a lower rate of interest. Hon. members opposite are responsible as a party. They are the political confreres of the Lyons Party. They are to blame for the great load of taxation which is necessary to meet the interest bill. It is shameful to think that the prices of our primary products have been reduced considerably, and that no commensurate reduction in the rate of interest can be expected. Probably the English investor is not so much to blame as the Lyons Government and Mr. Stanley Bruce, because while that cheap money has been available and loans have been over-subscribed in England at 3 per cent. interest, we are told there is no hope of a conversion of a reasonable amount of our overseas indebtedness at a lower rate of interest.

Mr. KENNY: We have not the right to convert.

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Mr. LARCOMBE: We have a moral right although we may not have a legal right; we "legislated" a legal right to reduce the rate of interest on our internal loans.

Mr. MOORE: Why could you not do it with regard to America?

Mr. LARCOMBE: The Leader of the Opposition supported the reduction in interest on internal loans. Have we not got the same moral right for a reduction in England?

Mr. MOORE: Have you a moral right to reduction in America?

The TEMPORARY CHAIRMAN: Order! I would ask Opposition members to allow the hon. member for Rockhampton to continue his speech without any further interruption.

Mr. LARCOMBE: If we convert in England at a reasonable rate of interest a reduction in America will follow as a natural consequence, but England is the right place in which to start, and we have a right to have our loans converted in England at a reasonable rate of interest in view of the substantial reduction in the price paid us for the products which we export overseas. Morally our case is a good one, and it could be established legally if we had on the other side of the world a High Commissioner who was Australian in spirit and not imperialistic and anti-Australian. The Hon. Stanley Bruce will not gull the electors and taxpayers of Australia who know that year after year they are being unfairly penalised because the Federal Government and their London representative will not effectively urge conversion at a reasonably low rate of interest. We have sacrificed millions of pounds yearly in the sale of our products, and equity naturally suggests that there should be a commensurate reduction in our overseas interest bill. Is it fair to ask the Australian investor to shoulder the reduction he has, and in the voluntary spirit in which he did it, to suffer a heavy reduction in yearly income and then to allow investors outside Australia to secure their payment in full? This action allows the overseas investor to collect probably 300 per cent. more in income than the rate represented when the debt was incurred. That is an intolerable and grave position and probably will ultimately force Australia to default.

Mr. MOORE: What rate do you think we should pay?

Mr. LARCOMBE: That is difficult to answer. I am suggesting that there should be a reasonable reduction in the rate of interest, but let the proper authorities, the Federal Government and the English investor, discuss that point. Were our Australian representative to get the best possible terms he could on the major portion if not on the whole of our indebtedness there would be a substantial reduction in our annual interest burden. Were that to take place there is no doubt that a reduction would follow in the United States.

Mr. MOORE: What do you mean—that they should reduce our interest to 2½ per cent. and we should pay ourselves 3¾ to 4 per cent.?

Mr. LARCOMBE: I do not mention any figure. We have lost millions of pounds and are still losing millions of pounds

annually on our exported produce; therefore, why should the rate of interest represent to investors 300 per cent. more income than it did when the money was loaned?

Mr. MOORE: Did you say anything about the 3 per cent. loan when the prices went up?

Mr. LARCOMBE: We discuss each position as it arises. Logically what the Leader of the Opposition says is correct—that there should be an adjustment if the position is entirely reversed—but we can meet the position when it is reversed. If the English investor is prepared for an amicable and reasonable arrangement now, there will be no objection to Australia's making a similar arrangement if there were a reversal of the position. For many years the Queensland Government loaned moneys to the local authorities and advanced money through the Agricultural Bank at a much lower rate than that which it was borrowed by the State. But let us stick to the point. What the Queensland Government are doing does not justify the English investor. I am not specially blaming the English investor either—it is due to the Imperialist we have over there representing us, the Hon. Stanley Melbourne Bruce, who has no sympathy with Australian ideals, no sympathy with Australian policy, who has deserted Australia, who has resigned his seat in the Commonwealth Parliament, and who is still allied with the interests with which he has always been associated in spirit as well as in financial, economic, industrial, and other respects. (Opposition dissent.)

The TEMPORARY CHAIRMAN: Order! It is not my intention to call hon. members of the Opposition to order again. If they do not obey my call, I shall take whatever action I deem necessary.

Mr. LARCOMBE: In view of the persistent criticism from hon. members opposite concerning the record of the work of the present Government it may be interesting to recall the attitude of the Opposition when they were in power, more particularly the remarks of the Leader of the Opposition on the eve of the elections of 1932. According to the press of 11th April, 1932, he was asked what plans he had for the Premiers' Conference. He replied that he had no plans, that the Queensland Government had prepared no agenda for the conference, and were waiting to see what the Prime Minister would bring forward. Here is the report of the confession of the then Premier, in the Rockhampton "Morning Bulletin" of 11th April, 1932—

"I have no plans, said the Premier (Mr. Moore) to-night when asked what plan he intended to lay before the Premiers' Conference. . . . The Queensland Government had not prepared any agenda for the conference and was waiting to see what the Prime Minister would bring forward."

Here was this political Micawber waiting for something to turn up, waiting for the Federal Government to decide the policy for Queensland. Yet hon. members opposite have the audacity to criticise the present Administration in the face of a record like that. Queensland was heading fast for the sea of disaster. Although unemployment was increasing enormously, taxation was soaring stupendously, and deficits were rising to

appalling heights, the ex-Premier said that he had no plan. He went to the Premiers' Conference without a plan or scheme—no proposal to enable Queensland to escape from the terrible financial bog in which she was becoming engulfed.

Compare that record, that policy, and that attitude with those of the present Government. The present Treasurer went to the Premiers' Conference with plans carefully prepared. They were forcefully stated and carefully executed. We now have the results—the wonderful tribute from the daily newspapers to the improvement that has taken place in Queensland during the past twelve months, economically and industrially, despite the fact that the prices for our overseas products have greatly declined in comparison with the year 1931-32. We must assess the credibility of our critics. What is the record of the party who seek to criticise the present Government? Did its members put their precepts into force? Did they show any vision, initiative or originality? Did they show any of the qualities that they now urge upon the present Government? None at all! They come forward in a spirit of carping, critical chatter; no suggestion to help the State out of its difficulties, no desire or offer of co-operation. Simply a long dirge of complaint because the improvement was not greater! At one time the complaint was that there had been no improvement. Now they are forced by facts, figures, and statistical documents to admit that an improvement has taken place, but their complaint is that it is not as great as it might have been. Fancy saying to Sir Kingsford Smith after the conclusion of a magnificent flight from England to Australia, "Oh yes, you did it in eight days, but why did you not do it in six days?" And fancy saying to a brilliant runner who had run 100 yards in ten seconds, "Why didn't you do it in nine—or eight?" It is the attitude of the lazy farmer who looks over the fence and criticises what is being done by the hard-working farmer on the other side. The critical, carping, captious attitude of hon. members opposite does not lend dignity to debate or strength to argument. In times like these, when the Treasurer, the Cabinet, and the party are pressed and pushed at every point, financially and otherwise, the Government are entitled to a reasonable meed of appreciation by hon. members opposite. At least they are entitled to a full and fair statement of the facts and should not be subject to the distortion and the misrepresentation which have been indulged in by the party opposite.

Hon. members opposite have frequently complained about the taxation policy and record of the present Government, but I was pleased that the hon. member for Kennedy did not follow that line of criticism very strongly this morning. Probably he realised that it was not a sound line of attack. Probably he agreed with the remarks of the "Courier" made in August, 1932, that there was no escape from taxation, and fairly heavy taxation, too, either in this or any other State. When hon. members opposite criticise the taxation policy and record of the present Government they overlook what they did themselves when they were in power.

In analysing the income tax assessments I find that between the financial years 1928-29 and 1930-31 the number of assessments issued

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increased as follows:—Private employees, from 21,000 to 54,000; public servants, from 5,300 to 15,091; farmers, from 5,051 to 10,890; individual assessments, from 48,314 to 105,471. The total number of individual assessments thus increased under the Moore Administration by 57,154 to 105,471. Yet hon. members opposite complain about the taxation that is being levied by the present Government!

I have at various times attempted to ascertain exactly the amount of increase in taxation under various headings that took place under the Moore Government. The figures supplied to me by the Treasury Department are as follows:—

1. Certain amendments of "The Income Tax Acts of 1924 to 1929" by the "Finance Act of 1930" including the reduction of the rate of exemption—			
Approximate revenue—			
	£	£	£
1929-30	500,000		
1930-31	220,000		
1931-32	570,000		
			1,290,000
2. Increase in rate of Succession Duty—			
Approximate revenue—			
	£	£	
1930-31	125,000		
1931-32	100,000		
			225,000
3. Increase in Betting Tax—			
Approximate revenue—			
	£		
1930-31	18,000		
1931-32	25,000		
			43,000
4. Unemployed Relief Tax—			
Revenue—			
	£		
1930-31	702,640		
1931-32	1,089,645		
			1,792,285
Grand Total			3,350,285

I wish to place that table on record in "Hansard" because it destroys the value and force of criticism of hon. members opposite. When they were faced with difficulties not as great as those which the present Administration are facing, they increased taxation by that enormous sum. They undoubtedly have their parliamentary right to indulge in criticism, but in the face of that record they have ethically, morally, and logically forfeited that right in respect of the present Administration.

Fortunately, the Budget contains no proposal to increase taxation during the present financial year. For that, the Government are entitled to commendation, because they are sorely oppressed financially.

At 12.45 p.m.,

The CHAIRMAN resumed the chair.

Mr. LARCOMBE: If an increase in taxation had been suggested by the Government it would have been fully justified. At the present time no Government in Australia can with honesty reduce taxation. They can reduce taxation like the Federal Government by budgeting for a deficit and increasing indirect taxation. They can do it like the Government in New South Wales are doing.

Mr. SPARKES: Are you not budgeting for a deficit also?

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Mr. LARCOMBE: We are not dishonestly budgeting for reduced taxation. That is the difference. When the present party were in power between 1915 and 1929 they gave relief to the taxpayers in many directions. They increased the primary exemption in income tax and pioneered reforms which enabled the taxpayer to deduct from his taxable income an amount in respect of his wife and children. They also gave relief from taxation to co-operative companies. They, too, instituted reforms in regard to company tax. The company with the lower rate of income paid the lower rate of taxation. Before the advent of the Labour Government in 1915 a small company earning a profit of 5 per cent. paid the same rate of taxation as the company earning a profit of 10 or 15 per cent. The Labour Government pioneered a reform providing for a lower rate of taxation on the smaller income of the trader as compared with that of the company earning a much higher rate of profit. When the Moore Government came into power they destroyed much of that protection. The primary income tax exemption was reduced. The promises made by hon. members opposite were ignored. They promised to repeal what they termed the hospital tax; they failed to do so. They promised to average incomes for the purposes of assessing income tax.

Mr. SPARKES: Do you believe in a hospital tax?

Mr. LARCOMBE: That is beside the point at the present time. I was a member of the Government that enforced that taxation, and I am not repudiating it.

Mr. SPARKES: Do you believe in it?

Mr. LARCOMBE: It is the best form of taxation that can be devised for hospital finance at the present time. Hon. members opposite admit that by their action, because, although they were in power for three years, they did not repeal it. When on the hustings these hon. members promised to average incomes over a period of five years for income tax purposes, but they repudiated that and other pledges in regard to taxation and imposed crushing burdens upon the people. That is no mere idle statement; it is confirmed by the Treasury figures which I have quoted.

It is pleasing to note that not only did the Government last year provide reasonable funds for relief of unemployment and for the revival of trade and industry during the last financial year, but are also providing substantial funds during the current financial year. For example, £3,300,000 is being provided from Loan Fund Account for the relief of unemployment and for the revival of trade and industry.

Mr. NIMMO: They won't spend it all.

Mr. LARCOMBE: I have already pointed out that, although £3,000,000 was not expended last year, the commitments plus the actual expenditure exceeded £3,000,000, so that the promise of this party when on the hustings of a revival loan of £2,500,000 has been practically carried out in one financial year.

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

Mr. TOZER (*Gympie*) [12.50 p.m.]: I listened attentively when the Treasurer read the Financial Statement, and since then I have carefully perused it. Of course, the Financial Statement appeals to people according to the way in which they view it. For example, the hon. member for Kennedy in his speech this morning practically pulled it to pieces, pointing out that the public debt is understated by £1,000,000, that the state of the trust funds is unsatisfactory, and that what are shown as assets in various trust accounts are not assets in actual fact. The hon. member quoted extensively to prove his case. He was followed by the hon. member for Rockhampton, who viewed the matter in an entirely different light. That hon. member also quoted figures which suited his case and endeavoured to show that the policy of the present Government is in the best interests of the State. Personally, I do not think that the procedure followed by the present Government is the proper one to adopt to improve the conditions in Queensland, because I cannot see that the constant borrowing of money, with consequential heavy taxation, will bring about the improvement that we all so earnestly desire. The time must come sooner or later when repayment has to be made. Perhaps it is the intention not to repay. Is that the idea behind the mind of the Government? Do they visualise our arriving at the stage that Russia has reached, when we will repudiate all our debts? Apparently that is the idea, because no real notice is being taken of the extent of our borrowings. We are borrowing to such an extent that we cannot pay the principal. Supposing, for the sake of illustration, that the State were regarded as a business institution and were called upon to liquidate its existing overdraft, what would be the position? Would it not be tantamount to one of insolvency? Yet we go on borrowing freely. Is it politically honest to do a thing like that? It is taking us all our time to pay our interest, and I believe that in the past we have actually borrowed money to pay interest. That does not seem to me to be the correct way to improve the financial position of the State.

In his policy speech the Treasurer dealt with financial matters, and stated—

“Relief from the burden of taxation can be looked for in the direction of a policy which is conducive to increasing employment resulting in greater industrial activities generally.”

Was that not said with the object of leading the electors to believe that there would be increased employment and greater industrial activity and no fresh burden of taxation? Speaking at a later period in *Gympie* he was asked whether that policy meant more taxation, and he replied “No”—that it would not mean more taxation.

Another statement in the policy speech was—

“It will be necessary to continue unemployed relief taxation until such time as Labour’s policy of stability in industry is achieved. We will therefore continue to extend revenue for unemployment, but under conditions whereby men will be recompensed for their services at the measure of value as defined by Arbitration Court awards.”

Was not that said with the object of leading the people to believe that further work would be given to them and that they would be paid at the full award rates fixed by the Industrial Court? The Treasurer’s words may have been ambiguous, but I submit that the meaning was that all the unemployed would get work at the full award rates, and, moreover, a full week’s work. That subject was discussed in Parliament. I remember one hon. member saying that the best thing anyone could do who thought the award rate was unreasonable was to try to live on it; and, further, that if anyone thought £3 a week was an unreasonable amount for relief work he should try to live on it himself. There is no doubt that the idea in the speaker’s mind was that the full award rates should be paid for unemployment relief work. The public believed that statement, and, thinking that they would thereby improve their conditions, voted for the present Government. What has been the effect?

The Budget states that there is to be no further taxation. That may be the intention, but I submit that there will be further taxation, because under the Bills being brought forward certain license fees are to be imposed. Are not those fees a form of taxation? They are taxation of a certain class of the people. The Pig Industry Bill contains a provision that piggeries shall be licensed, and the fees are to be fixed under the regulations. That will be taxation, and the receipts will come into the accounts of this year. We had the statement in the policy speech and in the last Budget that there would be no further taxation, but we know how taxation has increased. The receipts from taxation last year showed an increase over the estimate of £73,000 in income tax, £26,000 on account of stamp duty, £68,000 in land revenue, and £22,700 in other receipts. The income tax for the year brought in £1,743,000, or £69,000 more than the previous year, and land tax £442,580, or £96,000 more than the previous year. Although the intention is not to impose taxation, I submit that that intention will not be borne out by the facts this time next year. One of the results of taxation is to be found in the fact that in two years more than 40,000 individuals and companies have disappeared from the area of taxation.

At Toowoomba on the 25th May, 1932, the Treasurer said—

“The depression was man-made, and if they were courageous and intelligent enough they could alter its effect on the community.”

What has been done? The hon. gentleman got his mandate and should honour it. Why has he not done so? Why has it not given us results? Evidently, he has not fulfilled his promise.

At Nundah, on 3rd June, 1932, he said—

“Labour would vigorously attack the unemployment problem, which was the most serious problem of all. . . . Sizer’s intermittent relief scheme was not a solution of the difficulty. Labour would vigorously apply a method to restore the men to useful industry, and take them from relief work as quickly as possible.”

Has that promise been carried out? I submit it has not. Although the Treasurer did not believe in the unemployment relief

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scheme initiated by the late Secretary for Labour and Industry, he perpetuated that scheme and increased the taxation under it. No other scheme has been advanced. No new industry has been started; nothing has been done that would remove the unemployed from relief work.

At Ascot on the 20th June, 1932, the Treasurer said—

“Labour, unlike its opponents, was not content to sit down and wait, Micawber fashion, for something to turn up. It would administer a tonic to industry which would have its reflection in the increased prosperity of the whole State.”

That tonic, I think, has been a blow to industry. Increased taxation does not act as a tonic; it has just the opposite effect.

At Gympie, on 18th May, 1932 the Treasurer said—

“Labour does not promise things to the electors and carry out something else.”

What has been the result? What legislation has been brought in to carry into effect the definite statements made by the Treasurer? First of all, the Treasurer and his Cabinet reinstated the Northern railway strikers, at the same time rationing those employees who were already working in the department. That rationing and reappointment of the strikers meant a considerable sum of money to the State of Queensland. I understand that including those strikers over 250 persons have been reinstated or have obtained employment in the Railway Department since the Government took office. That is a considerable increase. In addition, over 1,100 persons were put into the civil service. That, of course, was of benefit to those who actually got the work, but the State have to pay them from loan money and from taxation. I submit there was really no necessity for increasing the number because the service had been reduced to a workable strength. The unemployment relief tax, which we were led to believe was to be practically abolished, was increased from 6d. to 9d. and from 9d. to 1s. in the £1. The increased fees under the Brands Acts also meant considerable taxation. Railway fares and freights were increased by 10 per cent. and then by 7½ per cent. This increase was not made applicable to suburban railway fares. We consider that that was unfair and unjust. All the people should be treated alike. One section should not be singled out for a special benefit. Freight rate concessions were granted to the Mount Isa Company, but the freight rate on wool was increased. We quite agree that all industries within this State should be assisted so far as the finances permit, but we strongly object to a concession to one company, whilst, at the same time, a burden is placed upon an important primary industry. The local authorities were once again made responsible for the expenditure incurred in connection with the treatment of infectious diseases. The local authorities were relieved of that burden by the late Government, an action which was of considerable benefit to the taxpayers within the areas concerned. The Government saw fit to appoint four ex-members of Parliament to Government positions, and this meant increased taxation to a certain extent.

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Prior to the last election campaign, the Treasurer definitely stated that he would not subscribe to the Premiers' Plan, and we anticipated that he would attend the Premiers' Conference somewhat like a roaring lion determined to upset the plan then in operation. He said that Labour could and would introduce an alternative plan. Eventually, he agreed to the plan that had already been formulated and put into operation.

At Gympie during the election campaign he stated that the Labour policy did not involve increased taxation, but we have had practically nothing but increased taxation since the return of the present Government to power. It was stated that Labour rule and good times were synonymous. The farmers were assured that it was only necessary to return Labour to power to have the price of butter and other primary products advanced to a reasonable level. That is very good propaganda, but it is not the truth. Ever since the return of the present Government the price of butter fat has declined, and it reached the alarmingly low figure of 6½d. per lb. There has been a general decline in the price of primary products since the last election.

The Treasurer definitely promised that a special revival loan of £2,500,000 from Queensland citizens would be invited, the money so raised to be utilised for reproductive works within the State. That loan did not eventuate, although money was obtained from other sources.

The fees charged in the Supreme Court, the magistrates courts, the wardens court, and the Licensing Court were considerably increased by the present Government. That is really increased taxation on the people. At one time it was possible to enter a defence in the magistrates court by a payment of a fee of 1s., but the fee was increased by the present Government to 10s., not for every defence, but on a sliding scale. The cost of filing a notice of motion in the Supreme Court at one time cost 1s., but that fee, too, was increased to 10s. The increases in court fees do not make for a reduction in the cost of litigation; they increase it.

Real property fees were also increased. In his Financial Statement the Treasurer states the increase in revenue received by the Titles Offices at Brisbane, Rockhampton, and Townsville is evidence of an improvement in real estate values, but that is not so at all. These fees have been greatly increased, and naturally there must be an increase in revenue from such fees. No stamp duty is paid at these offices. That is an entirely different item payable at an entirely different office. The statement by the Treasurer was absolutely misleading. If real estate fees are increased naturally the total receipts must increase. These fees are exceptionally heavy. Lately I had to do with an estate worth in the vicinity of £10,000—so far as the land was concerned not a very valuable one—and the fees on entering up transmission amounted to about £125. That is an instance of their severity.

An altogether new tax was imposed in connection with the registration of dairy bulls. It is true that the fee is only 5s. per head, but I understand that final notices are being sent out by the department and proceedings are threatened if the fees are not paid. It is evident from such demands

that the tax does not meet with the approval of dairy stockowners, and that the people are up in arms against its imposition.

Another tax has been imposed for the registration of stallions, the annual registration fee being £2 2s. It is compulsory for owners of stallions to have them examined. If owners are not satisfied with the result of the examination they may, on payment of a fee of £5, appeal to the chief veterinary surgeon. A number of stallions are being condemned for various reasons, some more serious than others.

The SECRETARY FOR AGRICULTURE: If the appeal is upheld the owner gets his money back.

Mr. TOZER: The difficulty is that the owners are usually men struggling on the land. They have as great difficulty in raising £5 as another person has in raising £100. We have considerable increase also in the income tax on individuals and companies. The Government have reimposed the super land tax. We also have additional taxation consequent on the reintroduction of the 44-hour week. That principle will entail considerable expense to the Government, which could have been avoided, because its reintroduction was not absolutely necessary. The Treasurer justified the 44-hour week by stating that it was part of the policy of the Government, but it means the payment by the Government of extra wages amounting to £295,000, comprising £35,000 to the police, £60,000 to public servants, and £200,000 to the employees of the Railway Department. This reduction in the hours of the working week is only a sop to the wages men. Other sections of the community have to work considerably more than forty-four or forty-eight hours. Why should one section of the community be more favoured than another? That is the weakness of the policy of the Labour Party. It caters for one section of the people as against the other section. Apparently the Government do not recognise that capital is of any interest or benefit to the community. In fact, their legislation suggests that employers are of no use at all. Their concern is for the employees only, and they attempt to enforce that policy against the rest of the community.

Other peculiar legislation introduced by the Government is that which legalised strikes, lock-outs, conspiracies, and unlawful assemblies. The previous Government had legislated on those matters, but the legislation was altered merely because pressure was brought to bear on the present Government by a certain section in the community. Moreover, an Australian Workers' Union secretary was appointed to the Industrial Court at £2,000 a year, which meant that more money had to come out of somebody's pocket in order to pay that salary, which was excessive, having regard to all the circumstances. Furthermore, the railway workshops were permitted to compete with private interests. In addition, although the Treasurer promised in his policy speech that it would be Labour's policy to make an economic survey of the transport problems, the Government introduced legislation without giving effect to that promise.

I mention all these matters as an offset to the remarks of the hon. member for Rockhampton that the Moore Government did not do things of a certain kind. I have given definite instances where the present Govern-

ment have not carried out what they promised faithfully to do.

The hon. member for Rockhampton said that the full force of the economic and financial blizzard was encountered by the present Government, and led the Committee to believe that the Moore Government had no difficulties to contend with. Perhaps it would be as well for me to refer to a statement made by Mr. McCormack, an ex-Premier of Queensland, who, at Birmingham, England, on 25th September, 1929, shortly after the Moore Government took office, said—

"Australia must face boldly her present difficulties in order that good may come from evil. Her difficulties arose as the result of wartime inflation, when her products were sold for high prices, when wages rose, and when conditions approached the ideal, but now Australia is entering the second period, that of deflation, and the process of going back will not be easy. Organised Labour has to realise that the ideal conditions must be sacrificed. As an example, her purchasing power will be diminished by the fall in wool prices."

That is a statement by an ex-Premier of Queensland—by a gentleman who up to that time at least was considered to be one of the leaders of the Labour Party. It goes to prove the erroneous nature of the statement made by the hon. member for Rockhampton.

In a statement which he made in this Parliament on the 6th August, 1924, Mr. McCormack said—

"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 you wish to benefit."

That is an important statement. Evidently he realised at that time that taxation was up to the limit and that the State would not stand much more. The increase in taxation under the Moore Government was very small indeed in comparison with the increase since. The present Government thoroughly believe in an increase in taxation and in imposing the heaviest taxes they can on certain classes in the community.

In Rockhampton, years later, on the 4th May, 1923, the same gentleman 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 many enemies for me both in business and Labour circles."

That is the very policy which was carried out by the Moore Government. They realised they had to live within their means and that the national income had fallen.

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We are accused of having reduced wages, but that was a principle of the Premiers' Plan, which was agreed to by all the Premiers of Australia, of whom at that time the majority were Labour. The present Treasurer subscribed to it, but he is not carrying it out—that is the only difference. If he were, he would be doing just as the Moore Government did.

The policy of the present Government is to borrow as much as they can from anyone who will lend, without any idea of repaying.

The SECRETARY FOR PUBLIC LANDS: You are wrong there.

Mr. TOZER: The Minister says I am wrong, but everything points to the truth of the statement, because the Government cannot pay their interest and they have never repaid any loans yet. There is certainly an amount to the credit of the sinking funds, which redeem Treasury bills to a certain amount each year; but the Government have never repaid any overseas loans, rather do they increase them continually. When Labour came into office in 1915 the loan indebtedness of the State was only £56,000,000. At that time the party said it did not believe in borrowing. I remember going to hear the late Mr. David Bowman's speech in Fortitude Valley, and listening to him condemning the policy of borrowing. He said there had been too much borrowing altogether, and that the Labour Government must stop borrowing. A little red book issued in 1915 stated—

"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."

There is no doubt that was the Labour policy at that time; but immediately the Labour Government got in they went in for a high borrowing policy. They borrowed at the rate of £4,000,000 a year. There was a short interval of three years when the Moore Government were in power, when there was no borrowing and the public debt was decreased—the only time of which I know when any Government decreased it. This Government have gone back to the old policy of borrowing. In their first year they got £3,000,000, and it is on the cards that they will borrow £3,300,000 this year. That will be over £6,000,000 for two years.

Mr. FOLEY: What is wrong with that?

Mr. TOZER: If that was borrowed and spent on reproductive work I would not raise any objection to it, but the Government have utilised the money in a wasteful way. For

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instance, £4,500,000 has been lost on State enterprises, and the money has to be repaid by the taxpayers. A sum of £1,030,000 has been lost on the Theodore irrigation scheme; that also has to be repaid by the State. What reproductive work can the Government show for the £3,000,000 they have borrowed already? I agree that the country has had the benefit of expenditure on road work. It is the intention now to spend money in the cities on buildings.

We have been challenged in connection with the deficit, and the late Mr. Barnes has very unjustly been accused of being the "father of deficits." What has been the result? The Labour Government, who have had the highest revenue of any Government, still have their deficits. Let me take the deficits for some of the preceding years—

£			
1930-31	...	...	842,044
1931-32	...	...	2,075,180
1932-33	...	...	1,554,444

The estimate for the year 1933-34 is £1,846,402. Taking the first two together, for which the Moore Government were responsible, the total is £2,917,224. In the next two years, the Smith-Peace Government are responsible for £3,402,846. That is £485,632 in excess of the deficits of the Moore Government in a similar period. The Government seem to think it desirable to be the holders of the deficit championship.

In four years the State's receipts have been or are expected to be—

£			
1930-31	...	...	15,072,652
1931-32	...	...	12,994,113
1932-33	...	...	13,396,644
1933-34	...	...	13,202,935

When the Moore Government came into power there was a fall in revenue, until in 1932 it reached bottom. Now it has increased. The expenditure for the same years has been or is expected to be—

£			
1930-31	...	...	15,914,696
1931-32	...	...	15,069,293
1932-33	...	...	14,951,088
1933-34	...	...	15,051,337

It will be seen that expenditure was reduced during the time the Moore Government were in power, but under the Smith-Peace Government it is increasing. Thus the present Government are not carrying out the principles of the Premiers' Plan.

The cost of exchange on money sent overseas in the last four financial years has been—

£			
1929-30	...	...	10,625
1930-31	...	...	511,452
1931-32	...	...	1,047,718
1932-33	...	...	1,075,768

So that the Moore Government had to meet rising exchange rates. In this respect no credit has been given to the late Mr. Barnes, although the present Treasurer has claimed that he is entitled to some sympathy because of the increase. What brought about the increase in the rate? I submit that the Government that were responsible for the large amount of interest paid were the Labour Government. When the Moore Government came into power in 1929 they found a cash balance of £4,902,227, but an

exhausted credit, and a falling revenue. They also found a public debt of £112,162,203. In addition to that public debt they had to face an interest bill of £5,170,948 per annum. Taxation per capita was £5 1s. 11d. The deficit, 1928-29, was £165,958, the public service was many thousands overstuffed, and loan works and services were losing £2,618,733 per annum.

The hon. member for Rockhampton said that the present Government had to meet the full blast of the depression, and that that was not the unfortunate circumstance which faced the Moore Government. His statement is not true. The full blast of the depression did strike the Moore Government. When the Moore Government went out of office the financial position of the State was comparatively good. There was a credit balance at the Treasury, and the national debt had actually been reduced—an achievement of which no other Government could boast. Conditions must have improved up to the time that the Moore Government went out of power.

When the Labour Party were first returned to power in 1915 there were practically no unemployed in the State, the amount required for outdoor relief being £5,000 per annum, but when they went out of office in 1929 the amount required to cope with the unemployment problem was £460,000. In 1931-32 the cost was £1,200,674, and in 1932-33 it was £1,771,111, or a difference of £570,437 in one year. In face of those figures we are calmly asked to believe that things have improved in Queensland—that everything is bright and happy, and that the sunshine of life abounds. The statement is absurd on the face of it. Many of the big firms are reducing hands, and the country is in a deplorable economic position. The position of the primary producers has come to such a pass that men are leaving the land. We are calmly asked to believe that things have improved when the figures clearly show that the unemployment problem demanded an increased expenditure of £570,437 last year.

An amount of £3,167,242 was appropriated last year from Loan Fund Account. One of the loudest cries against the Moore Government was that they did not spend all the amounts appropriated by Parliament. It was contended that if Parliament appropriated a sum of money it should be expended. Why do hon. members opposite not practise what they preached? An amount of over £3,000,000 was appropriated, but approximately £1,000,000 of that sum has not been spent. I realise that if money is not expended upon reproductive works benefit cannot accrue to the people as a whole, but if it is sound for hon. members opposite to argue that the late Government should have expended their total appropriation the same argument can be used against them, for they failed to do what they urged the late Government to do.

It has been stated that deficits have occurred in the past, but is it not a fact that Labour Governments had deficits even in prosperous times when everything was in their favour? They did not live within their means. The Moore Government had to meet liabilities left to them by the Labour Government, and the Moore Government met those liabilities fairly and squarely. Why charge the late Government with financial mismanagement when they can justifiably

claim that they managed the affairs of the State in a prudent manner? What would have been the position had the Labour Government been returned to power again in 1929. The policy in this State would have been similar to that adopted by the Lang Government in New South Wales. As a matter of fact, the policy of Mr. Lang and the policy of the present Treasurer are similar in many respects, and had the latter been returned to power in 1929 the position in Queensland would have been similar to that in New South Wales. The last State elections, both in Queensland and in New South Wales, were held on the same day, and the present Governments of the two States were returned to power on the same day. I propose now to make a comparison of the results. The finances of New South Wales were in a worse condition than ever previously known in the history of the State when the Nationalist Government were returned to power. That Government had to face huge deficits and unemployment. They realised that the only way to get New South Wales back to a prosperous footing was to decrease taxation and assist industry.

Mr. G. C. TAYLOR: And starve the workers.

Mr. TOZER: The hon. member must consider that there are other men in the State than the workers. Other men in Queensland do work than those whom the hon. member represents. Taxation in New South Wales was reduced by £2,000,000. In Queensland the Government increased it by £1,250,000. New South Wales reduced the unemployment relief by £400,000 per year; the Government in Queensland doubled the tax. New South Wales reduced railway fares and freights by £500,000; the Queensland Government increased fares and freights by from 7½ to 10 per cent. Then both the Federal and New South Wales Governments reduced taxation; the Queensland Government increased taxation in every way they possibly could, until scarcely a thing remains untaxed. New South Wales was successful in reducing the number of unemployed; the number in Queensland under Labour rule was increased. The Budget deficit in New South Wales was reduced by £10,000,000; the Labour Government in Queensland increased it, and last year showed a deficit of £1,554,444. Hon. members can compare the records of these two Governments, a Nationalist and a Labour Government, who were elected to office on the same day.

The present Government say that their policy is the correct policy for the people. I have given an example showing how the policies of the Nationalist Government in New South Wales and the Labour Government in Queensland work out. Can anyone with ordinary common sense say after analysing the results that the policy being carried out in Queensland is the correct one? The policy that the Moore Government were carrying out was the right one, and had they remained in power we would have found a totally different state of affairs in Queensland to-day than that which obtains. Unemployment relief is distributed according to whether the man is married or single, and if he is married according to the number of children he has, but no unemployed citizen receives a full week's work. Single men get a day's work one week and rations the next. Why do the Government make an exception of the man on the land? The man on the land is the backbone of this State;

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to him we look for the production of wealth. Through no fault of their own, simply through the failure of the season and poor prices, many primary producers have been compelled to appeal to the Government for assistance. Why should they be treated differently from the men in the city? The policy of the Government gives no relief work to the man on the land.

Mr. GLEDSON: That is wrong.

Mr. TOZER: The Secretary for Labour and Industry sent me a letter to that effect.

Mr. GLEDSON: He did not.

Mr. TOZER: Farmers afforded relief rations must repay the cost of that relief from future crops. The farmers get only a limited amount of rations, conditionally on signing an undertaking agreeing, when called upon, to give a lien or mortgage over his crops, or a mortgage over his holdings to repay the money or the value of goods advanced. In addition he must appoint the Secretary for Labour and Industry his attorney, practically authorising the latter to mortgage his property. Even under these rigorous conditions some applications for assistance are turned down, while the men who do get assistance only get it for a certain number of weeks. Application has to be constantly made to the Minister in order to get some concession in connection with rations. These people have to pay the unemployment relief tax on any income which they can show. Why in these circumstances should they not be treated exactly the same as anybody else? The present Government are at all times hitting at the man on the land. The Government are not game to tax the city people because they have in view the voting power there and will do nothing that will prejudice them at the next election. But the man on the land is taxed on all possible occasions, is discriminated against in the matter of railway fares and freights, and especially legislated against in the matter of taxation, as was instanced in the recent legislation supposedly passed to improve primary production in certain directions, but in reality having the effect of adding to the already heavy burden of the man on the land. Farmers know how to manage their businesses. Evidently the Government merely wait for the time when they can say to the primary producers, "Now it is time to tax you and we will do so by introducing fresh legislation."

In his Financial Statement the Treasurer referred to the fact that Commonwealth taxation from all sources exceeded that of the State Government.

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

Mr. BEDFORD (*Warrego*) [2.53 p.m.]: If I were to believe all that the hon. member for Gympie has said as to the moral beauty of the Moore Government and its superiority over the present Government I could only marvel at the tremendous ingratitude of the populace which threw them out at the last election and put back such an inferior crowd as this! But in a speech which consisted of post mortems, alibis, and that favourite little amusement called "passing the buck," there were many small statements which have no use in elucidating the position in

which we find ourselves, as represented by this Budget. It is an excellent Budget considering all the circumstances. A statement made by the hon. member for Gympie—a statement which he immediately found to be untenable and did not proceed with, was that this Government had been the cause of the increase in the exchange. The facts remain that when the Moore Government were in power the exchange on overseas payments in one year cost £10,000, but in the two financial years of the present Government the exchange payments have cost £1,075,000 each year. The Treasurer has gone to the root of the matter in showing that the State's interest charges on overseas debt represent nearly 70 per cent. of the total interest bill. It again becomes necessary to state that we are very badly treated by the overseas people, who have been living largely on this country for many years. A tremendous amount of money still goes out in interest on the top of the export of dividends, which have been so great that it has been a wonder that this country has been able to survive up to now. The Premier very rightly draws attention to the fact that the justice and equity of relief in the interest payments overseas cannot be disputed, but that there is no possibility of having them altered, especially in view of the fact that Australia has had such a bad mouthpiece in London. Although born in Australia, Mr. Bruce is not an Australian. He has been educated abroad and he has the same taint that the present Federal Government have—the taint of considering Australia as merely an appanage to Empire and not an entity of its own. With all this roaring of "repudiation," if we only ask for a rearrangement of interest dues, we are told that we must be British—even English, which is superior to British—that we must be English and avoid anything that has the slightest shadow of a suggestion of repudiation. But the fact remains that we only require from the overseas money-lender and the British Government some such treatment as they are giving to America in respect of the indebtedness for the war.

Mr. KENNY: What about America's attitude concerning the war debt?

Mr. BEDFORD: Since the hon. member tried to mislead the House the other day he is not worth noticing. The whole position of the repayment of the war debt is that the last instalment was paid by Finland only. All the others, while avoiding repudiation, could not pay and stopped paying.

Mr. RUSSELL: We have not paid.

Mr. BEDFORD: We made an arrangement with the British Government by which the instalments were to be suspended for three or four years. The British Government—who are held out to us as the pattern of respectability, a pattern from which we should not attempt to deviate in any of our arrangements about the payment of overseas debts—made a token payment of about 5 per cent. of the total due, and now ask either for 90 per cent. discount or that the token payments shall be accepted at 90 per cent. discount extending over fifty years.

If we wish we can see how the treatment of colonies in all ages has not varied from the time of Rome till now. Colonies have

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always been exploited. We are also up against the anachronism that the British Government, although themselves a Commonwealth, apparently regard colonies, including this Commonwealth, as something which they can exploit by preferential Customs duties, and in any other way which occurs to their fertile and experienced brains. The objection these gentlemen with British money invested here have against paying a little tax on their profits in this country is illustrated by the fact, for instance, that financial circles are painfully surprised at the action of the Metropolitan Gas Company in Melbourne in deducting the absentee tax from the interest on the 5½ per cent. debentures. There is, by the way, no new gilt edged investment in England offering 5½ per cent., and on the top of that rate they get the 25 per cent. exchange; yet they object to paying the absentee tax which has been considered necessary to protect the people who care enough for the country to live in it as against the people who care only enough for the country to exploit it. There is even a proposition that British trustees should boycott the debentures of the Melbourne Gas Company. If that is to be done, the sooner the better.

The putting out of feelers by Britain for the reduction of the American debt by 90 per cent. is surely at least no worse than an attempt on the part of Australia to get the British Government to do what they have done with their own conversion loans—that is, force a conversion, or help us to force a conversion of our overseas debt. The Australian Mutual Provident Society—even here in Australia, where conditions are gradually righting themselves, but not righting themselves except in the way of the worn out system which will lead us back into the same morass from which we lately emerged—the Australian Mutual Provident Society, which has money for investment, has now voluntarily reduced mortgage rates to 4½ per cent. Yet we are paying more than that on the most gilt-edged investment there can be in the world, as shown by the recent statement by British newspapers on the Australian Budget. Naturally, all these newspapers like the Australian Budget, they like the reduction of tariffs, they like all those things which are done without the single-heartedness which an Australian statesman would have with regard to financing the country did he not keep an eye and a-half on what would happen in England as a result. The "Economist" states—

"The reduction in taxation will considerably benefit British shipowners"—

whom we do not want to benefit—

"and the pastoral and other companies operating in Australia, while the extension of general purchasing power must assist the British exporters."

Note that there is nobody to be assisted here but the British exporter and the British investor. To be persona grata with Britain, we should promptly take all our duties off altogether! The London "Observer" states—

"The retrenchments forced on Australia were perhaps more severe than our own. They were forced. To-day she is able both to lighten the strain on her own citizens and assist the mother

country by a substantial advance along the road to Imperial preference."

We already give a preference amounting to about £8,000,000 in Customs duties, but we are as yet only advancing a little way "along the road to Imperial preference," which will prove the road to Australia's ruin. And then the "Observer" blithers that "the Sheffield forges are singing and the Bradford looms are crooning their long forgotten music." If they sing and croon long enough the Australian factories will be wailing a dirge. In the same paper it is stated that the Conservative Party conference declared that in addition to the restriction of imports a tariff should be imposed on imported meat.

It is stated that the Ottawa Conference advanced along the road to preference. It advanced very far along the road to Imperialism. It advanced so far that like everything that was done abroad by Mr. Bruce, it was done from the anti-Australian and principally from the Imperial standpoint.

There is another matter in which this Commonwealth Government is helping the other side of the world against Australia. Queensland has already been largely handicapped in industry by the fact that mass production in the larger populations of the South has badly affected the small secondary industries which have been struggling in Queensland. Now another blow is to be given to Queensland primary industry, that is, in the proposition that chartered companies should be brought into the Northern Territory and allowed to operate free of income tax, free of land tax, free of Customs duties, and free from all industrial legislation. That can have only a bad repercussion on the primary industries in Queensland. For instance, the Minister for the Interior said if necessary the Government would consider the granting to the companies security of tenure, and would guarantee possession for a period up to fifty years if required. The real intentions of the Government are disclosed in this earlier published statement:—

"The Government is advised that it is constitutionally possible to apply a special tariff to a territory or part of a territory although not possible in a case of a State or part of a State. The Government is prepared to introduce a special tariff for Northern Australia permitting importations direct or through State, either free of duty or at low rates. The Government is prepared to ask Parliament to give for a definite number of years exemption from land and income tax."

The statement that it is constitutionally possible to apply a special tariff to or exempt from Customs duties and land and income tax a territory but not a State is a quibble in the letter, but more than a quibble in its infraction of the spirit of the Constitution. The Commonwealth Constitution applies absolutely to the whole Continent of Australia and to Tasmania and a few islands off the New South Wales coast. The Northern Territory was acquired from South Australia under an agreement which included the recital:—

"In consideration of the surrender of the Northern Territory and the grant of rights to acquire and construct railways in South Australia proper."

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And then proceeded to set out that—

“The Commonwealth shall be responsible for State indebtedness in respect of the territory, and the Commonwealth shall construct a line from Port Darwin to a point on the northern boundary of South Australia proper.”

The Commonwealth has failed to carry out its contract of railway building. Senator Pearce, then a Labour Senator, was a member of the Government that introduced the Northern Territory Acceptance Bill, and Senator McGregor, Leader of the Government in the Senate, said—

“It was very fortunate that in 1863 South Australia took over the responsibility for the government and maintenance of the Northern Territory. It was fortunate because if that had not been done some other country might have taken possession, or Great Britain might have given a charter to a company to control the Territory.”

According to “Quick and Garran,” a foreign corporation includes every corporation established outside the Commonwealth, and cannot be either created or wound-up by Federal law. So much for the difficulty of control—not to be gotten over by the subterfuge of registering a foreign corporation as an Australian company. But the unconstitutionality of discrimination in taxation against any part of Australia is contained in the spirit of these words of the law—

“The Federal Government may not impose a tax which discriminates between States or parts of States. On the imposition of uniform duties of Customs, trade, commerce, and intercourse shall be absolutely free.”

Section 99 says—

“The Commonwealth shall not by any law, regulation of trade, commerce, or revenue, give preference to one State or any part thereof over another State or any part thereof.”

On this “Quick and Garran’s” annotation, page 845, is—

“Freedom of trade necessarily means that right to sell as well as the right to introduce, and the right to travel in order to sell.”

The same authors, on page 846, under the heading “Violation of this Law,” say—

“A tax on goods coming from other States unaccompanied by equal taxation on similar local goods, held to be unconstitutional and void.”

Thus commodities which had paid uniform Customs duty in Queensland or had been produced in Queensland or other States, meat, sugar, gold, or other primary commodities, under taxation for excise, unemployment relief, unemployment insurance, Federal and State land tax, and income tax, and subject to industrial legislation, could be under-sold in the States by goods which had been landed free or under a lower tariff, or by goods produced in the Northern Territory, not liable to land or income tax, or excise, or unemployment relief and unemployment insurance taxes, and free of legislation as to wages and hours of work. These would be sold in violation of the spirit of the Constitution, if the quibble of interpreta-

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tion between States and Territories succeeds; for if there be any power of the Commonwealth to vary Customs duties advantageously to the Northern Territory, goods admitted to the Northern Territory can be smuggled into Queensland, Western Australia, and South Australia, and operate against citizens of those States who have paid full duty.

Is this State to have a further handicap because of the greater populations of the other States, which is unavoidable, with the Opposition still saying “Hear, hear” to a proposal by the Commonwealth Government to do a lasting injury to this State, an injury which would extend over fifty years, that being the term of the concession? Let me state the position that inevitably must be faced sooner or later. Are we to have an admiration of things English to such an extent that we can complacently view the probability of the workhouse being as big an institution in Australia as it has been in England for some hundreds of years? Any one who can visualise the effect of the last dislocation of industry in the past few years will realise that the real workers of Australia must become debauched by this thing which does not look like work, but comes in just sufficient volume to please the loafer. It will in time destroy the good man. Anything would be better than that Australia should lose its greatest capital—the working ability of its people. For instance, the overseas interest bill of Australia is £28,000,000 per annum. The 25 per cent. exchange makes another £7,000,000. Preferential duties amount to £8,000,000 per annum. In order to stop the rot before it goes too far it would be better to cut out these and suspend the sinking fund payments of £7,714,325, until better times. A reduction of interest to 2½ per cent. would save £14,000,000 in interest and £3,500,000 in exchange. It is immeasurably better for Australia to face that position and to save £32,000,000 than see our manhood gradually deteriorate until by and by the people will be possessed of the same mendicant idea as obtains in older countries where people are used to it and do not regard it as anything but usual. To Australia it is a crime. It is worth anything—even the charge of repudiation—to insist upon a reduction of interest rates overseas. We should wipe out the preference that keeps certain Australians unemployed and presents Great Britain with £3,000,000 per annum which she should not have, seeing that she gives no reciprocity, and seeing that she proposes to out-Ottawa the Ottawa agreement by stating that there must be a restriction on the import of meat from the Dominions and duties on primary commodities. We should endeavour to reduce the annual payment overseas of £35,000,000 (including exchange), and we could do so by a just reduction of interest, suspending the sinking fund for a few years, and abolishing the preferential duties. We should endeavour to achieve that end despite any gibes that may be thrown at this party, accusing it of repudiation in respect of a matter which is not regarded as repudiation overseas. In that way we can advance this country and lift it out of the wreck, and we should do it despite overseas criticism of the proposal.

At 3.10 p.m.,

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

Mr. KENNY (*Cook*): I was not surprised to hear the speech delivered by the hon. member for Warrego, who is at all times recognised as being anti-British. The subject before the Chamber is the discussion of the Budget, but hon. members opposite endeavour to sidetrack the true position in which they find themselves by referring to the British Government.

Mr. BEDFORD: What about your false statement in this Chamber a few days ago?

Mr. KENNY: I thank the hon. member for the interjection, because it gives me the opportunity to reply. The statement by the Treasurer was the most ridiculous statement that any person could have made. I referred to the fact that the Government were carrying out a revaluation of cane lands throughout the northern part of the State for income tax purposes. I pointed out that in one particular case the unimproved value of the land had been increased from £622 to £2,460. I also pointed out that that taxpayer had to pay his land tax before he could appeal against the valuation. He had to incur a cost of £25 to brief a solicitor to fight the case on his behalf. I also pointed out that following the appeal the valuation of the land was reduced to £1,800; but out of the amount due to him by way of refund of land tax an amount of £26 9s. 10d. was deducted to pay for Federal taxation that had not then become due. The Treasurer, in attempting to evade the charge, made a statement in this Chamber the following day. He said—

“When the hon. member was speaking I felt that if the case were as he represented it to be it was one that required investigation. Consequently I took action that was necessary in order that the papers should be investigated. After a thorough investigation of the case in regard to taxation the Deputy Commissioner of Taxes informs me that the action taken was in Federal jurisdiction and that the State Government had nothing at all to do with the matter. Furthermore, the Deputy Commissioner informs me that the general statement of the hon. member for Cook, as reported in ‘Hansard,’ is grossly misleading.”

That statement may have been received by the Treasurer from the Deputy Commissioner of Taxes, but I say quite definitely that the hon. gentleman, while he has his slavish majority sitting behind him, can utilise his position—

The TEMPORARY CHAIRMAN: Order! I ask the hon. member to confine his remarks to the Financial Statement.

Mr. KENNY: Mr. King, any matter referring to the activities of the State is bound up in this debate. The whole system of taxation is bound up in it.

The TEMPORARY CHAIRMAN: Order! I am not going to allow the hon. member for Cook to develop a personal contest between the Treasurer and himself.

Mr. KENNY: I am not making this a personal contest between the Treasurer and myself. I am exercising my right of reply to charges made against me in this House. I can make that reply on this question. The Treasurer, with his slavish majority behind him, forced me to table papers dealing with the policy of his Government. When they were tabled he had an opportunity of per-

using them and saying whether I was wrong. What happened? I asked the Treasurer to table the reply which he received from the Deputy Commissioner of Taxes, and he refused.

The TEMPORARY CHAIRMAN: Order! I will not allow the hon. member to continue in that strain.

Mr. KENNY: The matter comes under the heading of taxation. However, I will leave it temporarily and deal with the Budget, but I again assert that taxation matters are wrapped up in this debate.

OPPOSITION MEMBERS: Hear, hear!

The TEMPORARY CHAIRMAN: Order! When I call the hon. member to order I expect him to obey. If he does not do so, I will call upon him to discontinue his speech and resume his seat.

Mr. KENNY: There is only one thing for me to do, Mr. King, and that is obey your ruling. I do so not because I believe it to be right, but because the majority of the Government can compel me to do so.

I have read with interest the Financial Statement, and I have perused the Tables and Estimates. I have compared the Budget with the Budget delivered by the Treasurer in 1931. After taking everything into consideration, after analysing the irregular transfers that have taken place, and after analysing the incorrect statements which were made in the latter Budget. I can realise the hopelessness of the Treasurer. He is in the position of Micawber waiting for something to turn up. His position is exposed by increased taxation and deficits. The Treasurer is evidently endeavouring to save his various funds for a splash during the election campaign in order that the poor unfortunate out-of-work can be utilised by giving him a vote then. I shall deal with his remarks fully in the course of my speech.

The Budget gives us no message of hope for the future. It contains no recognition of the fact that a reduction in taxation is necessary in order to restore confidence to the investing public and private industry. I find, further, on reading the speech delivered by the Treasurer as Leader of the Opposition in this Assembly in 1931, that he said that the Budget presented that year was the most lamentable effort ever presented to Parliament. It would be quite proper if I read that speech as applying to this Budget. As I go on I shall make comparison between the Budgets delivered in 1931 and 1932 with the one brought down by the Treasurer last week. The hon. gentleman stated in his reply to the 1931 Budget that the late Treasurer closed it with the advice to the people of Queensland to “be of good cheer.” He added that he might suggest that if he wished to supplement the quotation he should say also: “It is I; be not afraid.” The Treasurer himself told the people during the last election campaign: “It is I; be not afraid.” It gave the people confidence in him. The people believed that they had found in the Treasurer a modern Moses who was going to lead the people of Queensland out of their bondage. I do not think this modern Moses has been found. All the difficulties which had to be faced by the late Government still exist, but in a more intensified form. Greater troubles are facing our unfortunate people. The present

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Treasurer, speaking on 6th October, 1931, had this to say (vide page 1126 of "Hansard"), in referring to the late Treasurer—

"He is taking up an attitude like Micawber, hoping that something may turn up in the meantime, and that, in any case, this is the last year that he will have the responsibility. It is a case of 'After Barnes, the deluge!'"

The Treasurer was indeed prophetic. Unfortunately for Queensland it was the last opportunity which the hon. gentleman who was then the Treasurer had of presenting a Budget to Queensland. The hon. gentleman who is now Treasurer is indeed Micawber-like. The hon. member for Rockhampton and the hon. member for Warrego blame everyone but the present Queensland Government. They say in effect: "The British Government won't give us relief," and "The Commonwealth Government are attacking our primary industries in Queensland." Any excuse is advanced in an effort to divert attention from their own ineptitude. On the last occasion that the Treasurer presented his Financial Statement we were told that everything depended upon revenue. The Governor's Speech this session emphasised that any recovery was dependent upon a changed position overseas and a rise in price levels. Now we are told that everything depends upon getting relief from overseas interest payments. No heed was given to these matters when the Moore Government were in office. Very truly the Treasurer said: "After Barnes, the deluge!" We have had the deluge since the present Government took office, because we have had a deluge of debts, unemployment, taxation, irregular transfers of funds, incorrect statements, added deficits, and propaganda throughout the State. In the first year of the present Government's regime the public debt of Queensland has been increased by £2,619,070. For a clear comparison with the previous Government we must have regard to the £800,000 of Treasury bills redeemed by the Government during last year. Adding that to the public debt we find that the increase last year was £3,419,070. Surely that is a record! I shall deal with the deficits of the late Government as I proceed, but as mentioned in the Financial Statement, the total public debt has increased from £111,911,785 in 1932 to £114,530,855 in 1933. As against that, the Moore Government reduced the public debt of Queensland from £112,862,049 in 1929 to £111,911,785. Analysing the Budget figures we find that in addition to the increase of £2,619,070 in the public debt, the present Government will also be responsible for another £5,000,000 at the end of this financial year; so that the present Government in two years will have increased the public debt by approximately £8,000,000. Surely, that is a deluge of debt!

Then we find that the unemployment figures are the highest in the history of Queensland. From the Bureau of Industry appointed by the Labour Government we find that the unemployed registered in July, 1932, numbered 35,823. In 1933 in the same month the number was 40,464, or an increase of roughly 5,000. We have asked the Secretary for Labour and Industry for the correct figures, and he will not supply them. He says they will be supplied when the report of his department is published. He has the

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figures. Why is he afraid to give them to the people of Queensland? It is because he knows that the increase is greatly in excess of 5,000.

The SECRETARY FOR LABOUR AND INDUSTRY: You are not the people of Queensland; you are the tailors of Tooley street.

Mr. KENNY: We have a responsibility to the people to put the true facts before them. The information is denied to us by Ministers, and when we ask for information of vital importance to the State the Treasurer tells a deliberate lie in reply to a question.

The SECRETARY FOR PUBLIC LANDS: I rise to a point of order. The hon. member for Cook has stated that the Treasurer "tells a deliberate lie." I ask that he be ordered to withdraw it.

The TEMPORARY CHAIRMAN: Order! I ask the hon. member for Cook to withdraw the expression.

Mr. KENNY: As parliamentary procedure says that I must do so, I will withdraw it.

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

Mr. KENNY: I did.

The TEMPORARY CHAIRMAN: I ask the hon. member to withdraw unreservedly.

Mr. KENNY: I withdraw. Last year the taxation increased in this State very largely. Income tax increased by 25 per cent., to bring in an extra £311,812. The super land tax brought in £121,759. Railway charges increased by £325,000, but only on the people in the country districts—there was no increase in the suburban areas. Motor transport has been taxed to the extent of £250,000, and the transport regulation fees amount to £17,000. There was a total of new taxation of £1,025,571 last year. This taxation will be kept on during the current year. I have not taken into consideration the extra taxation imposed in regard to Supreme Court fees, fees under the Justices Acts or Brand Acts, the stallion fees, pig fees, and similar fees. The statement of the Secretary for Agriculture in reply to the hon. member for Gympie that the farmer had not been penalised was not correct. In order to enable us to compare the deficits last year with those of the previous Government we must therefore add £1,025,000 to that of the Treasurer, making it about £2,580,000.

In three years a reduction of £925,000 in the public debt was brought about by the Moore Government; last year the Labour Government were responsible for an increase of £4,444,641. That is about the annual increase under the ordinary loan programme in Queensland, when we went in for a "borrow, boom, and burst" policy; yet, despite that increase, we have record unemployment. We have again this year a special taxation of £250,000 on motorists—imposed to save the Government from having an increased deficit and to help them to pay the public servants their salaries.

I have referred to the attack on the Federal Government, and I now refer to the attack on Mr. Bruce, who represents Australia overseas. Surely that does not come within the ambit of this debate, but to side-track the attack on their own shortcomings hon. members opposite say that Mr.

Bruce is to blame for the unfortunate and hopeless position we are in; they also blame the British Government. If we did not have the British Government behind us protecting our Australian shores we would be in a hopeless position. The taxpayers of Great Britain are taxed for that purpose, and are meeting our obligations for us. Whilst hon. members opposite condemn the British Government, not one has said that America should reduce the interest rate to Queensland. That is because a Labour Government, when in power previously, paid 7 per cent. interest to America—the highest rate of interest ever paid by a Queensland Government.

During this debate molehills are made to appear like mountains in order to mislead the press and people of the State. I have not much opinion of the sincerity of the Government or of their ability as financiers. During a period in which other Australian Governments are reducing taxation and deficits, the Queensland Government are the only Government who are budgeting for an increased deficit, from £1,554,000 to £1,848,000.

Let me compare the deficit we are discussing, of £1,554,000, with the deficit of the late Treasurer, of £2,975,000. To last year's deficit we must add the increased taxation that was not levied by the late Government amounting to £1,025,000 and bringing the deficit to £2,580,015. So the present Labour Government had a deficit greater by £500,000 than was ever brought down by the late Government. But that does not seem to concern hon. members opposite. "After Barnes, the deluge!" the Treasurer has said. Hon. members opposite will agree with me that we have had our deluge of debt, we have had our deluge of taxation. We are having our deluge of deficits and we shall have the deluge of their results at a later time. I warn the people of Queensland that this policy may increase our public debt by between £10,000,000 and £12,000,000 in three years. If that happens we shall discover that we have to find nearly £500,000 more in interest on our already over-burdened people. And this though the interest burden is troubling the hon. gentleman to-day! It is quite all right if it is the intention of the Government to repudiate and default. This appears to be the deliberate policy of the Government, because, as a Government, they never intend to pay, but prefer to default, and save themselves at the expense of unfortunate taxpayers in other parts of the world. If it is not their intention to do that, then the extra money will have to be taken out of the pockets of our own people and we know how difficult it is to do that at the present time. The people are feeling the pinch already and will feel it to a greater extent in the future if the policy adopted by the present Government is persisted in. No consideration at all appears to be given to the future, although they have their own record to guide them; they do not heed the lessons of the past. On turning to Table "D" of the report of the taxes on income tax for last year we find that the only division of taxpayers which shows an increase in income comprise those in respect of incomes from £1 to £50; all the other headings show declines. In 1931-32 there were 19,709 taxpayers with a taxable income from £1 to £50. In 1932-33 there were 25,920. There is an increase in the number of 6,211, but those drawing

incomes over £50 decreased from 47,082 to 37,907, or by 9,175. These people will have to pay the extra taxes levied by this Government. The Government taxed the income at the source, they defeated their own ends because the tax has to be met by the poorer class of people throughout Queensland—those who are on the ordinary wage basis. The total taxable income for last year was £17,681,000. This year the taxable income has fallen to £15,478,000, or a decline of £2,203,000. The Treasurer knows that the taxable income will fall by another £1,000,000 this year, because he is budgeting for a reduced revenue of £193,000. Yet we have people who say that we have turned the corner and the rot has been stopped. If there was a rot, we have to-day reached the stage of decay. The position is getting worse. The rate of tax shows an increase of 25 per cent. Surely that should awaken hon. gentlemen opposite to a sense of their responsibilities! The task seems hopeless. They do not appear to realise where their policy is leading them.

The Treasurer has further evidence of that from the reports of the business community of this State. The annual reports of businesses in Queensland and in Australia generally show the effect of the increased taxation. In the annual report of McWhirters' Limited, for example, it was pointed out that the sales tax was £31,000, and it cost £300 in wages to make the returns demanded by the Government. Water rates amounted to £1,553. McKimmins Limited stated that 11s. 6d. in the £1 was taken by the taxing authorities. The South Brisbane Gas Company said that taxation absorbed nearly one-quarter of the profits for the year. A.C.F. and Shirleys Fertilizers Limited said that taxation was the largest single item of their expenditure. Finney, Isles, and Co., Limited, said that taxation represented more than 5 per cent. of their capital. The Australian Mutual Provident Society said that taxation exceeded the whole cost of management in Australia. The Australian Provincial Assurance Association Limited said that the saving by reason of economies which amounted to £34,000 in seven years was absorbed in increased taxation. A table was compiled by the insurance companies of Australia in respect of one year, and it was estimated that £1,735,926 was paid in taxation out of a total income of £8,000,000, and of that sum £1,500,000 was paid to Australian Governments. Those figures should awaken the Government to a sense of their responsibility to the people and to industry, but they pay no heed at all. When the Treasurer went to the country he told the people that they could look to Labour for a reduction in taxation; but taxation has been increased by £1,000,000.

The time has arrived when a commission of experts, excluding members of the public service, should be appointed to investigate the cost of the administration of government in Australia, and in Queensland in particular. The Budget clearly indicates that the Treasurer is in a hopeless position—merely drifting along hoping for something to turn up to ease the financial position. I am reminded of the advice tendered by him to the late Treasurer in 1931 when he quoted the little text, "Let there be peace in our time, O Lord." That text might very well be quoted to the Treasurer to-day. When hon. members on this side endeavour to

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point out to the Government the error of their ways the "gag" is very effectively applied. When "Grievances" were being discussed the other day prior to the opening of the Committee of Supply, and when the Opposition were pointing out the wrongs done by the Government, the Treasurer decided to use his brutal majority and applied the "gag." An opportunity to discuss grievances is a privilege that has been available to the minority in Parliaments ever since the days of King Charles. Never before has that privilege been denied, and after all these centuries it was left to a Labour Treasurer to say, "I am going to deprive the Opposition of this privilege."

Mr. BRASSINGTON: The late Government applied the "gag" on many occasions.

Mr. KENNY: Hon. members were never "gagged" during a discussion on "Grievances" in this Chamber. Members of the present Government took the late Government to task because there was a deficit of £723,185 in the financial year 1930-31. They would not admit that exchange and other factors had to be considered; but now the Treasurer deals extensively with what he terms the great interest burden and the exchange problem. Speaking in this Chamber as Leader of the Opposition in 1931, he said—

"The Treasurer has evidently endeavoured to make us believe that the exchange position accounts for the major portion of his deficit; but he gives no indication of any effort to deal with it. He appears to hope that the position will improve by the passage of time. It may be said that, in view of the recent increase in price levels and the increased movements in certain directions, the exchange position may improve, but the Treasurer does not give us any indication that his Government have dealt with the position in any way whatever."

The present Government are endeavouring to excuse the existing financial position by referring to the exchange difficulty. Have they taken any action to remedy the matter? When the Treasurer sat in opposition and was not compelled to carry the responsibilities of government he did not hesitate to tell the Government of the day that certain steps should be taken to overcome the difficulty. To-day his remarks apply with equal force to the policy of his own Government. What action is he taking to rectify the position? The Treasurer attacked us, as a party, for effecting economies under the financial emergency legislation. He said that the people feared the future. They fear it to-day. He said that purchases were being lessened, enterprise retarded, and development stifled under the policy of the Moore Government. Surely that applies with added force to-day! The unemployed are increasing by thousands—the report of the Bureau of Industry refers to the increase in unemployment as being 5,000. When the appeal was being made to the electors in 1932 hon. members opposite accused us of reducing the educational vote and depriving the people of educational facilities. I intend comparing the actual expenditure in 1931-32 with the estimated expenditure in 1933-34. In 1931-32 we spent £9,045 on the Training College. This year the estimate for the same purpose is £10,000. The additional endowment to Grammar Schools in 1931 was £9,533. (Government interjections.)

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The TEMPORARY CHAIRMAN: Order! I ask hon. members on my right to allow the speaker to continue his speech.

Mr. KENNY: The estimate for this year is £5,800. In 1931-32 £51,551 was spent on scholarships, whereas only £47,800 is provided this year. On these three items alone a total of £70,129 was spent by the late Government, in comparison with the estimate this year of £63,600, a drop of £6,529. Hon. members opposite condemned us for cutting out scholarships; nevertheless, they have less money on the Estimates this year for that purpose than we spent in 1931.

Mr. W. J. COPLEY: We spent more in one year than you did in three years.

Mr. KENNY: This year less money is provided for the purpose than was spent in 1931-32. The Government said that they were not responsible last year because the policy of the Moore Government was still operating. In order to reduce the number of scholarship holders the Government set a difficult examination paper for arithmetic which the children could not do.

Mr. P. K. COPLEY: That is not right, and you know it.

Mr. KENNY: The fact remains that the Government this year are providing less money for scholarships than we provided in 1931-32. We have there sufficient evidence for the condemnation of their policy. (Government interjections.) I know this is a sore point with hon. members opposite, but I have some more straight talk for them.

Mr. W. J. COPLEY: You are deliberately misrepresenting the position.

Mr. KENNY: The argument of the Treasurer on the Moore Budget and Estimates can be applied with greater force this year. I am reminded that during the election campaign the Deputy Premier said that "this cruel Government"—meaning the Moore Government—had taken a pipe of tobacco away from the poor old men in Dunwich. Let me compare the votes of the Moore Government and this Government for that department. The actual expenditure for Dunwich in 1931-32 was £24,046, whereas this year the estimate is £21,270. I ask the Deputy Premier whether his Government will take an extra pipe of tobacco this year from the poor old men in Dunwich?

Mr. GODFREY MORGAN: It is cheaper tobacco.

Mr. KENNY: It may be that cheaper tobacco is being provided for the old men in Dunwich. Let us now examine the vote for the Diamantina Hospital for incurable diseases. During our last year of office we spent £9,119 on it, but the estimate of the Government this year is £8,780. Yet this is the Government who were going to bring sunshine and happiness into the lives of these poor old people! They are taking the sunshine and happiness away from them. The members of the Government attacked the policy of the late Government in connection with State children, and accused us of being baby starvers. In 1931-32 the actual expenditure of the Moore Government on baby clinics was £4,172, whereas this year only £4,142 is provided. (Government interjections.)

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

Mr. KENNY: Now I come to the expenditure on base hospitals, which in 1931-32 was £4,800. That provision has been eliminated from the vote this year. Where is the reply to that charge? Yet highly-paid servants in this State can secure increases while the rank and file of the people have a curtailment in medical services.

Mr. W. J. COPLEY interjected.

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

At 3.53 p.m.,

The CHAIRMAN resumed the chair.

Mr. KENNY: At a time like this, when 35,000 workless men are walking the streets seeking employment, the Government should not give a man receiving £1,000 an increase of £50. I am quite definite in my statement in that regard. This is not the time to give increases whether a person is worth it or not. The following additional figures show that less is being provided by the present Government on the services mentioned than was the case last year—

		Expenditure, Estimate,	
		1931-32.	1933-34.
		£	£
Aerial	medical		
services	...	2,000	800
Prisons	...	9,495	9,200
Infants' homes	...	17,346	16,935

Stated shortly, £9,851 less is being provided this year on all the services I have mentioned. I give the Government credit for having increased the vote in respect of State children who are boarded out, but I know why that was done. The people to whom the children are boarded out have votes and the Government wish to get those votes at the next elections. They are robbing the unfortunates who have no votes, because they think they may be able to purchase political support.

I am reminded of another section who are meeting the eye of scrutiny to-day. I refer to the poor old aboriginal, who up to the present year has been paid interest on the money standing to the credit of his banking account. The Government have taken the unusual procedure of not paying any interest on the banking accounts of aboriginals. Why? Probably because the aboriginal has no vote. The Government are avoiding their responsibilities at the expense of the poor old aboriginal. Yet they talk glibly of the sweated conditions of the worker, while at the same time they are sweating the aboriginal for his interest.

The Government prefer to spend loan money for new public buildings rather than to repair old ones, because they know that in the latter case the cost would have to be borne by consolidated revenue. Many instances can be given where new buildings have been erected, although that could have been avoided had repairs been effected to existing buildings. In many instances repairs have not been done because the Government desire to keep their deficit down as low as possible. At the Mossman State School, for example, many veranda boards are missing and no steps have been available to that veranda for eight months. Although the Government cannot provide money to effect repairs there they can build new intermediate schools in the city. This

is not a time for building intermediate schools in the city, especially while children in the country lack the provision of decent schools.

The Budget tells us many strange things and shows the many extraordinary actions which have been taken by the Government. For example, prospecting assistance has in the past been provided from revenue, but because that would add to the deficit the Government are charging the amount to loan account. Again, the Government are passing the responsibility to future generations, contenting themselves with the thought, "Peace in our time, O Lord." We recall how the Secretary for Agriculture when he introduced his now famous bull tax legislation said that the Government would give dairy farmers £10,000 of the revenue collected. The Estimates are now available and we find that two herd testers, a veterinary surgeon, and an assistant herd tester, who were paid from revenue in the past, are being provided for from trust funds. In other words, they will be paid out of the Dairy Cattle Improvement Fund, so that the farmer is called upon to provide for the salaries of officials who were previously paid from revenue. Yet the Government say that the farmer is not discriminated against in the matter of taxation. If that is not a separate tax then I do not know what is.

The Premier in his Budget speech blames the late Government for letting the railway rolling stock run down, and suggests that this is one of the biggest causes of the difficulties being met to-day. That is a reflection on the Commissioner for Railways. What are the facts? Again I will quote the actual expenditure in 1931-32 as against the Estimates to-day. The maintenance branch in 1931-32 spent £1,107,989; this year's estimate is £1,020,320. The workshops spent £291,333 in 1931-32, while £289,670 is the estimate for this year. That is a reduction on two items of £85,332. How could that be the cause of the added deficit. With regard to loan construction work paid out of loan, the commitments in 1931-32 were £195,213, and the estimate for 1933-34 is £191,400, a reduction in this item of £3,813, making a total reduction in the Railway Department of £89,145. On looking for a reason for the reduction in the railway votes, I find that the number of railway employees paid out of loan in 1931-32 was 241, while in 1933-34 the number is only fifty-one. What is the reason? I will give it. The Government's policy to-day is to make all railway work unemployment relief work. Men have been put off full-time work and passed on to intermittent and rotational railway work. In that way the Government have reduced the basic wage for a man depending on loan money from this Government to the relief worker's wage.

The SECRETARY FOR LABOUR AND INDUSTRY: That is untrue.

Mr. KENNY: I have gone through the Minister's own Estimates and I find that in 1931-32 there were only seven men in the Chief Office, while in 1933-34 there are seventy-four; yet only £49,000 more is provided for rations. What is the necessity for the department to be increased from seven to seventy-four? Surely those men who depended on this Government have been betrayed by them! The policy to-day is to put these men on to the relief basis instead of keeping them on the basis on

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which they were on before. In his policy speech the Premier said—

“Give Labour the opportunity, during these critical and trying periods, to build anew where there has been so much destruction; to undertake the task of improving the living conditions of our people and to help bring light and happiness into the lives of men and women where at present there is darkness and despair.”

His promise to borrow £2,500,000 from Queensland citizens for an onward drive to better times is still awaiting fulfilment. What does his action show? I will let one of the men who were expecting relief reply to my question. I have here a letter written to the Northern press on 7th September, 1933. It states—

“Sir,—In his policy speech of April last year the Leader of the Queensland Labour party stated—

The National leaders of to-day—and I say this with feeling—are those . . . who in the past consumed their vigour and intellect in a struggle to . . . make us serfs and chattel-slaves.

The Labour Party, if returned to power, will . . . ensure the maximum amount of employment.

“Provision will also be made to include single unemployed men within the orbit of the Government’s unemployed measures.

“In spite of this—in spite of the usual opiate being peddled in the ‘Talkie Shop’ in contradiction to the Address in Reply of the Hon. Harry Bruce; in spite of the Government’s order of no travelling for rations; in spite of their supposed generosity of allowing single men one day’s work per fortnight, or of Mr. G. Martens’ contention that the unemployed should be recompensed for the rough rides they endure when train jumping, or of the Hon. P. Pease’s boast that shelter sheds are unnecessary because he and his colleagues are about to find employment for all; in spite even of Mr. J. Scullin’s heart bleeding for the unemployed, everything remains empty air, broken promises, political bunk. Thousands are unable to get that day’s work per fortnight, thousands are forced to travel for rations, and more thousands are without shelter. In Cairns last week men resident in the district for the past eighteen years were forced to travel for rations. In Innisfail men were refused rations, although eligible, because of their refusal to move on. In Gordonvale men were cut off their day’s work per fortnight because they were unnaturalised. One of these men fought and bled on the battlefields of Flanders in the uniform of the 20th Battalion, A.I.F., for the cause of ‘Democracy.’ To-day it smacks somewhat of Black and Tannery. Serfs had land, chattel-slaves—and I say this with feeling—had food, clothing, and shelter, while the unemployed under this more advanced system, functioned by our renowned Labour leaders, were lately well described (economically) in the House of Commons by a Scottish M.P. as ‘Australian coolies.’

“Yours, etc.,

“ONE OF THEM.”

[Mr. Kenny.

There is a cry from one of Labour’s own rank and file, which bears out my contention that the workers of this State have not received the benefit of the election promises of hon. members opposite. We do not wish to go any further than that. In 1931 the Treasurer, as Leader of the Opposition, said—

“Does the hon. gentleman ever think of the promises and pledges he made to the people of this State at the last election? When he lies in his bed at night, can he ever hear in his imagination the tramp, tramp of people whom he promised jobs.”

I ask that hon. gentleman when he lies in his bed at night now whether he can hear the tramp, tramp, tramp of those unfortunates who were depending on him as the modern Moses to lead them out of their bondage? Ten thousand more people are tramping to-day! The noise is growing louder. Surely the Treasurer can hear? The tramp, tramp, tramp goes unheard by the Treasurer and the Secretary for Labour and Industry. Some of those feet are growing feeble, but the added number is making the noise much louder. The Treasurer should be able to hear to-day. Hon. members opposite constitute a Government whose policy of increased loan expenditure was going to create employment in this State. That was their election pledge; that was their pledge in this Chamber. The number of Government employees for the year ended 30th June, 1933, increased by 300 in those paid from revenue, 318 in those paid from trust funds, and 457 in those paid from loan funds. It took 688 men, paid from revenue and trust funds to supervise 457 paid from loan funds. So hon. members opposite say, “We are on the road to better times; sunshine and happiness is on the horizon.” This policy cannot go on. What did the Government do to alleviate the position when they had the power? For the year 1932-33 Parliament approved of a loan expenditure of £3,167,000. The actual expenditure was £2,183,000, so that last year the Government short-spent by £973,221. No doubt members of the Government will tell me that this is due to the fact that works were uncompleted and that, if the money has not been spent up to the present, it will be spent this year.

I wish to refer to another statement made by the Deputy Premier when he was in opposition. It refers to this short-spending of money allocated by Parliament. On the 16th July, 1930, the Secretary for Public Lands said—

“The Minister in charge of the measure now in discussion and his colleagues in Parliament have betrayed Parliament by short-spending £500,000 of loan money which was approved by Parliament. If that had not been done then they would not have this unemployment position to cope with.”

Five hundred thousand pounds is not the total amount now! Parliament voted a sum of money to keep these men in work during the last financial year, but the members of the Government have betrayed the trust that Parliament placed in them and short-spent £500,000, which would have kept these men in employment. Where is the argument of the hon. gentleman opposite to-day, when £1,000,000 of their money has been short-spent? They have no reply. We are told in the Budget Speech that this year we

have £3,300,000 of loan money available, and other funds for similar work. Therefore the Government have £4,279,000 to spend this year, and they have a record in unemployment figures in this State. They will be able to spend £356,000 a month. For the first quarter of this year they have spent £140,143 of loan money a month; they have saved £215,458 every month they have been in office during the present year! Proceeding on that basis the Government will have saved £2,597,496 during the ensuing twelve months, but if, on the other hand, they expended that money in accordance with their programme submitted to the people they will provide work for 21,650 men at the basic wage for the next nine months. The rank and file are told by the Government that nothing more can be done for them. The Government have lost the confidence of the people. Why not go ahead and spend the full amount appropriated by Parliament so that an additional 21,650 men can be employed? Last year loan expenditure was increased by £2,228,000, but despite that fact unemployment in Queensland is to-day at the highest point in its history, definitely proving that the policy of the Government will not relieve the unemployment problem and bring sunshine and happiness into the homes of the people. The men and women throughout the State are clamouring for work at award rates, but the Government are prepared to give them only rations, doles, and relief work, determined to accumulate a fund to be used during the next election campaign to secure the votes of these people. The sum of £2,597,496 is to be conserved to provide work for the unemployed for a short period prior to the next election campaign when the Labour Party go forth to seek the votes of the people. The Labour Government claim that they are ever mindful of the requirements of the rank and file, but for the next two years they are prepared to compel the people generally to exist upon a semi-starvation basis whilst they accumulate a fund to be utilised in keeping Labour members of Parliament in their political jobs. The question should not be one of personal position. We owe a duty to the people, and I am endeavouring to point out to them that the Government have betrayed the trust they placed in them. The money should be spent in providing the necessary work.

Mr. FOLEY: Is there no responsibility upon private industry?

Mr. KENNY: There is; but private industry is being hindered by every Bill introduced by the present Government. Speaking in this Chamber in 1929—this is a fitting climax to my denunciation of the Government—the present Treasurer said—

“I cannot conceive of anything more callous or more calculated to defile the public life of this State than the spectacle of a party playing upon the susceptibilities of the people and their callously and cynically denying or evading their promises after they had obtained their votes.”

The Labour Party obtained the votes from the people by misrepresentation. Are hon. members opposite not cynically and callously denying to these people the right of employment?

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

Mr. C. TAYLOR (*Windsor*) [4.10 p.m.]: Quite a lot has been said during the debate about the rate of interest paid by this State on our overseas indebtedness, and it has been contended that we are being unjustly and unfairly treated by Great Britain in this respect. The criticism has been absolutely unfair and unjust, and is not borne out by the facts. Very severe criticism has been levelled against Mr. S. M. Bruce, the Commonwealth representative in London. It has been said that he has not the best interests of Australia at heart; in fact, that he is a real enemy to the best interests of this country. It is pitiable to hear hon. members opposite speak in that way of one of the greatest statesmen that Australia has produced. Since he has been in Great Britain he has carried out his duties in a most efficient manner. Hon. members opposite who complain about the rates of interest now being paid on our overseas indebtedness have surely not read the Budget, which says—

“At the present time Queensland has the option of redeeming 3 per cent. loans in London, amounting to £4,274,213, which mature on the 1st January, 1947.”

Why do the Government not exercise that option? For the next fourteen years we will pay 3 per cent. interest on a loan of £4,274,213, yet we are told that Great Britain is treating us unfairly! If we were fair, we would convert that loan now to 4 per cent. The criticism is unjust and unfair. Then we read on page 14—

“Conversions of Australian stocks have already been effected of 6½ per cent. loans for £11,409,565, 6 per cent. loans for £32,221,191, and 5½ per cent. loans for £5,951,000.”

All these conversions have been made at reduced rates—

“These loans have been converted at the reduced rates of 4 per cent. for £17,221,191 previously carrying 6 per cent.; 3½ per cent. for £15,000,000 6 per cent.; and £5,951,000 5½ per cent.; and 3½ per cent. for £11,409,565 6½ per cent.”

All these loans have been converted. A further passage in the Speech states—

“A Queensland 6 per cent. loan for £2,000,000 is included in the 4 per cent. conversion.”

I ask hon. members opposite if they, as bondholders in London, had advanced Australia money—this money was advanced by persons throughout the British Empire—or if they held Australian bonds carrying 6 per cent. interest, would they be inclined to take 4 per cent.? Not on your life. As a matter of fact, we are paying 3½ and 4 per cent. on our own conversions, and we want Great Britain to reduce our interest rate to 3 or 3½ per cent. It is most unfair, and I cannot understand hon. members opposite arguing as they do in connection with these loans. The Speech continues—

“Unfortunately, Queensland has no option of redeeming any loans carrying interest of 5 per cent. or over until the 1st July, 1934, on which date the option over a 5½ per cent. loan for £3,781,770 will take effect.”

“The next optional date in respect of 5 per cent. loans will operate from the 1st June, 1935, when a loan of

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£1,327,769, bearing that rate of interest, will become subject to redemption.

“Loans for £13,178,800, bearing 5 per cent. interest, may be redeemed on or after the 1st October, 1946, and loans for £19,713,325, bearing the same rate of interest, are redeemable on or after 1st July, 1945.

“It will be seen, therefore, that we have no prospect of obtaining any relief in the near future, unless we are afforded facilities in this direction not at present available.”

When the hon. member for Rockhampton was speaking, he said that had Mr. S. M. Bruce done his job in London he could have secured conversions amounting to £100,000,000. He made this statement notwithstanding the paragraph in the Budget stating—

“The arrangements agreed to by the Loan Council up to the present do not contemplate the conversion of any loans carrying an interest rate of less than 5 per cent.”

Everything that Mr. Bruce has done in London has had the full consent of the Australian Loan Council, of which the Treasurer is a member. To make comparisons with these loans is therefore unfair and not playing the game. One speaker in particular said that we have not had a fair deal from Great Britain, and that we have been exploited by Great Britain. If any exploitation has taken place, it has been by ourselves. Great Britain has been practically our only customer for our major exports in primary produce. That produce has been sent away not only from Queensland but also from the whole of Australia. To speak of the treatment of Australia by Great Britain in the way in which one hon. member has spoken is not the fair, just, and decent criticism which should be offered in this Chamber.

Mr. MOORE: We have not paid any interest on our war loans for three or four years.

Mr. C. TAYLOR: That is in order to give Australia a chance. That action has given Australia a chance. We are not mendicants. We claim to have a country equal to any other country in the world. Why should we approach Great Britain in the role of a mendicant and ask for this and for that? I would like to see interest rates reduced and will do all in my power in a fair and square way to get a reduction; but to attack Great Britain in the way that has been done by some hon. members opposite is not fair and just, and I will be no party to any such attack.

Mention has been made of repudiation and default. The two things are dissimilar. When a man defaults it signifies his inability to pay, but when he repudiates he may have the ability to pay and yet refuse to do so. Australia will neither repudiate nor default. We can carry on in this country. Quite a change has taken place in the value of many of our primary products which will be of great assistance in the future.

Reference has been made to the exchange position, which is a difficult subject to explain. I do not propose to elaborate on the subject but for the information of hon. members I quote the following extract from

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page 821 of the Federal “Hansard” of 15th April, 1931—

“Mr. Lazzarini asked the Treasurer, Mr. Theodore: Is it a fact that it costs £928,000 in bank charges to remit £3,800,000 in payment of Government debts.

“Mr. Theodore replied: Under the exchange pool arrangements, the Commonwealth pays to the pool the actual cost of purchasing London cover, plus 7s. 6d. for bank charge. In March the total remittances by the Commonwealth were £3,274,405, and the cost of exchange was £30 7s. 6d. per cent. or a total of £994,001, of this amount 7s. 6d. per cent. or £12,279 represented the bank charges and the balance of £982,322 would go to the benefit of exporters. There was a refund from the pool of £67,375 in respect of transactions prior to March, and the net cost to the Commonwealth was £927,225.”

Further in Federal “Hansard” of the 25th November, 1931, the following appears at page 1835:—

“Mr. Curtin asked the Treasurer to state whether the Government has made any proposals to the exchange pool regarding the reduction or maintenance of the present rate of exchange.

“The Treasurer replied: The Government has not asked the banks to reduce the exchange rate, on the contrary in consultation with the Commonwealth Bank the Government indicated that its policy was to endeavour to maintain the existing rate.”

It is shown quite clearly that, although Governments are suffering by reason of the amounts which have to be paid when remittances are made overseas, the exporters of produce from Australia are the gainers by the high rate of exchange which is prevailing at the present time.

The Treasurer in his Financial Statement referred to the fact that in 1929-30 the exchange paid by the Moore Government was only £10,729. That is correct, but the hon. gentleman did not refer to the fact that the Moore Administration also paid over £1,000,000 in exchange in remitting interest overseas for the other years that they were in power.

With regard to the prospects for the coming year, I do not look with any pleasurable anticipation to the fact that we are increasing our debt so rapidly. Every addition to the public debt means a corresponding increase in the interest bill. In his Financial Statement the Treasurer shows that the receipts for 1932-33 were £97,000 in excess of the estimate and proceeds to remark—

“This improvement was gratifying and was due mainly to increased revenue from income tax £73,000, stamp duty £26,000, land revenue £63,000, and £22,700 in certain other receipts. Railway receipts, however, fell short of anticipations by £74,000, land tax by £17,000, license fees by £14,000, and totalisator and betting tax by £13,000.”

Those are figures to which we give some consideration. We must try to realise what they will mean to us in the coming year, in view of the fact that the Government have taken action to increase expenditure when it was not necessary to do so. The

time when so many men are on relief work and getting such poor pay is not the time to make these increases or reduce the hours of work from forty-eight to forty-four. We could have gone on for another twelve months and seen how things were at the end of that period before making any change. The action is regrettable, because we have a hard row to hoe and are not yet out of our difficulties. While there may be an improvement we have a long way to go before we get back to normal conditions—by which I do not mean the wonderful, the abnormal conditions which existed six or eight years ago.

The income tax receipts last year amounted to £1,743,000, or £69,000 in excess of those of the previous year. This burden of taxation is preventing the expansion of existing industries and the establishment of new industries. People who are engaged in industry have to accept conditions as they find them, but people with money to invest would be fools to establish new industries in view of the present excessive taxation. We cannot return to stable conditions until we reduce our taxation. New South Wales and Victoria have budgeted for the remission of taxation, and the beneficial effect will be shown in the freedom with which people will establish industries and invest their money in those States. I am satisfied that under existing circumstances new industries will not be established here, and there will be very little expansion of existing industries.

The statement in the Budget that there will be no increase in taxation is something for which we are all thankful, for I agree with other hon. members who have spoken previously in this debate that the burden of the taxation put on the primary producer last session and this session in the shape of pin-pricking legislation does not encourage production.

A GOVERNMENT MEMBER: To what Bills do you refer?

Mr. C. TAYLOR: A number of Bills have been brought forward this session imposing taxation, such as the Pig Industry Bill and other small measures. Taxation is being imposed on men who are pioneering the country and who are responsible for any measure of prosperity which we enjoy. The primary producers were asked to grow more wheat, to produce more of this and that, and the Prime Minister has acknowledged that the balancing of budgets and the payment of interest depend largely on the primary producers. I, therefore, regret the introduction of legislation which will tend to prevent them from making a decent living.

Mr. RUSSELL (*Hamilton*) [4.29 p.m.]: The Government have had two years of office, and the time is opportune for a criticism of their financial methods. We know that finance is the test of government. The Government should now be asked whether they have carried out the promises they made two years ago and whether the country has benefited by their control of the Treasury benches. At the election in 1932 the Moore Government were accused of having dissipated the sum of £5,000,000, the amount of the cash balances in the Treasury on 30th June, 1932. The Premier made a great point of that in his policy speech, in order to show to the people that the Moore

Administration, by accumulating deficits amounting to £3,000,000, had mishandled the finances and consequently were not deserving of the support of the people. One would conclude that if it were true the Moore Government were guilty of malpractice or mishandling the finances; if the Labour Government could have shown a better result there would have been justification for the very adverse criticism which was levelled against the financial methods of the Moore Government.

After two years of Labour rule we must come to the conclusion that promises held out by that Government have not been fulfilled and that there has not been any appreciation in the financial position of the State. On the contrary, there has been a large depreciation. For the three years ended 30th June, 1932, the accumulated deficits of the Moore Administration were £3,640,000, but the greater part of that total—an amount of £2,000,000—was incurred in their last year. The deficits for the two preceding years, 1929-30 and 1930-31, were respectively £735,000 and £842,000. In the first year of office of the present Administration the deficit was £1,554,000, and in the present year the estimated deficit is £1,850,000. At the end of two years the present Government will have deficits amounting to £3,404,000, or only £200,000 less than the Moore Government had for a period of three years. At that rate of progress, the Labour Government must make a far worse showing at the end of their career than did the Moore Government. There is therefore no justification for all the misrepresentation which occurred in 1932 nor for the caustic criticism of the Moore Government's handling of the finances, because we maintained then, and we still maintain, that we felt the full effect of the tremendous world depression in our last year of office.

That statement is borne out by the fact that the revenue for the last year of the Moore Administration declined by £2,000,000. That decline was due to various causes, the main factor being the tremendous slump in the value of world production, which meant a decrease in the earning power of the community. Unfortunately, owing to the commitments inherited from previous Labour Administrations we were not in a position to overtake the gap between revenue and expenditure as rapidly as we would have liked. It was impossible to reduce our expenditure in complete ratio with the decrease in our revenue. I think we brought our expenditure down to £15,000,000 in our last year of office, which was roughly a saving of £1,750,000 in the space of three years. It seems to me that £15,000,000 is about the minimum expenditure for Queensland. The present Government have been able by extra taxation to obtain an additional revenue. Despite the fact that the Commissioner of Taxes showed that the aggregate taxable income in Queensland last year declined by £2,203,589, the Government were able to extract £110,179 more by way of income tax. Without the extra taxation imposed on our citizens, and without the transference of £250,000 from the Main Roads Fund to consolidated revenue, there is no doubt that the deficit of the Labour Administration last year would have been well over £2,000,000. The Government have made no progress whatsoever in bringing about a

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better financial position; on the contrary, the movement has been a retrograde one.

The State Budget shows up very badly when compared with the Federal Budget and the New South Wales Budget. We are in the habit of contending that this is the richest State in the Commonwealth, and no doubt we have tremendous resources. Despite the fact that New South Wales suffered from the blight of the Lang Administration—under which there was a deficit in one year of £14,000,000—and despite the fact that the depression in New South Wales was much more severe than it was in Queensland, the Stevens Government have determined to reduce taxation in a very thorough way. The Federal Budget also has given universal satisfaction. It has reduced taxation in various directions, and it has afforded relief to probably every section of the community. Whilst some of us would have liked to see the land tax abolished entirely, still we have to agree with the contention of the Federal Treasurer that he could not be expected to favour one section completely. Justice has been conferred on every section of the community. The property-owners will get relief by the removal of 50 per cent. of that very odious taxation on land which I have always contended is really a tax on capital—a tax on production, and should not exist at all. Pensions have been restored to the old people, and concessions have been granted to the Federal public servants. The Federal Treasurer has endeavoured to carry out the spirit of the Ottawa agreement by reducing duties on certain articles. He has reduced the sale tax on many commodities that are universally used. So that compared with the Federal and the New South Wales Budgets the Queensland Budget shows us very badly indeed. It is the most doleful Budget ever presented to a Queensland Parliament.

Despite the derision heaped on the Federal Budget, we have even the approbation of the "Daily Herald" of London, a Labour organ owned or conducted by Mr. Lansbury, Leader of the Labour Party in the British House of Commons. It is just as well that hon. members opposite should give credit where credit is due, and the remarks of the "Daily Herald" are in direct contrast with the ridicule heaped on the Federal Budget by Mr. Scullin and his followers. I am citing the remarks of Mr. Lansbury because there must be a good deal of affinity, or there is supposed to be a good deal of affinity between Labour Parties throughout the world. Mr. Lansbury said—

"The 'Herald' is moved to acknowledge that this 'Recovery Budget' is the excellent result of the strenuous efforts of the Government and the people of Australia."

That attitude is in complete contradistinction to the moanings of Mr. Scullin and his followers.

The Queensland Budget proposes to continue the present system of intermittent relief initiated by the Moore Government and the granting of rations to single persons in certain cases, and the giving of assistance in other directions. The amount expended for relief purposes generally now amounts to almost £2,000,000 per annum. That is a terrible travesty on our boasted civilisation. That in a State like Queens-

land, with its small population, it should be necessary to find £2,000,000 for the relief of unemployment is certainly a reproach to us all. Whilst the Moore Government were forced as a palliative to impose the unemployment relief tax, it was never thought that this form of taxation would be permanent. It seems to me that we are encouraging many people to lean on the Government too much. It is our duty to relieve want and distress, especially amongst people deserving assistance, but I should like to see a better system of relief rather than a continuation of the present dole.

Past history tells us that nations have come to grief through handing out largesse and granting doles to the multitude in the course of which the morale of the people becomes sapped. As this process goes on there is less inclination on the part of a great number of the recipients to get out of the condition in which they find themselves. Surely we can find some better method than doling out this money week after week in respect of works which have neither use nor utility! If we could invest this money in public utilities, whether State or municipal, the loans could be so conditioned as to provide for redemption and interest. It would be preferable to the present methods of chipping footpaths in the towns and other work where the return is very little. Greater encouragement should be given to rural development. The scheme carried out by the Land Administration Board at the instigation of the Moore Government under the winter relief scheme by way of assisting settlers to clear their land by ring-barking and other methods should be continued. The Budget does not give any credit to the Moore Administration for introducing that scheme towards the close of their career. The Land Administration Board has suggested that as the selector borrowing the money has the responsibility of repayment he should be allowed to choose his own labour instead of being compelled to take the labour forced on him by the Labour Bureau. The scheme was inclined to break down on account of the original drastic labour conditions. The report of the Land Administration Board shows that 97 per cent. of the borrowers had met their repayments. That is a line of action that might be followed to the utmost. The Government should desist in any undue interference with the borrower.

I do not intend to go into the mass of figures detailed in the Speech because they have been well dissected by previous speakers. One or two important issues have been raised by the Treasurer to which I desire to allude. Reference is made to the World Economic Conference. We all regret that, owing to international jealousy particularly, nothing of practical interest was achieved thereat. There is no doubt that the conference broke down chiefly through the indifference of the United States of America. The President of the United States of America was more concerned with the rehabilitation of his own country than with any scheme for international rehabilitation. Some years ago the Macmillan Committee recognised that the main hope for the rehabilitation of the world lay, not in international agreements, but by the raising of prices of commodities and the stabilisation of currencies. Unfortunately, so many divergent views difficult of reconciliation were presented before the conference with the result that it broke down. To-day we have

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the spectacle of each nation, as before, battling for its own interests. America, in particular, is standing aloof from other nations, and is trying out a national recovery plan which, if successful, will be afforded a good deal of support throughout the world, but in the event of failure, it will bring terrible disaster to that country. Already events portend that the plan is breaking down. The aspirations of the President have not been achieved. There is a good deal of internal turmoil. Millions of people throughout the United States of America are on the verge of starvation. That shows, as we have often pointed out, that artificial schemes offending the economic law must eventually fail. But it does not mean that the countries comprising the British Empire should fold their hands and wait until something turns up. To some extent I sympathise with the Government now in office in the enormous task which confronts them. They have not been able to do any better than the Moore Government—in fact they have done worse—and if the present policy is pursued it must land them in a position that at the next election they will receive the disapprobation of the electors. As we know, the electors will clutch at any straw; they will support any plan which they think might improve their welfare. At the last election the public were absolutely deceived by the promises of the party now in office, the Moore Government being held responsible for the stagnation and unemployment which existed at that time. The same position will occur, probably in a much more serious form at the next election, because the present policy of borrowing money is simply a continuation of the policy followed by Labour during the fourteen years they were in office. They constantly preach that in times of economic crises public works should be accelerated and that Governments should spend money because private enterprise owing to depression in trade and other causes cannot employ all the men who are seeking employment. That has been their cry for years, but we find that even in prosperous times they carried out the same policy. They made no provision for bad times, and there is no doubt that a good deal of our present troubles are due to a wrong administration of this country, and particularly of the finances. It has been Labour's policy to borrow from £4,000,000 to £5,000,000 per annum in order to create a state of artificial prosperity under which every man should get a job and earn good wages, every inhabitant of the country getting his share of the prosperity created by artificial means. During the Moore Government's term of office that system went by the board. Loan money was refused to us by the Loan Council because we had cash balances available. The present Government gloat over the fact that they have the luck to have loan money granted to them. It is not the "revival loan" that the Treasurer mentioned at Mackay. The Queensland Government received its quota of loan money in conformity with the plan adopted at the Premiers' Conference and the Loan Council wherein each State got its share on the basis of population, etc., less any amount it had on hand. It is sheer nonsense to say that such money is the first instalment of the so-called "revival loan." What about the scheme of selling municipal debentures over the counter? But despite all these things we must have some sympathy with the Government. We are all desirous of seeing

this country emerge from her difficulties, and whilst we naturally are incensed at the unfair treatment accorded to us at the last election, that does not debar us from endeavouring to help the Government to put the finances of the State in a proper condition. Therefore, while we may be somewhat critical of the proposals of the Government, we are quite prepared to fall into line with any reasonable scheme that is evolved for the rehabilitation not only of this country but also of the Commonwealth and of the British Empire.

I was stating a moment or two ago that, owing to the failure of the World Economic Conference, it devolves upon the component parts of the Empire to get into closer relationship by way of interchange of commodities, and also to consider a scheme that will bring about some stabilisation of currency and for the raising of commodity prices within the Empire. That was the objective of most Empire statesmen, and no doubt that was at the back of Mr. Bruce's mind at the Ottawa Conference. It is the policy of the present Federal Government, and is a broader policy and one that will be infinitely more successful than the idea that we in Australia should live by "taking in one another's washing" as it were—acting as "one-way traffickers," talking about high protection and expecting other nations to buy our goods, while we will take nothing from them. That is the attitude of hon. members opposite. Our safety lies in a closer connection between the component parts of the Empire; we should direct our efforts to the objective of bringing about that desirable closer relationship. Despite all the talk about the teeming millions of the East and what they can buy, we must depend on the old country as the best market for the majority of our products. We cannot get away from that fact and we must be prepared to make some concession. Therefore, our policy should be directed towards the completion of a closer union between the component parts of the Empire for trade and defence purposes, so that we can present a united front to the world; other nations, with their economic nationalism, prejudices, and jealousies can go their own way. I think we are strong enough to be self-contained and self-reliant. In his Budget speech, the Premier states—

"Australia does not appear likely to obtain any material advantages from the Ottawa Conference; indeed, variations have since been made in important directions limiting the agreements that were arranged on that occasion."

It is strange that, no matter from what section of the community you ask for an opinion of the Ottawa Conference, you generally get the same reply. There is no doubt that there has been a big outcry from sectional interests in Australia. The high protectionists are against the Ottawa agreement, because it means a certain amount of importation of British manufactured goods, but they forget that a large amount of protection is reserved to them, on the top of which we have primage duty and a very high rate of exchange operating against the importation of goods from Great Britain. I say that with these advantages the manufacturers of Australia have no case whatever.

On the other hand, the manufacturers in Great Britain are complaining that the principle of Ottawa has been broken, and that

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the Australian Government have not carried out their pledges in regard to the agreement. The agreement provided that British goods should be admitted at a certain rate of duty, giving them a big preference over goods from foreign nations. The British manufacturers say that we have not yet put into effect the lower duties we agreed to at Ottawa, on the top of which a higher rate of exchange obtains, in addition to primago duty. I am merely pointing this out to show that manufacturers in Australia are against the Ottawa agreement for one reason, and British manufacturers for the opposite reason. We also have a large section of the Country Party complaining that whilst we are getting a solid preference in Great Britain on many of our primary exports we have not carried out the agreement whereby they will be able to import a great many of the necessities required in their particular industries on the levels of the duties agreed to at Ottawa.

The Labour Party in Australia are against it, and our friend the hon. member for Warrego is against it too, for one reason that he is a noted Anglophobe and anything we do of advantage to Great Britain is looked upon by him as an affront to Australia. I do not hold those views at all. I often wonder what would become of Australia without the Ottawa agreement. Under the agreement we have a protection on a great number of our primary products—butter, eggs, dried milk, condensed milk, and many other lines. If we were expected to compete with Denmark, Argentina, and other countries on an equal basis would there not be an outcry against the callousness of Great Britain? It is a concession that Great Britain has jettisoned her policy of freetrade to such an extent after having followed it for nearly a hundred years. It has been the policy there to have absolutely freetrade; in fact the doctrine of freetrade has sunk into the marrow bones of the people, and to talk about anything else has till lately been looked upon as rank heresy. When I was over there a few years ago I had the temerity to suggest that Britain's salvation lay in the protection of her industries. At that time the market had been flooded with cheap goods from Germany and Japan and other places, while British artisans were walking the streets. I said, "The remedy lies in protecting your manufacturers against foreign dumping." I was laughed at for suggesting such a thing. The Labour Party in Great Britain are opponents of the policy of protection. A recent press report stated—

"London, 5th September.

"The Trade Union Congress to-day adopted a motion urging the Government to conclude without delay a permanent commercial treaty with Soviet similar to the treaties recently negotiated with other countries and also to extend adequate credits to Russia to enable her to place increased orders in Britain."

That is, lend her money to ship goods to Great Britain. This was the policy adopted by the Labour Party. Mr. Ramsay MacDonald, the leader of the Labour Party, was one of the greatest advocates of trade with Russia that we ever had, but he has been converted to the true faith. I am glad to say.

Mr. FOLEY interjected.

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Mr. RUSSELL: We prefer that Great Britain should buy our products and that Russia should take a back seat. The British Government did that, and they show by their action that they only desire to trade with friendly countries. They have certainly made an agreement with Denmark. Denmark buys an enormous quantity of British coal and textiles. It is fair that she should get some preference over a country like Russia, which has repudiated its debts. Russia owes millions of pounds to private traders in Great Britain. I am showing how unpatriotic is the attitude of the Labour Party in both countries. I am not an advocate of freetrade. Our own industries should be protected but we must look to Great Britain as being the best market for our products. I take strong exception to the adverse criticism of the Ottawa Conference. I think Australia has a lot to gain by it and I am hoping that the spirit and the real letter of the agreement, which meant a closer union between the component parts of the Empire, will be carried out. I am glad that the Tariff Board has made certain recommendations in order to put into effect what was agreed upon. In this regard the great work performed by Mr. Bruce deserves the highest commendation, despite all the aspersions on his character and despite all the untrue statements about his material interests. Mr. Bruce has rendered a true service to Australia, and this criticism of him is part and parcel of the propaganda of the Labour Party. They fear Mr. Bruce. They know very well that if Mr. Bruce led our party at the next election Labour would be wiped out. This gamut of abuse has been levelled against one of the best men ever produced within Australia despite the aspersions and sneers of the hon. member for Warrego.

Another thing which I would suggest is that, in addition to the closer union between the component parts of the Empire, the principle of the Ottawa agreement be employed in arranging commercial treaties with friendly nations. Of course, that is a scheme that would be condemned by the Labour Party, who are certainly the strongest advocates in Australia of high protection. They have a mistaken idea that Australia can not only manufacture for herself, but also export her commodities. In an address by a leading manufacturer, I heard strong advocacy of the imposition of high tariff duties in order that we could manufacture textiles in Australia on such a large scale as to utilise all our wool, bring out immigrants from the old country who would be the consumers of those textiles, and then sell our surplus manufacture in Europe. That scheme was fantastic. What chance has Australia, with its high living conditions and its high rates of wages, of manufacturing and then selling its goods in European countries with their embargoes against the importation of Australian goods? We have not the population to manufacture on a large scale. I would like to see our artisans employed; but our safety lies in the exportation of our primary products and the arrangement of treaties with friendly nations who will buy our raw products and from whom we must buy some goods in return. Shipping will thus be kept going both ways and freights will be reduced. It is impossible for Australia to continue in its policy of isolation. I hope the Labour Party will see the force of my argument. The policy of Labour is only enunciated in

order to throw dust in the eyes of the electors. It paints a rosy picture of artisans in the towns getting high wages and consuming our products. However, the consumption of wool in Australia is only about 10 per cent. of the total clip, the rest being exported. In the same category as wool are many other commodities, such as butter. Our policy should be to seek bilateral treaties with friendly nations. I have a very strong sympathy with a proposal to send out trade representatives to blaze the trail for our exporters and manufacturers. Queensland, as a primary producing country, must benefit from any scheme of reciprocity within the Empire and with other nations. Whilst I should like to see the Federal Government make a determined effort to follow the example of other countries which send out their emissaries all over the world to seek new markets, I am parochial enough to hope that Queensland itself will make a move in the same direction. I am inclined to think that under our Federal system of government Queensland is somewhat in the backwash in many things, notably in the matter of appointments. It is only natural that with the big population in the South that the big political pull is in the South. We who live in the North must bestir ourselves and we must rely to a greater extent on our own initiative and our own resources. A few days ago I advocated that the Queensland Government should take steps to secure new markets without waiting for a Federal effort. I think we can do it.

MR. MOORE: A market is being sought for coal.

MR. RUSSELL: I do not want to throw cold water on the scheme, but I do not think there is much chance of success. I hope that the mission will be successful. We have our own office in London, which might be utilised to a greater extent as a commercial bureau. We should have a few young men attached to it who can go on to the various markets of the United Kingdom with the object of seeking new avenues for our primary products. I think a good deal can be done in that direction. I mention these things to show that the Opposition are anxious to approve of any measure that will bring greater prosperity to this State.

It is a reproach to a rich State like Queensland to see so many people out of work, and I cannot believe that the methods of the present Government are going to alleviate that condition at all. It is the continuation of a practice which has grown up in Australia. It is still growing, and it must tend to retard the development of the State. We are piling up taxation year after year, and this alone must tend to retard our progress. Some hon. members assert that private enterprise has failed. That is a stupid statement to make. If private enterprise were allowed to continue without molestation it would not fail. It would provide a great deal of employment; but how can one expect private enterprise to continue with a tremendous load of taxation? Queensland is the highest taxed State in the Commonwealth. What chance have we of competing with Victoria, with about one-third of the burden of income taxation and one-third the burden of municipal rates? None whatever. Let us remove that taxation and give industry a "fair go." We have so many commitments

that the Government are at their wits' end to know where to raise money.

The greatest tragedy of the unemployment evil is the number of boys and girls out of work. It is estimated that about 15,000 youths between the ages of sixteen and twenty years are out of work in Queensland. The employers discharge young people when they arrive at the age of eighteen or nineteen years because of the high rate of wages that they are compelled to pay under the awards. In prosperous times, when there is a big demand for young people, nobody objects to the payment of high rates of wages to juniors, but to-day, with a scarcity of work, with drastic cuts in the wages paid to seniors, it is stupid in the extreme to fix high rates of wages for juniors. For their own protection and because they cannot compete with their neighbours, employers are reluctantly compelled to get rid of many young people when they arrive at the most useful age. I mention this matter because I feel very strongly on it. The greatest tragedy of the unemployment evil is the number of boys and girls out of work. Rather than that they should remain idle, it is far better that a lesser rate should be arranged. I cannot understand why the Industrial Court does not see the absolute necessity of revising the scale of wages paid to juniors. It could make the commencing wage less and spread the increases over a longer period. That would mean that a great number of young people would be retained in employment. I believe that the majority of the employers are patriotic enough to keep them on if they were allowed to employ them at a reasonable wage; but the present wage is not reasonable. It is absurd to expect a boy of twenty-one years of age to be paid £3 14s. per week. He is not worth it under present conditions. Under prosperous conditions, yes. If the scheme were revised and the scale of increases was spread over a longer period, I venture to say that not only would the employers be encouraged to retain those that are employed to-day, but many more out of work would be employed. I make that suggestion to the Government in all seriousness and sincerity; it is their bounden duty to give the matter early attention. If that is followed out a greater number of youths will be employed in useful employment. They will learn something, instead of staying at home or idling their time about the streets—as they are doing to-day—doing no good to themselves and sapping their moral fibre. It is to these youths that we look to be the citizens of the future, and on whom depends the successful future of our country. It is the duty of the Government to make the means easy to provide work for these people. It can be found. The Government are blind to the right methods. They are obsessed with the preservation of what they call their "industrial code." They prefer to see men remain out of work rather than see the code broken.

MR. FOLEY: While you were in power you employed less youths under your system.

MR. RUSSELL: Under my suggestion we would employ more.

MR. FOLEY: You employed less when you were in power.

MR. RUSSELL: The Budget predicts a deficit of £1,860,000. I hope it will not be

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any more. As the hon. member for Windsor pointed out, the policy to-day is to borrow in order to provide employment, because it is alleged that private enterprise is not capable of finding work for all the employees. The chickens will come home to roost. We are in the same position to-day as we were some years ago. Our interest bill is mounting up year by year. Owing to the small increase in our population the burden of debt must fall on the shoulders of the few. Therefore, our burden of taxation must inevitably increase. If we retard an increase in population we must increase taxation, and fall back in the march of progress. As compared with other States Queensland should have the best opportunity, but the enormous load of taxation does not give us a chance to compete with other States. I do not wish to see our State held up in its progress by financial mismanagement. The electors will take true cognisance of what is occurring, and the party opposite who succeeded to office on extravagant promises will meet the fate they deserve.

The House resumed.

The CHAIRMAN reported progress, and asked leave to sit again.

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

The House adjourned at 5.16 p.m.