

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 12 OCTOBER 1933

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QUESTIONS.

SUGGESTED TOBACCO EXPERIMENT STATION IN
TEXAS DISTRICT.

Mr. COSTELLO (*Carnarvon*) asked the Secretary for Agriculture—

“In view of the allocation by the Commonwealth Government of £20,000 for investigation and instruction in connection with the tobacco industry, will he give favourable consideration to the establishment of an experiment station in the Texas district for the purpose of demonstrating to tobacco-growers the various phases of this industry, including growing, pests and diseases, curing, and grading for the Australian market?”

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

“I have no particulars at present as to the terms upon which the money referred to has been allocated, and until this information is available it is impossible to give any indication as to how the grant, if there is one, will be expended. In the expenditure of any money on tobacco investigations that may be placed at my disposal the Texas district will not be overlooked. I have already approved of experimental fertilizer trials for the Texas district.”

GOVERNMENT RELIEF FOR NECESSITOUS
FARMERS.

Mr. GRIMSTONE (*Stanley*) asked the Secretary for Labour and Industry—

“1. In reference to his statement in answer to a question on 5rd instant that ration assistance only is given to destitute farmers and that such assistance is subject to a condition of repayment, does this policy apply in the case of destitute share-farmers?”

“2. If so, will he give further consideration to this matter, in view of the fact that most share-farmers own no property and are often in worse circumstances than men with homes in cities and towns who are eligible for relief work without any condition of repayment?”

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

“1. As a general policy—no. The hon. member was communicated with by letter on 1st July and advised that there is no general provision that ration relief is only granted to farmers on condition that they repay such relief, but each case is taken on its merits, and where it is considered the circumstances of the applicant justify it, arrangements are made for an undertaking to repay being given to the department.

“2. See answer to No. 1.”

PURR PULL INDEPENDENT OILS, LIMITED—
ADVERTISING SPACE IN “COURIER-MAIL.”

Mr. FUNNELL (*Brisbane*) asked the Premier—

“Is he aware of the fact that the Purr Pull Independent Oils, Limited, wholesale petrol distributors, who have largely been responsible for the general reduction in the price of petrol?”

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

ASSENT TO BILLS.

Mr. SPEAKER announced the receipt of messages from His Excellency the Deputy Governor, intimating His Excellency's assent to the following Bills:—

Main Roads Fund Transfer Approval Bill.

Trade Coupons Bill.

Pig Industry Bill.

Money Lenders Act Amendment Bill.

Liens on Crops of Sugar Cane Act Amendment Bill.

Mr. SPEAKER: Hon. members will observe that a new method is being adopted in announcing the assent of Bills. Previously assent to each Bill has been announced separately, and placed on the business-sheet in that manner. This meant a duplication of printing to an extent which was becoming very expensive. In future, in cases where assent to more than one Bill is conveyed by message from His Excellency the Governor on the same day, I propose, with the consent of the House, to ask him to be good enough to accept the new form, in order to save the time of the House and reduce expense in the printing of messages.

HONOURABLE MEMBERS: Hear, hear!

Queensland, have been refused advertising space by the Queensland Newspaper Proprietary Company, Limited, in the 'Courier-Mail' newspaper?"

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

"Yes, I am informed that the 'Courier-Mail' have refused to publish advertisements from this company which have appeared in the 'Standard,' 'Truth,' and 'Telegraph,' as well as the 'Sydney Morning Herald' and other Southern newspapers."

MOTOR SPIRIT VENDORS BILL.

THIRD READING.

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

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

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. LLEWELYN (*Toowoomba*) [10.39 a.m.]: At the outset I desire to congratulate the Treasurer on the excellent Financial Statement that he submitted for the consideration of Parliament. A noticeable feature of that Statement is that, notwithstanding that no increased taxation is imposed, grants and subsidies to social services, which have been severely handicapped for some years, are not being curtailed. I can appreciate the feelings of thankfulness of various organisations throughout the State when they realise that they need have no anxiety as to grants or subsidies for the current year.

Mr. KENNY: They are lower than for 1931-32.

Mr. LLEWELYN: I have perused the figures, and I do think the hon. member's statement is true.

A wonderful season is now being experienced throughout the State, and if that happy state of affairs continues for some time to come, I am hopeful that it will have the effect of making our revenues more buoyant. I have no desire to pose as a prophet, but I am exceedingly hopeful that the revenue which the State will receive this financial year will be greater than the Treasurer anticipates. Prospects of a heavy yield of wheat are exceedingly bright, and should the season continue to be favourable there will probably be a record harvest of that grain. It is unfortunately likely that low prices will prevail. Present indications are that for the ensuing season the wheat farmer will receive a lower price than for some years past.

Mr. COSTELLO: What is the Wheat Board doing?

Mr. LLEWELYN: I am of opinion that last year the Wheat Board acted unwisely in

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not accepting the conditions agreed to by the Government. For the information of the Committee I shall particularise those conditions.

In November, 1932, the Government agreed to the following proposal in respect to the sale of wheat for the current season:—

"(1) The Wheat Board to negotiate for the sale to Queensland flourmillers of the whole of the wheat of millable quality on the basis of 3s. 6½d. per bushel at growers' stations for Q1 quality, with dockages for wheat below Q1.

"(2) In the event of wheat values declining in Southern and overseas markets, the board price of 3s. 6½d. per bushel to remain unaltered.

"(3) In the event of the price of wheat advancing beyond the then existing Sydney Harbour (3s. per bushel) or New South Wales country station value, the price of wheat to Queensland millers to be increased by a similar amount. The increase in price by the board shall not, under any circumstances, exceed the limit of 1s. per bushel.

"(4) The price of 3s. 6½d. shall include any monetary assistance rendered by the Federal Government, the moneys made available to be utilised in the reduction of freight charges on wheat.

"(5) The powers contained in the Sugar Acquisition Act and the Profiteering Prevention Act to be continued in operation in so far as the provisions of these Acts apply to wheat and flour, with a view to stabilising the price of these commodities."

A conference of the Wheat Board and the Queensland flourmillers was held on 15th and 16th November, 1932, when the above proposals were submitted but were rejected by the Wheat Board, who were of the opinion that a better price could be obtained for the growers on the open market. I hope that, if the powers contained in the Sugar Acquisition Act are put to the test, we shall find that the conditions and regulations contained therein will be valid so that our wheat industry may be protected against the dumping of Southern flour in Queensland.

Mr. COSTELLO: The Moore Government used the Act effectively.

Mr. LLEWELYN: We have used it effectively too, but there has been no chance of testing its validity. It will be remembered that for months an attempt was made to get the farmers supplying the Wheat Board to agree to the conditions set out, and the delay by the wheatgrowers in agreeing to them has resulted in additional overhead costs and a great deal of anxiety to the wheatgrowers, which, had the conditions been agreed to in the first instance, would not have been the case.

As negotiations had again broken down, the millers had no alternative but to import their flour requirements from the South, and in all approximately 3,000,000 bushels of Southern wheat were purchased by the Queensland millers. On 23rd February the Government, consequent on the rejection by the Wheat Board of the proposals for the purchase of the Queensland crop, decided to withdraw their offer, which allowed the board absolute freedom of action in promoting the sale of its product. Eventually a further conference between the board and

the millers was held on 3rd April, when the board accepted the offer of the millers for the purchase of the whole of the millable wheat, amounting to 1,800,000 bushels, at a price of 3s. 3½d. per bushel at growers' stations for wheat of Q1 grade, with dock-ages of 1½d. and 3d. per bushel for Q2 and Q2A grades respectively. This price did not include the Federal grant, amounting to approximately 3d. per bushel.

The price received by the growers is really the same as the Government's original offer in November last year. By the Wheat Board's delay in accepting these terms, pool expenses have increased. The expenses of the pool, averaged over the seasons 1929-30, 1930-31, and 1931-32, were approximately 3.5d. per bushel, whereas it is anticipated that the expenses for the 1932-33 season will be 6d. per bushel. In addition, the Darling Harbour price when the Government's original offer was made was 3s. per bushel, whereas the price at Darling Harbour when the board agreed to the millers' proposals in April was 3s. 1d. As it was provided that in the event of the price of wheat advancing beyond the existing Darling Harbour price, the price to Queensland millers would be increased by a similar amount, the growers have suffered a distinct loss of 1d. per bushel on account of the Wheat Board's delay. Had the offer been accepted in November, the growers would have received 1d. per bushel more above Sydney parity than they are now receiving.

I believe that the members of the Wheat Board were animated by a desire to do the very best they could for the wheatgrowers, although they did not do quite so well as would have been the case had they accepted the agreement in the first instance. Although there will be a large yield of wheat this year, I can only hope that the Wheat Board will do all they possibly can to obtain for the wheatgrower the highest possible price for his commodity.

During the debate on the Address in Reply some hon. members have referred to the policy of the present Government as regards the conditions prevailing in the industry; in no uncertain manner they have condemned unionists and the principles of unionism. There has never previously been greater need for the most strict observance of the principles of unionism and all that it stands for. The regulations under the Shops and Factories Acts sadly needed tightening up. The definition of "factory" in the Act is a place "where two or more persons are employed in the use of machinery or power." The main principle of the Acts was the regulation of the hours in shops and factories, and also strict supervision in regard to the hours of opening and closing. At the present time, owing to the large number of unemployed, there are very grave abuses which require the strictest supervision to prevent the growth of insidious methods of evasion of the law and its pernicious effects. The prevailing economic conditions are responsible; but the practices to which they have given rise should be discouraged in every way. A motor mechanic working at home can do repair work very much more cheaply than in a workshop, owing to the fact that he has no overhead charges. Whilst I have no objection—nor can anyone as far as I can see have any substantial reason to object—to a tradesman doing certain classes of work at his home, the prac-

tice to which objection is taken is that such men commence and finish at any time, whereas if they worked the same hours in a workshop they would claim overtime pay. Another danger is that the individual who has no regular employment is encouraged to do this class of work, and it all makes for a system of cut-throat competition which can only have the result of disorganising the skilled trades.

The hon. member for East Toowoomba on the Address in Reply mentioned what he evidently regarded as the pernicious effects of unionism in the timber trade. Nothing could be more misleading than his statement. I have it on the authority of the manager of one of the big mills in the Toowoomba district that he has no objection to unionism at all, that he has never experienced any trouble, and would prefer to employ the genuine unionist than the man who has been compelled to join the union. Other similar expressions of opinion can be obtained from men in the industry to which the hon. member referred. The real position must be well known to hon. members, particularly those representing country electorates. Small mills are established close to timber tracts in order to effect considerable savings in the cost of transportation. These mills are consequently away from the supervision of the inspectors of the Department of Labour, and thus can constantly evade the conditions laid down in the awards of the Industrial Court. They are not subject to the conditions laid down by the Factories and Shops Acts, because they are without the defined factories and shops areas. They are thus enabled to sell rough and dressed timber more cheaply than the sawmills situated in the towns, which are within such area. The mills within such an area have not the opportunity of contravening the awards of the court or the Factories and Shops Acts even if they desired to do so. I do not suggest that the owners of timber mills in Toowoomba do desire to do so. I know that they are anxious at all times to play the game with their men, but they are up against very severe competition from those who operate outside the area who are able to keep their gates open before and after hours. It would be in the best interests of the millowners and of their employees if the conditions laid down by industrial awards and the Factories and Shops Acts were strictly observed.

Another phase of severe cut-throat competition is to be found in the building trade. I do not think that any other class of skilled workmen have been so seriously affected by the blight of economic conditions as those associated with the building trade. Rather than embark upon relief work, carpenters are prepared to band themselves together to carry out work under what they term a contract, which stipulates that they shall divide the surplus after all accounts have been paid. The amount that is divided does not in any way approach the award wage of £1 1s. a day. I know of my own personal knowledge that builders working under this system, even within the factories and shops area, commence before 8 o'clock, work after 5 o'clock in the afternoon, and even on Saturday afternoon. They are prepared to contract themselves out of the provisions of legal enactments. This position was particularly well exemplified by a court case recently heard by the

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industrial magistrate in Toowoomba. This report of the proceedings appeared in the Toowoomba "Chronicle"—

"STARVATION WAGES.

"ALLEGATION IN COURT.

"Contractor's Breach.

"Industrial Prosecution.

"The practice of letting out piecework in the building trade was strongly condemned by the industrial inspector (Mr. H. W. Riethmuller) in the summons court yesterday. He declared that such methods had been common among Toowoomba builders and had resulted in men being employed on 'starvation wages.'

"The case before the court was a breach of the building trades award by Archibald Cecil Bain, contractor, in that he employed a carpenter and a plumber on piecework.

"Inspector Riethmuller informed Mr. F. C. M. Burne, P.M., that he had inspected a cottage being erected by the defendant by contract, and had found that he was supplying the building material for the jobs and was letting the work of erection to various men for labour only. The employee who had contracted to do the plumbing work, labour only, had stated that he was receiving £11 for the job. The defendant had stated, however, that he was paying only £9 10s. 'These cases, I consider, have a good deal of importance,' the inspector continued. 'The practice has become prevalent in the last few years in the building trade to let out work under these so-called contracts for labour only.'

"The Police Magistrate: Did you see this contract?"

"Inspector Riethmuller: There was no written contract; there was only a verbal agreement. Under the 1929 Act it was very difficult, but in the amended Act passed last year the definition of an employee has been restored.

"Explaining the method adopted in letting out the work, Inspector Riethmuller said that a builder would go from employee to employee until a bedrock price had been reached. This resulted in the making of starvation wages, as the men were getting work at a price at which they could not possibly make living wages. The parties really contracted themselves out of the award. The defendant before the court had not been in the business long, and had fallen into the system which was in vogue when he came to Toowoomba. It was necessary, however, that the case should receive publicity so that there would be no further breaches of the award in this direction."

Other arguments were reported, but what I have read demonstrates very forcibly my point that cut-throat competition methods have in some instances been winked at; it is time in the interests of all parties that this practice ceased.

I now come to the Toowoomba Foundry dispute. After my reference to this matter last session I had hoped that it would not be necessary for me to refer to it again, but statements made in this House by the

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Leader of the Opposition and the hon. member for East Toowoomba compel me to do so. The Leader of the Opposition, when referring to the action taken by the Toowoomba Foundry to remove part of its plant to Sydney, is reported to have stated that the company employed 230 men at their Sydney works and only 60 in Toowoomba. I can only attribute this statement to the assumption that the Leader of the Opposition was misinformed. There are 170 men now employed by the Toowoomba Foundry Company in its workshops at Toowoomba. A conference was recently held between the Secretary for Labour and Industry, the managing director of the company (Mr. Boyce), and the representative of the unions in connection with the men who have been locked out from the Toowoomba works. Mr. Boyce distinctly told the Minister that 170 men were employed in the Toowoomba works. The hon. member for East Toowoomba, in the course of a speech in this Chamber, asked the question, "Could anything be alleged against the management of this company?" To that I answer very definitely, "Yes." The company has at all times attempted to break down the long-established principles of unionism. It has attempted to degrade its tradesmen and drive them out of employment; it has endeavoured to flout the awards and establish a rule for itself. The hon. member for East Toowoomba made the statement that the men interested in the company had travelled the world, not on health jaunts, but to gain experience. I am informed that one of the partners only worked for a short period in an English workshop, and I understand that he did not actually work as a mechanic in the Toowoomba workshops after he returned. Another partner went abroad on a trip, and certainly combined business with pleasure. Mr. Boyce, the managing director, served in the war, and, of course, took full advantage of every opportunity to add to his experience and knowledge, and there is no doubt that the additional experience and knowledge obtained were used in the business on his return. The hon. member for East Toowoomba claimed that he was talking about something that he knew. I can only say that the persons who went overseas did not engage in active bench work or give any demonstration of their aptitude for skilled work when they returned to the Toowoomba foundry, so that it looks to me as if their journeyings overseas were of no material benefit to the company. The success of the operations of the Toowoomba Foundry Company is largely due to the brains of its workers, of whom 27 have been victimised for fighting for their undoubted rights. The company discontinued the manufacture of locomotives because there was more profit in windmills and other agricultural plant. It was not the "dog of unionism," to use the expression of the hon. member for East Toowoomba, that prevented it from carrying on. It had sufficient vision to foster an industry needed by Australia. The unions never interfered with this company from 1915 until 1932, when the company retaliated for the action of the unions in appealing against the foundry award—the so-called "Brigden Award." The hon. member for East Toowoomba claimed that the legislation passed by the Moore Government in respect of the Toowoomba Foundry Company was not enacted for the purpose of lowering wages or lengthening hours, but

it is well known that the hours were lengthened and the wages reduced in the iron industry in Queensland to suit this company.

Mr. SIZER: To allow the Toowoomba Foundry Company to compete with its rivals.

Mr. LLEWELYN: The company is quite able to compete with Southern firms. At competitive prices the company supplied the Commonwealth Government this year with six large pumping outfits for use on the transcontinental railway. Last year the company also supplied a large plant for Darwin.

The hon. member for East Toowoomba asked what had happened since the change of Government. I can tell the hon. member that since the return of the Labour Party to power section 62 (b) of "The Industrialment Act of 1931" has been repealed in order that in consequence of the industrial conditions the company had decided to move some of its activities elsewhere. It may interest the hon. member to know that the work being done in Sydney is galvanised iron work on towers for windmills, and that work was being done in Sydney when the Moore Government were in office; indeed, it would be done there irrespective of what Government were in power in Queensland, because of the desire of the company to save freight both ways. For example, angle and flat wrought iron is bought at Newcastle, and if the work was not done in Sydney it would mean that freight would have to be paid on the raw material to Toowoomba and on the finished article from Toowoomba to the South. Under these circumstances it was necessary for the company to have workshops in Sydney where galvanised iron work could be done.

Mr. SIZER: Do you really think that a company would close up its operations in Queensland, where it has been established for many years, merely to save freight?

Mr. LLEWELYN: I am positive that what I have stated about the Sydney workshops is correct. As a matter of fact, hon. members know that very little galvanising was done to the windmills produced by the Toowoomba Foundry Company. Outside of Queensland the best customer of the company was Western Australia. In the meantime the American Aero Motor Company entered into competition with the Toowoomba Foundry Company in Western Australia and compelled the Toowoomba Foundry Company to use galvanised iron; otherwise the other company would have received the business. It was therefore decided to shift the dies, punches, and templates, also the air rivetters and the Heine press, to Sydney. All that was done was done for the sake of convenience and economy, and not owing to the stringency of labour conditions or union interference. It is worthy of note that all that was shifted to Sydney would fill only one railway "F" wagon, and that the removal was not such a vast thing as the Leader of the Opposition, the hon. member for East Toowoomba, or the members of the Toowoomba Foundry Company would have the public believe.

Mr. SIZER: What would you say if the company did shift?

Mr. LLEWELYN: I would be a false prophet, for I say it is not going to shift. In 1912 it was decided to add to the company's activities and do the moulding and machinery sections, but after carrying on for some considerable time the company found that the industrial conditions did not suit it, and that the mills could be made more cheaply in Toowoomba, so the manufacture of mills was discontinued in Sydney and the work was done in Toowoomba despite the alleged "dog of unionism." The claim that the galvanising section has been sent to Sydney is not true, for the simple reason that the company never had any such plant in Toowoomba, nor ever would have even if labour were 25 per cent. cheaper than it is at the present time, or if the "Brigden Award" still existed. This work would still be done in Sydney.

The facts of the trouble that occurred last year, as the result of which twenty-seven men were locked out, are well known. It will be remembered that the foundry management never dispensed with any employees. The men never left their work, except for the three days per week. The men who refused to put up with the tyranny of the company had notices sent to them that if they did not return their places would be filled. Thirty or thirty-five returned and applied, but twenty-seven men were true to a principle and refused to return and work under the conditions of the management and were victimised. They are still locked out and without work. They were told that they were working under the "Brigden Award," but they claimed to be working under the Machinery Award conditions. These men are still out of work and anxious to return to the avocation in which they have been engaged all their lives. I waited patiently to hear from the hon. member for East Toowoomba some words of consideration for the men who were locked out, but all his concern was for the members of the firm. Among those men is one who has been thirty-five years, another thirty-three years, and another thirty-one years in the employ of the company, and the others have had periods of service varying from eight to twelve years. Of the twenty-seven men victimised over twenty are married, and all have their homes in Toowoomba. I regret that one of them has lost his home because he could not meet his commitments on it. The fact that these men worked for such a long period for the firm proves their capacity and reliability. I suggest that the Toowoomba Foundry Company, as a small gesture of justice, should say to these men, "Here are your jobs; come back and do the work." I believe the company can use their services, but because of the preference to unionists clause, which it says restricts it in some way, it is prepared to put up with the inconvenience caused by the employment of an insufficient number of men. The desire which animates some members of the Opposition—and I emphasise the word "some," because I believe many of them stand for a reasonable standard of living—

An HONOURABLE MEMBER: Where are they?

Mr. LLEWELYN: There are some.

Mr. SIZER: What is the standard of living?

The CHAIRMAN: Order!

Mr. SIZER: What is the standard of living?

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Mr. LLEWELYN: With these interruptions, it will be impossible for me to complete my speech in the time allotted, but my standard of living calls not merely for bread and not merely for clothes. It means something more—that I may be able to buy a good book, have my child taught the piano, and perhaps purchase a wireless set.

An OPPOSITION MEMBER: That is an extravagance.

Mr. LLEWELYN: That is not an extravagance at all. These are some of the things that make for the happiness of the people.

Mr. SZER: The point is that it does not amount to that to-day.

The CHAIRMAN: Order! The hon. member for Sandgate must not disregard the ruling of the Chair.

Mr. LLEWELYN: These arguments as to the handicaps imposed on industry by unionism are world-wide. There has been and still is much concern in the old country regarding Japanese competition. Indeed, almost every nation which manufactures is perturbed at the economic progress of that nation. It behoves us to wake up, to take notice of its advance, and to meet it in the proper way.

I shall quote an extract from a recent issue of the "New Leader," making satirical comments, which, however, are to my mind brimful of logic, on an article which appeared in the "London Morning Post"—

"OUR ONLY CHANCE: SIMPLER LIVING.

"Dealing with the competition of Japanese cheap-labour products against British goods in the world's markets, the 'London Morning Post' recently published an article under the headlines: 'The West's Only Chance: A Simpler Scale of Living.' The article urges that Western nations must learn from Japan how to avoid extravagance and luxury, and says:—

Capital and labour must be content with profits and wages low enough to compete with all-comers. . . . When the Lancashire capitalist has to pay wages five times higher than wages paid for the same work in Japan, how can successful competition be possible?

"The article admits that the very simple life which the British worker must learn to live in order to compete with the Japanese worker will be difficult at first; but, with his advantages over the Japanese worker in having the consolations of the Christian religion, the British worker will learn to like it in time.

"On which argument by the 'Observer' a writer in the 'New Leader' fittingly comments as follows:—

Then onward Christian soldiers and downward Christian wages. The Japanese work for one-fifth of our wages. We must, therefore, reduce ours to one-sixth. That will not end the matter. We must not underestimate the courage and determination of our foes. They will reduce their wages to one-seventh. The cry will then go up, 'One-eighth and Victory.' If I know anything of the Japanese, they will then go down to one-ninth, on which Britain will resound to the slogan, 'Freedom and one-tenth!'

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By that time the Japanese will be working a 22-hour day for an ounce of rice. We shall respond with the battle-cry, 'A birdseed a day keeps the imports away!'

I feel confident that victory will be ours. My only doubt is as to what we shall have won. By the time we have reached the necessary simplicity of life nobody will be buying anything to speak of, and when we have captured the markets, the markets won't be there . . .

So we must brace ourselves to the struggle to reduce life to the lowest possible level. The fight will be hard. When two determined, patriotic nations fight with religious fervour to reach the lowest scale of living, by the time the fight is over there will be no scale and very little living.

But that is our aim; it is to prove that the only way to get full advantage of an industrial system which can produce everything is to do without everything."

Instead of laying the blame on the industrial laws of Queensland it would be better if hon. members opposite gave some attention to the fiscal policy of the Federal Government and to the unfair tactics adopted by some of our importers. I cannot do better than refer to the experience of Walkers Limited, Maryborough. The company is purely a Queensland company, and for some time it pioneered a new industry—namely, the manufacture of Diesel engines to meet the requirements of the Queensland sugar-mills. Some of these engines have also been used in the mining industry. The company went to considerable trouble in installing new equipment at a cost of £20,000. The manager of the company visited the United States of America, England, and Europe to investigate this important question, and two technicians of the company were sent abroad to become conversant with their manufacture. In August, 1930, a start was made on a demonstration engine, which proved to be satisfactory. Orders were then received for engines with horse-powers ranging from 50 up to 220, and this new secondary industry bade fair to establish itself successfully. The Lyons Government then decided to reduce the tariff protection on Diesel engines of 100 horse-power and less, which practically had the effect of wiping out the young industry. Importing firms can now sell Diesel engines of 100 horse-power at a price less than that at which they can be manufactured in Queensland or elsewhere in Australia under the existing tariff protection. Walkers Limited were compelled to discontinue their manufacture and to discharge forty employees, who would still have been in employment had the tariff protection not been altered.

For the twelve months ended 30th June, 1933, an amount of £37,670 was expended on intermittent relief work in Toowoomba. I mention that fact because the Toowoomba City Council has seen fit to apply to the industrial magistrate for permission to ration its employees. I regret to state that the council seeks to exploit the intermittent relief work system instead of meeting certain charges out of its revenue. The principle is thoroughly bad. The council is justified in doing certain work under the intermittent relief work system, but when a lorry driver

in receipt of regular wages is rationed by the council the worker employed to take his place for the day should not be regarded as an intermittent relief worker and paid accordingly.

Mr. DANIEL: The Government are asking the local authorities to do that.

Mr. LLEWELYN: The system is wrong, and I cannot approve of it. A sum of £86,143 was expended from Loan Fund Account during the past twelve months in the vicinity of Toowoomba in intermittent relief work. Requests from Toowoomba to the Treasurer for loan money have been very few. It is true that £30,000 was set aside for the construction of new wheat sheds, but that money was very well spent. The Toowoomba City Council obtained from the Government a loan of £3,500 and a subsidy of a similar amount for certain relief work. I hope that if the council makes requests for additional money for useful and reproductive work the Treasurer will give them sympathetic consideration.

Queensland is a great State with vast potential wealth, the development of which will undoubtedly place her in the first position in the Commonwealth. Labour stands for the people as a whole—for the producer and the worker, the builders of the nation's wealth and greatness. It has no time for the man whose desire is to live on the work and industry of other people.

Mr. MAXWELL (*Toowoong*) [11.32 a.m.]: The hon. member for Toowoomba delivered himself of a wail about the low wages existing in Japan and other places, and suggested that it was the desire of the opponents of Labour to drag the workers down to the lowest rung of the ladder—to place them on the same level as coolies.

Mr. W. T. KING: That is where you did put them.

Mr. MAXWELL: My "pedigree" as an employer is well known at the Trades Hall, and if the hon. member for Marce makes inquiries there he will be told what it is. I never believed in the payment of low wages. The opportunity is now given to hon. members opposite to remedy all the wrongs of which they complain, but they are paying married men with children engaged on relief work only 27s. a week, notwithstanding their promise to pay them the award rate—not the basic rate. I have a pamphlet containing the Government Party's policy which was issued at the last election. That promise is contained in that policy, but the people were misled. This is not the first time that they have been misled by the occupants of the Treasury benches. The remedying of the system of low wages referred to by the hon. member for Toowoomba is in the hands of his own Government, but it is not to be achieved by granting increases of £50 to public servants receiving £1,000 a year and withholding the money from men engaged on relief work. Those wages put them on the breadline. I believe in decent wages all round, but I object to the system practised by the Government. One would imagine that the present Government, after their abuse of the Moore Administration, would have led the way in conferring benefits on the working class. I can only attribute the statements on this question made by hon. members opposite to one of two things: either they do not know what they are talking about—

and if they do they have no right to pose as representatives of the people—or they are misrepresenting the position to the people.

We have heard all along the line, both during this and last session, that the Moore Government were responsible for practically all the unemployment existing in Queensland. When the Moore Government were elected to office they found unemployment rampant. Notwithstanding what the hon. member for Rockhampton has said in this Chamber, it is a well-known fact that the Moore Administration, and not the present Government, experienced the full blast of the economic blizzard. It is true that the Administration of hon. members opposite may have suffered to a certain extent as a result of the economic depression, but the full significance of the economic position was emphasised when the late Prime Minister, Mr. Scullin, called together the Premiers and Treasurers of the various States for the purpose of discussing the financial position of Australia. Mr. Scullin said that unless something were done immediately Australia would have to default. Mr. Forde said something similar. Who reduced wages in the Federal sphere? The Federal Labour Government, who also reduced old-age and invalid pensions. The Federal Labour Government called upon Nationalist and Labour State Premiers to help them in the task of rehabilitating the nation, and to their everlasting credit the State authorities loyally assisted. Since that time hon. members opposite have been guilty of abuse and misrepresentation. They have stated that very little unemployment existed in Queensland prior to the advent of the Moore Government; but the inaccuracy of their contention can be judged from the fact that, whereas the vote for "Outdoor Relief" was ordinarily approximately £29,000, in the first year of the Moore Government it was £110,419. Moreover, payments on account of unemployed insurance benefits amounted to £414,257. Hon. members opposite would buldoze the people into the belief that Labour Governments had no unemployment problems with which to contend. As a matter of actual fact, unemployment was rampant when the Moore Government took office, but the Moore Government grappled with the question.

Reference has been made to the wonderful work of the present Government, and in a recent debate the Secretary for Public Instruction, in his capacity as Assistant Treasurer, quoted from the Sydney "Bulletin," which he described as a journal which had some standing as a financial authority. I cannot always agree with the hon. gentleman, but I endorse his remarks in that connection. I propose now to quote what the Sydney "Bulletin" of 4th instant had to say concerning the taxation of the present Queensland Government—

"Queensland's Treasurer's forecast of his Budget reads very poorly beside Stevens's effort. There will be no increase in taxation. This comes badly from an Administration which secured special deficit provision from the Commonwealth and celebrated the happy event by re-introducing the 44-hour week at a cost of £300,000—one-sixth of the income tax yield."

Hon. members will recollect this very illuminating statement made by Mr.

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McCormack, in Birmingham, on the 25th September, 1929:—

"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 will be sacrificed. As an example, her purchasing power will be diminished by the fall in wool prices. Australia is definitely protectionist, but her tariffs have been unscientific and must be adjusted in some directions."

If we on this side of the Committee made such statements we would be called wage-reducers, and would be told that we were not painting the clouds with sunshine or bringing sunshine into the homes of the people. During the election campaign I remarked that the class of paint that the Treasurer would use to paint the clouds with sunshine would be water paint. At the first shower of rain the paint would wash off! We recall what the Treasurer said in his policy speech—

"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. Such a policy will be pursued by the Labour Party, and fair and equitable conditions will be restored as early as possible."

Last session thirty-seven Bills were passed, and of these 27 per cent. were devoted to extracting more taxation from the people. In every avenue increased taxation was levied. In addition to increasing the fees under the Supreme Court Acts, the Magistrate Courts Act, the Real Property Acts, etc., the present Government have indulged in an orgy of taxation of stallions and bulls, and only recently pigs were brought within the ambit of their clutching hands. It can be truly said that the present Government endeavour to squeeze the life-blood out of the people. Let me draw attention to a statement made in "Smith's Weekly" on 24th December, 1932—

"PILING ON THE TAXES.

"PREMIER'S NEW YEAR GIFT TO PUBLIC.

"Forgan Smith's Christmas present to Queensland was a record of Bills passed in Parliament, of which 27 per cent. were devoted to increases of taxation and Government revenue. Verily it is a happy new year—of taxes.

"The work of Parliament for the past session contrasts most unhappily with the Forgan Smith promises made on the eve of election. The burden of taxation laid upon the State by Moore has been made sorely heavier."

This was the gentleman who was going to lighten that burden—to paint the clouds with sunshine, to bring a ray of sunshine into the homes of the people. The article continues—

"It is a pitiful contrast also with the election promises ladled out so readily in Forgan Smith's policy speech broadcast far and wide. It is, in fact, a most

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surprising reversal of form. Said the present Premier when seeking office: 'The incidence of taxation has been considerably increased under the Moore Government, notwithstanding their attractive promises to the contrary. Not only have over 50,000 additional persons been brought within the ambit of direct taxation who previously, under Labour's laws, were exempt, but by means of reduced exemptions and other methods the actual levies in ratio to income have been materially increased. The policy pursued by the Government, resulting as it has in diminished employment with consequent loss of business generally, has caused taxation to fall heavier upon the people than was the case previously. Relief from the burden of taxation can be looked for in the general policy, which is conducive to increasing employment. . . . Fair and equitable conditions will be restored as early as possible.'

Here we are in the second session of this Parliament and nothing has been done but to increase the burden. Then it goes on—

"It was a promise designed to appeal to those who had the welfare of the State at heart, and who were also appalled at the gross increase of taxation that had fallen like a bludgeon upon them, restricting spending power.

"Forgan Smith committed himself to an easing of the burdens. Then he became Premier, and—with a slash like a whiplash, the State found itself hastened along into an increase of relief tax for the pleasure of seeing gentlemen with pickaxes making holes in roads and filling them up again.

"This was one of the first moves of the 'No increase in taxation—Forgan Smith Government.' It was an inauspicious beginning.

"There was another quick move soon afterwards. This was the cool transference of a quarter of a million from the Roads Funds to revenue."

We on this side strongly objected when this transfer of £250,000 was being made from the Main Roads Fund to consolidated revenue. When hon. members opposite were told that that money was collected for a specific purpose, they ridiculed the idea. We pointed out then that the Government were taking the money contributed by motor car owners for road construction, and were not using it for that purpose. For what object were they taking it? They were accumulating a big fund for election purposes. What did they care about the working men and women? What they wanted was money for party purposes, to enable them to hold their seats at all costs, and the only way to do it was with pounds, shillings, and pence.

The executives of the Brisbane City Council are very good authorities to quote with regard to the grabbing of this £250,000. The "Telegraph" of 10th instant, in a report of a meeting of the Wilston Nationalists, headed "Main Roads Grab," states—

"Addresses were given by Aldermen Campbell and Lanham, the latter emphasising the fact that the relief workers were growing in number, and that the transfer to consolidated revenue of £250,000 from the Main Roads Fund was slowing down the works programme,

and incidentally holding up the Mitchell-Samford job."

That endorses exactly the attitude that has been taken up by the members of the Opposition.

A GOVERNMENT MEMBER: You can expect that from Nationalism.

Mr. MAXWELL: Here are some of the comments made by "Smith's Weekly"—

"A survey of the thirty-seven Bills passed through the just completed session of Parliament shows that 27 per cent. of them—ten Bills—were devoted to the major operation of extracting more taxes from an already over-harassed taxpayer. What a brilliant record!"

I do not want anybody to misunderstand my attitude. I am not blaming Mr. Scullin for drawing attention to the financial—or rather unfinancial—position of Australia at the time, but I do blame him because he did not stick to his guns. Instead of "carrying on" he ran away. We listened to a speech from the hon. member for Kelvin Grove, in which he attacked Sir Keith Murdoch. I have not the privilege of knowing that man, but I have had the privilege of meeting a man who worked with him on his papers, and knew him well. That man said that there was in Australia no whiter man, no man who gave greater recognition to the principles of unionism or more completely observed the provisions of awards, and no man who played the game better than Sir Keith Murdoch. He said that, when his employees were ill, Sir Keith Murdoch did not "dock their money"—he was a good employer.

An HONOURABLE MEMBER: He corrupted some of the Labour men.

Mr. MAXWELL: I do not believe it. I am sure they did not "sell their birthright for a mess of pottage," as the hon. member for Kelvin Grove would lead us to believe. He told hon. members the other day that men were invited to dinner by Sir Keith Murdoch and had it "put all over them" because they had got a feed—he could buy them! If it were true, it would not say much for the men concerned—for Messrs. Fenton and Lyons and the other men who stood loyal to the Premiers' Plan—to the arrangement that had been proposed by Mr. Scullin. Mr. Hanson, you and I remember that at a meeting held in Melbourne Mr. Duffy addressed the Trades and Labour Council. That gentleman was an eminent Labour supporter, and was appointed to the Commonwealth Bank Board simply because he would be able to give effect to the ideas of the party of which he had been a loyal member. He went to that meeting of the Trades and Labour Council, and said that if they would not do a certain thing they would damage Australia. He said, "I beg of you to accept the Premiers' Plan according to the arrangements that have been made by Mr. Scullin." What did they do on that night? They passed a resolution that if any member supported the plan he was to be expelled, and would not receive the endorsement of the party. On the same night the same procedure was approved in South Australia. Self-preservation being the first law of nature, Australia could "go hang." What did Mr. Scullin say on his return from abroad? Immediately he arrived at Fremantle, he said, "If the

arrangement that I made had been kept, Australia would now be well round the corner towards recovery." What did he say to Mr. Holloway when Mr. Holloway tendered his resignation? He said, "I am sorry that you are leaving, but it is not a question of sympathy; it is a question of arithmetic." The Treasurer publicly stated that he was going to Canberra not to seek charity at the hands of the members of the Loan Council but to demand the rights of the State. Speaking at Gympie during the last election campaign, the Treasurer said—

"He would not take part in any Government that was not Labour and would not assist the Moore Government to carry out the Premiers' Plan, as he would not be a party to bleeding the people white."

He said that he would not agree to the plan, but he did. It is no use his trying to shuffle on the question.

Mr. P. K. COPLEY: He did not agree to the plan which was then in operation.

Mr. MAXWELL: I shall submit my information to the hon. member later on. This is what the "Labour Call," of Victoria, had to say about the attitude of the Treasurer—

"These are times where it is imperative that those occupying responsible positions in the name of the Australian Labour Party must place themselves beyond suspicion, if they would command the respect and support of the members of the party. They must make it perfectly clear where they stand at all times when the party's policy is challenged by anti-Labour. They cannot afford to be looked upon as safe propositions by Labour's enemies, nor as weaklings who are always so ready to apologise for what is regarded as Labour's audacity or arrogance. They must be men or women of reasoned conviction and capacity to express themselves clearly and intelligently, and who are courageous enough to stand alone if needs be. Because of the defections of the Hogans and Hills, and because of the bitter disappointments during the past two or three years, these essential qualities are now demanded of those who would lead the way by all intelligent members of the Australian Labour Party. Therefore, Mr. Forgan Smith, like all others similarly situated, must either make his position clear or pay the penalty of being distrusted."

That is not the view of a Conservative or a Tory paper. Now compare the above comments with this criticism—

"The Premier has tried to twist out of his acceptance of the Premiers' Plan, or rather allowing himself to be swallowed at the first Premiers' Conference he attended, by saying that Labour did not agree to the statutory reduction in salaries and wages and social services. The statutory interference under the Moore Government in those matters was confined to salaries and wages of Government employees and social services which were paid by the Government. That was done by 'The Financial Emergency Act of 1932.'"

If the present Government did not wish to swallow the proposal, as they avowed, why

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did they not amend section 82 of "The Industrial Conciliation and Arbitration Act of 1932," which states—

"Nothing in this Act shall prejudice or affect the provisions of 'The Financial Emergency Act of 1931,' or 'The Financial Emergency Relief Extension Act of 1932,' and the several Acts referred to in such Acts."

The present Government had an opportunity there to refuse to follow the policy of the Moore Government, but they did not avail themselves of the opportunity. They are merely trying to bluff the people into believing that something great has been accomplished. I do not wish to be misunderstood. The Moore Government could see no other way out of the difficulty. Nobody with any spark of humanity could wish for a reduction in wages, especially the wages of those on the lower rungs of the industrial ladder. As Mr. Scullin, the ex-Prime Minister, and Mr. Forde, the ex-Minister for Trade and Customs, said, a pension of 17s. 6d. per week would be worth only 12s. 6d. Mr. Forde further said, in the course of a speech at Rockhampton, that if the existing policy had been continued it would have meant practical default, as the Government would not have been able to carry on. The "Labour Daily," of the 1st July, 1932, commented in the following manner on the attitude of the Treasurer at the Premiers' Conference:—

"Mr. Forgan Smith has submitted to the dictation of the banks. Faced to-day with the alternative of accepting the banks' ultimatum or leaving the Premiers' Conference—the same alternative that previously confronted Mr. Lang—the Premier of Queensland, unlike Mr. Lang, wilted and meekly committed his Government and people to the hideous Premiers' Plan. There was general rejoicing by the Prime Minister and the Nationalist Premiers at the success of their tactics in bringing the Queensland Government into line, and having the Premiers' Plan reaffirmed for general application throughout the Commonwealth by a reduction—at the expense of the workers—of the estimated deficits of £20,000,000 to the absurd figure of £6,000,000 laid down by the banks. Mr. Hill, Premier of South Australia, put the question in a nutshell when he said, 'It is not a matter of what Mr. Smith would do or what anybody else wanted to do; it was a case of what they had to do—a jibe that Mr. Smith took without a murmur. The conference sat in camera right through the day considering ways and means of reducing the Budget deficits of the various Governments as nearly as possible to the limit laid down by the banks.'

"Before agreement was reached on the question of Budget deficits (fixed tentatively at £10,000,000) the conference had one of the most stormy sessions in its history. Sir James Mitchell, Western Australia, once again stressing that it was impossible to cut the deficit, and declaring pitifully, 'You are driving us to secession.' The conference will adjourn to-morrow to enable the Premiers to permit a conference with the Commonwealth Bank Board being held in Sydney on Monday preparatory to the

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Premiers proceeding to put into effect the cuts they have agreed to.

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"Forgan Smith, of whom the workers expected so much, has proved another Hill, another Hogan, another Scullin, abjectly accepting the impudent claim of the banks to determine the standard of living of the people he was elected to protect.

"The capitulation of Mr. Forgan Smith to the banks at to-day's meeting of the Premiers' Conference was complete, and even his statement at the adjournment that he had achieved what he had set out to do failed entirely to justify his complete surrender when the whip was cracked."

When the "Labour Call" and the "Labour Daily" newspapers make such statements about their own leaders one is compelled to take notice of them.

The silence of the Secretary for Public Lands is in marked contrast with his attitude as a member of the Opposition party. He was then vehement in his denunciation of the Moore Government. Speaking in this House in 1930, that hon. gentleman made this statement—

"The Minister in charge of the measure now under discussion and his colleagues in the Cabinet have betrayed Parliament by short-spending £500,000 of loan money that was approved by Parliament."

There is such a thing as inconsistency, and there is such a book of reference as "Hansard," which contains a record of speeches of hon. members.

One cannot refrain from taking notice of the attitude of the Government with reference to the unfortunate men who are forced to tramp the State in search of work. We all know that it was the Labour Party who first forced these men to walk before they received rations. In fact, rations were denied to them unless they had travelled a certain distance. When hon. members opposite sat in opposition they spoke of the "brutal treatment" meted out by the Railway Department, which caused the arrest of these men and made gaolbirds of them because they travelled by trains and were unable to pay the required fare. On this subject, the hon. member for Cairns, in the course of a speech in his electorate, as reported in the "Cairns Times" on 1st June, 1932, said—

"Some arrangements could be made to allow the unfortunate victims of unemployment to travel on the trains. He would not allow those persons who were destitute and had no work to do to go into the four walls of a cell because they were footsore and starving. This never happened while Labour was in power."

It has happened while Labour has been in power! I give the Secretary for Public Lands credit for his enthusiasm as a member of the Opposition, but I desire him to display a similar amount of enthusiasm when he has the opportunity of putting his theories into practice. He is now able to assist his Government to bring more sunshine into the lives of those unfortunate young people who are out of work. Many of his principles,

like those of other members of his party, are unfortunately obliterated by the first shower of rain. Speaking at Cairns on the 31st May, 1932, the present Secretary for Public Lands said—

“Young men have been sent to gaol through ‘jumping the rattler,’ looking for one of Mr. Moore’s jobs, but none have been successful. The only remedy was to vote for Labour, who would not put those young men into gaol and would not brand them criminals.”

What noble sentiments! It is interesting now to refer to the latest report of the Commissioner for Railways concerning the number of men who have been gaoled for “jumping the rattler.” The report states that 2,794 persons were found travelling in wagons during the twelve months ended June, 1933. These are the men who, according to hon. members opposite, would not be prosecuted for train-travelling without a ticket!

At the outset of my remarks dealing with the so-called “Queensland Revival Loan,” I desire to quote a message from Canberra, dated 6th February, 1931—

“Never has a conference of Commonwealth and State Ministers been called in a time of graver economic trouble; never has a conference been asked to assume graver responsibilities.”

The Federal Labour Government called the conference, and it was agreed by all the Governments of the Commonwealth that the Premiers’ Plan be carried out. I certainly give credit to Messrs. Scullin and Theodore for the action which they took at the outset, but I cannot commend their crayfish attitude later. It was well for the country that there were men who were loyal to the best interests of the country—men who, rather than see their country go under and rather than repudiate a definite arrangement into which they had entered, were prepared to sever life-long associations. Yet the hon. member for Kelvin Grove stated that these men sold their birthright for a mess of pottage at the hands of Sir Keith Murdoch! No; they took a courageous stand in order that they might save their country. The pity of it is that men of the calibre of Mr. Scullin did not do likewise. At the present time we are being told what Mr. Scullin would do for the sugar industry. Why did he not do it at the meeting convened by Mrs. Glencross? Mr. Scullin then was quite prepared to have the sugar agreement torn up in order to satisfy Southern critics of the Queensland sugar industry.

Frequent reference has been made to the £2,000,000 loan that was associated with the late Moore Government. I cannot understand hon. members opposite having the infernal impudence to dwell on such a matter in view of their conduct in relation to the “Queensland Revival Loan” to which I have already referred. For example, at the Princess Theatre, South Brisbane, on 27th May, 1932, the Treasurer made this statement:—

“Queensland’s Revival Loan, which the Labour Party intended to raise, would be gone on with if the people gave them a mandate. He would not be mauled by the ‘Lyons’ or allow the Loan Council to bluff him.”

At 12.10 p.m.,

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

Mr. MAXWELL: Speaking on 31st May, 1932, the present Secretary for Public Lands had this to say:—

“It had been stated that Labour could not get £2,500,000 if returned to power, but he desired to tell the people that Labour could get it and would spend it in the interests of Queensland and not in the interests of a few money lords.”

Why has that money not been made available? I am not going to apologise for the unfortunate set of circumstances that prevented the Moore Government from doing what they earnestly wanted to do. I am proud to be associated with a gentleman of the calibre of the Leader of the Opposition. The Moore Government did what was in the best interests of the community.

I desire now to review briefly the financial position of the State. At the 30th June, 1929, the public debt was £112,862,049, but at the 30th June, 1932, it had been reduced to £111,911,785, or a reduction of £950,264. In 1929-30 the Commonwealth Government took over a portion of Queensland’s debt, amounting to £1,560,639 on account of transferred properties. Allowing for this, the Moore Government increased the public debt by £610,375, or at an average rate of £203,458 per annum. The present Government increased the public debt in 1933-34 by £2,619,070, and but for the temporary redemption of £800,000 of Treasury bills in May, 1935, the increase would have been £3,419,070.

I want to deal with the reproductivity of loan expenditure. A Premiers’ Conference was held in Sydney on 5th July, 1932, at which the present Premier reviewed the Premiers’ Plan, and the following decision was come to:—

“Conference favours the flotation of a national recovery loan of £15,000,000, to be raised over a period of three years, for the undertaking of public and private works of a permanent and reproductive character, subject to the following conditions:—

(a) The constitution in each State of an independent honorary body to investigate and recommend to Governments reproductive works that will provide employment and increase the national wealth, etc.”

The loan programme of £3,300,000 for 1933-34 includes—

| | |
|--------------------------------------------------------|------------|
| | £ |
| Buildings (mostly in Brisbane and other large centres) | 431,374 |
| Workers’ Dwellings and Homes .. | 300,000 |
| Loans and subsidies to Local Bodies | 1,017,714 |
| Loans to Hospital Boards | 50,000 |
| Transfer (through Main Roads) to Consolidated Revenue | 250,000 |
| | £2,049,088 |

The condition laid down by the Loan Council was that loan expenditure should be reproductive and add to the national wealth. The above items do not fulfil these conditions. Buildings particularly are liabilities rather than assets. They have to be filled with employees and maintained. A far greater proportion of loan expenditure should

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be allocated to wealth-producing agencies. The reproductivity of Loan Fund in 1932-33 is as follows:—

| | £ |
|-------------------------------------|------------|
| Interest payments amounted to .. | 4,932,460 |
| Exchange thereon amounted to .. | 1,075,768 |
| | <hr/> |
| Total | 6,008,228 |
| Return from Loan works and services | 2,640,503 |
| | <hr/> |
| Shortage net from Revenue .. | £3,367,725 |

The foregoing shortage was £76,206 greater than the whole of the taxation revenue (except unemployment relief tax) for 1932-33. The earnings of the loan works and services were equal to 8s. 7d. in the £1 of interest and exchange.

Dealing with loan expenditure, the Budget Speech states—

“ In addition to creating assets of value to the community, the utilisation of funds for these purposes relieves unemployment in a most effective manner. Business is stimulated by the circulation of increased purchasing power, which, in turn, augments the demand for consumable goods.”

Such a statement is fallacious and dangerous. Borrowing money internally (which is the only kind at present) merely transfers purchasing power from one set of persons to another set of persons. It does not increase purchasing power. If the money were left in the original hands, it would have the same purchasing power. The use that is made of money is the only sound test to apply to borrowing, whether by the individual or by the State. If it is invested in wealth-creating agencies, it adds to the wealth production of the State; and to permanent employment. It will be so invested only when conditions are favourable to the carrying on of trade and industry with profit to the investors. If trade and industry are largely unprofitable and money is diverted to the coffers of the Government, it may be used with detriment to trade and industry and to permanent employment. Such is the case where loan moneys are used to maintain conditions which are economically unsound—excessive cost of government, excessive taxation, and excessive costs generally. The transfer of £250,000 from loan to revenue is one example. Another is the financing of an avoidable amount of deficit by the issue of Treasury bills. Yet another is the spending of loan money merely to absorb in employment those for whom trade and industry cannot provide because of the unsound conditions imposed upon them.

Increased purchasing power accrues only from the proceeds of the expenditure of borrowed money—the spending of the capital amount is only a transfer. The question is whether it is spent in directions which, directly or indirectly, add permanently to wealth production and employment. Other kinds of expenditure of loan money may be convenient to the Government or may be considered desirable in order to avoid duty or responsibility, but it is entirely fallacious to say or to pretend that it relieves unemployment in the most effective manner or that business is stimulated by the circulation of increased purchasing power. I have no desire to draw attention to the wonderful benefits that have accrued from the adoption

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of the Premiers' Plan in other States. They have been demonstrated. Victoria, South Australia, and Western Australia have gone forward. Queensland, unfortunately, has not kept the contract that was made. The “*Courier-Mail*” is to be congratulated on the very fine leader which appears in its issue of this morning, an extract from which reads—

“ The fact that the Government is budgeting for an increase of the deficit by nearly £300,000 is all the more reason why it should have done something to lighten the burden on taxpayers. Labour's entry into office was to have ushered in a great industrial revival for Queensland. So far it has resulted only in increased taxation, an increased bill for unemployment relief, increased debt, and a budget that is further off from being balanced than it was a year ago.”

Only the other day the Treasurer and some of his Ministers quoted statements that have appeared in the “*Courier*,” but the statement I have just quoted is against them, and it will be interesting to see how they will digest it. On this side of the Chamber we have always realised that if Queensland is to get anywhere at all there must be a better understanding between employer and employee.

Mr. W. T. KING: The old story.

Mr. MAXWELL: The hon. member has been neither one nor the other. He knows nothing whatever about it. If the hon. member does not advocate that better understanding, then there is only one alternative. On this side of the Chamber we have often said that that better understanding is necessary, and even the Treasurer has repeated the “old, old story,” for he has said, “What we want to do to pull this State out of its difficulties is to get together.” What does that mean? Nothing else but a better understanding by one or the other, and not that one shall watch the other with suspicion. In a conversation I had with a Labour supporter he said, “You had the football long enough. It is our turn now to kick it. We are going to kick it over the fence and we will kick you with it, too.” It must not be forgotten that the man with the money can last the longer. Samson could put his arms around the columns of the temple and pull them down, but he was underneath when the temple fell. (Laughter.)

In “To-day and To-morrow” J. H. Curle writes—

“ Be the British masses never so decent, their antagonism to the moneyed classes is inevitable. The attack will be led by Labour, organised in great unions. A Labour unionist is the aristocrat, as it were, of the masses. He has his vote; knows what organisation can do; feels that power at last is coming his way. He might easily have become brutalised by his work, made daft by eternally tending some machine; yet he probably remains a kindly and patriotic creature. What he has not got, and never will have, is brains. He does not begin to know how complex economics are, and that unless he goes carefully he will bring England tumbling down. The coalminer, for example, is now producing 13 per cent. less coal than he did at double the cost. Those simple figures show Britain's decline and his. But you cannot agree with him. All he

knows is that democracy has arrived; and that he has the vote, and the majority, and the whip hand; and that he is going to do as he pleases. Labour's aim will be to pull down capital and install itself in its place. And to a certain extent Labour is right; guilds of working men, financing their own ventures, scout the proper solution for many evils. But a guild is itself a sort of capital; it will not flourish over the dead bodies of other evils. I know all that Labour can say against capital, and I could add something of my own. It is often a very evil thing indeed. We see it suborning the press, lying wholesale, bribing officials, cornering foods, battenning on our contracts, buying itself wives and titles—its poisonous power eating deep into human nature. On the other hand, the good it does is more widespread than evil. It is the oil in the world's machinery. The builder-up. The mainspring of a million benefits. For example, capital is to-day feeding that army of British unemployed, with their wives and children, just as it is making life livable for those fatuous trade unions who would pull it down. The Russian Communists set out to abolish capital; no such thorough experiment against it will ever be made again. It failed completely; Lenin himself, misled by the very peasants, admitted ownership to be the universal incentive. You cannot abolish capital. It stands for brains; that is what your glib talkers in Hyde Park never understand. And brains belong to the mobile few. Threaten it, and the brains will go to other countries. Destroy it, and the brains will invent something else; they are bound to come to the top. You can destroy the brains, it is true; but our working classes might as well go out and cut their throats. In the ultimate analysis, capital is a power for good; human selfishness is the evil. May enlightenment, therefore, fall upon the rich.³

That is a very fine sentiment and one worth noting. Despite the assertions of hon. members opposite about the wrongful use of capital, it can be justifiably claimed that capital has its uses. I know of many people, usually regarded as people with money, who during these distressful times are continually dipping their hands into their pockets to assist in the maintenance of social services. The present Home Secretary could tell us much more about that. These people, generally regarded as capitalists, are endeavouring to help the more unfortunate people. The present depression is certainly an evil, but out of evil may come good. Perhaps the depression will have the effect of reconciling the divergent views of many members of society. That recalls to my mind a cartoon that once appeared in the London "Punch" of the employer and the worker shaking hands. This act was noticed by an approaching union agitator, who sharply informed the worker that he must desist from shaking hands with the boss, because if the day arrived when workers shook hands with the bosses his occupation as a union agitator would cease. It should be remembered that the employers of labour are not the tyrants that some people imagine them to be, nor are the workers the unreasonable and inconsiderate

people that some people would have us believe. I know the working-class, and I know the employers. I have been associated with both classes. I have been associated with the biggest organisations of employers in Australia, and I know that it is the aim and ambition of these employers to come to a proper understanding with the workers. Sir George Fairbairn once complained that under the present system it was impossible to come to a proper understanding with the workers. He expressed the desire to do so in the interests of Australia and of its people. A better understanding may be brought about at the will of Divine Providence. I hope that it will. I hope that the depression will at least prove that one side is not as bitter as some people imagine.

I conclude by saying that I should like to see hon. gentlemen opposite introduce a greater amount of sound practice into the affairs of government. We have had a considerable amount of theory and claptrap from them. Those hon. members who are disposed to criticise the Moore Government should remember that the Moore Government were struck by the full effects of the economic blizzard. The history of our difficulties and of our actions can be read in the pages of "Hansard." It is well that hon. members opposite should remember the famous dictum of an eminent man that "You can fool some of the people part of the time, and all the people some of the time, but you can't fool all the people all the time."

Mr. W. T. KING (*Marce*) [12.28 p.m.]: I have listened with a great deal of interest to the speech that was read by the hon. member for Toowong. He indulged in the very useful occupation of reading instead of giving the Committee the benefit of his own knowledge, which should be the duty of every hon. member. He said that his pedigree was in the Trades Hall, but I have always regarded the Trades Hall as a monument to the work of Labour. When walking up Edward street, I have always gazed with pride upon the wonderful edifice which was placed at the top of the hill through the art and the energy of the workers of Queensland. If—I hope it will never happen—Providence should cause the foundations of that structure to become unstable, the reason will be very easily discernible. It will be because the pedigree of the hon. member for Toowong rests in its archives, and in order to bring about that stability which its architects will desire, that pedigree will have to be relegated with all due solemnity to a place whence it will never return.

The hon. member for Toowong assumed the role of a critic of the Government, not of a constructive critic, but of a carping kind of critic in the hope that some of the political mud he was throwing about this Chamber would stick on the Government. In that regard he emulates Voltaire, and serves no useful purpose. His whole endeavour is confined to an attempt to besmirch the reputation of the Government. He must examine his own conscience first, because he was a member of the Government Party which the present Government displaced and which held office for a period of three years. He sat behind the Leader of the Opposition, the then Premier, and his humble apologies this morning to hon. members and the people probably had their origin in that fact. He said

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that he would not apologise for being associated with the Leader of the Opposition and his Government. There should not be any need for him to make that protest—"methinks the lady doth protest too much." He is probably conscience-stricken at having been associated with some of the political actions of his party, and considers that it is advisable for him to make a free and frank confession on the floor of this Chamber.

I congratulate the Treasurer on the production of such an excellent Financial Statement. I say "excellent" advisedly, considering the difficulties through which Queensland, as well as other Australian States and countries of the world, is passing. We recognise that production has proceeded under stressful circumstances, but it has continued without any wage reductions or interference with the industrial rights of the people. It is fitting that we should visualise what we might have expected had hon. members opposite been returned to power by the people. We recall the Premiers' Conference which was held just prior to the election. The Leader of the Opposition and the hon. member for Sandgate, the ex-Secretary for Labour and Industry, represented Queensland at that conference. They attended for the purpose of considering proposals brought before the Loan Council. That body went to the trouble of asking certain economists to submit a scheme which would get Australia out of her difficulties. The economists did submit a scheme, and the sum total of that scheme was that the basic wage should be reduced to £2 18s. 6d. per week. The basic wage in Queensland to-day is £3 14s. What did the Leader of the Opposition say when that suggestion came forward? Did he face the issue as the Leader of the Government in this State and say, "Yes" or "No" to that proposal? No; he had an election looming in Queensland, and he said he could not deal with it. He merely deferred the evil day. It does not require a person of intelligence to see that if an election had not been looming the basic wage of Queensland would now be in the vicinity of £2 18s. 6d. How can any individual live comfortably, decently, and honestly on £2 18s. 6d. a week? That is the way they would have balanced their Budget. So long as they show a return in cash, and maintain what they term a Budget equilibrium, they never hesitate to invade the rights of the people.

The best way of helping a country over its difficulties is by maintaining the purchasing power of the people. No doubt the Leader of the Opposition will disagree with that opinion. He could not agree with it after attending a conference where it was inferentially advocated that the basic wage for this State should be £2 18s. 6d. per week.

Mr. MOORE: Mr. Gledson, I rise to a point of order. I never advocated anything of the sort, and I never made any such suggestion. The hon. member for Maree cannot keep on misquoting as he is doing. I did not do what he alleges.

The TEMPORARY CHAIRMAN: Order! The hon. member for Maree must accept the denial of the Leader of the Opposition.

Mr. W. T. KING: I say that the Leader of the Opposition did not have the political courage to make a statement at the Premiers' Conference that a basic wage of £2 18s. 6d. per week was not a fair basic wage

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for the people of Queensland. I say with due respect that I am entitled to examine the attendant circumstances of this matter, and it cannot be denied by the Leader of the Opposition that a plan was put before him in his capacity as Premier of this State under which the basic wage for Queensland would have been reduced to £2 18s. 6d. Instead of saying "Yes" or "No" as a capable political leader would, the hon. gentleman merely stated that an election was looming in Queensland and that under the circumstances it was difficult for him to face the position. So that the stand taken by the Leader of the Opposition when he represented this State in the South stands out in bold relief, and no matter in what hues the hon. gentleman may paint the picture, he cannot get away from the fact that neither he nor the hon. member for Sandgate told the conference that they were in favour of a decent basic rate for Queensland. The maintenance of a decent purchasing power for the people is essential for the wellbeing of the State as a whole. The existing Queensland basic wage of £3 14s., which is the best in the Commonwealth, has been brought about by the activities of Labour Governments. It is certainly much higher than would be the rate if hon. members opposite controlled the affairs of State to-day.

In order to ascertain the viewpoint of the Opposition we have only to examine the statements which are made by those hon. members opposite who, for the purpose of my argument, I shall term courageous. I refer to the hon. member for Wynnum, who unhesitatingly said that he believed that a low rate of wage should prevail in Australia, in order that we might pull Australia through the present period of stress. The hon. member unequivocally stated that we would never get back to a period of prosperity or to a period of balanced Budgets unless we submitted ourselves to the labour conditions of overseas countries with which we have to compete. That was the tenor of his remarks. I congratulate the hon. member on the courage he displayed, for in making that statement he fully and effectively expressed the opinion of the rest of the Opposition, who, because of political expediency, have not the political courage to enunciate doctrines in which they firmly believe. I admire a person who has the courage to express what he believes to be the true solution of the problem. I admire the hon. member's courage just as much as I despise the lack of political courage of his colleagues who will not publicly state what they really believe to be true. As a member of the Labour Party, I cannot approve of any system of low wages. I repeat that the purchasing power of the people must be maintained at as high a level as possible in order that the State may be rehabilitated. When wages are high the increased spending power of the community is reflected in the general prosperity of the country. The greatest spenders in the interests of the country are the workers, probably more so than those moneyed people who restrict their spending and increase their savings.

At 12.40 p.m.,

The CHAIRMAN resumed the chair.

Mr. W. T. KING: It ill becomes the hon. member for Toowoong to insinuate that we on this side of the Committee do not know our business. The hon. member has been

prone to quote the "Bulletin" and "Smith's Weekly," and perhaps he will accept a quotation which I propose to make of the remarks of the Assistant Federal Treasurer, who worships at the same political shrine as the hon. member for Toowong. The Assistant Federal Treasurer, as reported in the Brisbane "Courier" of 2nd February, 1932, castigated the then Premier of Queensland, who is now Leader of the Opposition, in these words—

"The Assistant Federal Treasurer expressed the opinion during the discussion that the deficit of Queensland was larger than it should be, and that the State was retrogressing rapidly."

Mr. SIZER: Where was that statement made?

Mr. W. T. KING: The hon. member for Sandgate has sufficient knowledge to know who the Assistant Federal Treasurer was in February, 1932. The Leader of the Opposition will doubtless recall the conference, and in any event the press reports are available to both hon. members. The statement was made use of during the last election campaign by many Labour candidates, but no denial was forthcoming from the Leader of the Opposition of the statement that he was the person at whom the remarks of the Assistant Federal Treasurer were directed. We know the Assistant Federal Treasurer has to keep an eye on general finance. He is a member of the Loan Council.

Mr. MOORE: He is the chairman.

Mr. W. T. KING: As chairman, as well as Assistant Treasurer, he naturally should have a fair financial knowledge of Queensland in general, so that a castigation from a gentleman of his rank and calibre is noteworthy. Fancy his saying that the Queensland deficit was larger than it should be! We heard the hon. member for Toowong indulge in his tirade to the effect that the State is retrogressing rapidly. Happily the people of Queensland realised the facts and on 11th June, 1932, they passed into oblivion the Moore Party, which had showed such disregard of the welfare of the State. The hon. member for Toowong made a statement to the effect that conditions are not as good as we on this side maintain. It is quite easy to analyse the position in order to see whether good progress is being made. The hon. member will agree that it is fair to assume that leaders of industry in Brisbane are in a position to say whether business has improved or not, and whether the policy of the present Government is one of stagnation. Mr. Lansdowne, the managing director of McWhirters Limited, is reported in the "Courier-Mail" of 26th September last, as having said at the annual meeting of shareholders—

"We cannot get back to any semblance of prosperity until we get people back to work.

"By work, he said, he did not mean intermittent relief work, but creative or constructive work. He was pleased to learn that the Government contemplated fairly extensive works, which would reduce unemployment and be an assured revenue-producing proposition from its inception. Any Government which had the courage to go on with

such schemes deserved the everlasting thanks of the community."

Those words have no political taint. No Labour man would take Mr. Lansdowne to his bosom and embrace him as a Labour colleague, but everyone will regard him as being a good business man who believes in a fair deal.

We are endeavouring to keep wages up and to maintain the purchasing power of the people. If the Opposition were in power an onslaught would be made on the conditions of the workers.

The Leader of the Opposition has complained of the complacency of the Government, but it is necessary during a period of stress such as we are experiencing that a Government should have a plan of constructive work. When hon. gentlemen opposite were in power, what did they do? Did they not lie down and complacently wait for something to turn up—Micawber-like? It is essential that money be expended to place men in employment before one can think of balancing Budgets. After men have been placed in employment, the Government can devote themselves to the task of making its Budget balance. Any Government who, under certain conditions, cease reproductive work and thus create unemployment are certainly not doing their duty. The Moore Government did something of that nature. What have they left? Only a stupendous deficit! When the Labour Party came into power in 1932 the financial blizzard that the hon. member for Toowong has mentioned so frequently was raging more fiercely than when the party to which that hon. gentleman belongs came into power in 1929. His Government should have adopted a sound policy, which would have provided more work and kept more people in employment. That would have been the most effective method of dealing with the results of the depression. Members of this party would not advocate a policy which would result in a balanced Budget until such time as our people were placed back in employment. Nobody can accuse the Labour Party of being adherents of a policy of building armaments at the expense of the people. The first duty of any country is to feed and clothe its people effectively, and maintain them in proper decency. Any other system is detrimental to progress, and does not play the game with the workers. In this respect, I am talking of the world in general, because all countries appear to be adopting a policy of rearmament before re-employment. That system of civilisation appears to be the one that is bolstered up by our friend opposite; by such a system they have more to gain than anybody else. Such a system is bad for civilisation. A child is a national asset, and on its birth has an inherent right to be fed and clothed properly and decently. Any system of civilisation or so-called civilisation which evades the granting of that right cannot be tolerated. No member of the Opposition can honestly agree with any policy that interferes with such a right. Who is behind those that make the armaments? Who is behind those who bring into being the appurtenances of war? Is it the Labour Party's interests that are concerned in huge armament factories? No—it is the interests represented by the hon. members who sit in opposition. I am not accusing the hon. members opposite themselves, but it is their

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political stalwarts throughout the world who are supporting a system of rearmament and throwing the cost on men, women, and children. It is a sad travesty on the political life of Queensland that a system of relief work should exist. If Queensland does not get rid of that system within a reasonable time, it will destroy Queensland. It is eating into the very vitals of the State, and destroying the best sentiments of our people.

Mr. SPARKES: Why not give private enterprise a chance by reducing taxation?

Mr. W. T. KING: Does the hon. member suggest that private enterprise should be given a chance to provide employment at award rates or does he mean to infer that private enterprise should be allowed to engage labour under relief work conditions?

Mr. SPARKES: Reduce the burden of taxation.

Mr. W. T. KING: That is a very easy cry to make, but the State must live, and the Government must tax in order to live. If the hon. member can demonstrate in what directions taxation may be reduced I and the people of Queensland will be pleased to listen to him. The Government are endeavouring to do their best in the circumstances, but what hope can there be for the world with the prevailing unrest and with the rumblings of war—war prompted by a desire to remove the feelings of unrest and rid the world of a surplus population? The relief work system cannot continue indefinitely; at best it is only a palliative. It is a system that is debasing the manhood of the country. I express the fervent hope that it will not become a permanent or even a semi-permanent institution in this country.

I do not wish to be subjected to the odium of not being considered a loyal citizen of the Empire, but I do contend most earnestly that interest rates on our overseas loans should be reduced.

Mr. SPARKES: On the American loans?

Mr. W. T. KING: Including American loans.

Mr. SPARKES: It was the stupidity of the Labour Government that brought those loans into existence.

Mr. W. T. KING: That is not correct. Being stupid himself, the hon. member thinks that everybody else is stupid—he brought that report on himself, and he thoroughly deserves it. The public debt of the State to-day is £110,784,721, made up as follows:—

| | £ |
|------------------------|------------|
| Loans in Australia ... | 40,647,656 |
| Loans in London ... | 62,728,023 |
| Loans in America ... | 7,409,042 |

When a country is struggling for its very existence, with its back to the wall, it is the duty of every citizen to do his best for his own people. I readily admit that there is a contractual obligation in respect of the payment of interest on overseas loans, but I also contend that a duty is cast upon me as a member of Parliament to do my best in the interests not only of the people of my electorate but also of the people of Queensland. Their interests should be safeguarded, and when it comes to a question of deciding between the contractual rights of cash and the moral rights of flesh and blood I have

no hesitation in stating that my duty lies in helping my own people.

Mr. SPARKES: You believe in concessions and you believe in giving them only to a certain section of the community?

Mr. W. T. KING: That is not so. When a country is fighting with its back to the wall and its people are being impoverished through lack of work it is our first duty, not only as members of Parliament but also as citizens, to do everything we can in the best interests of our country. The system of international finance in its relationship to present functions of government needs drastic review. It is quite possible under the present system of finance for a Government elected to protect the interests of certain people to have its actions nullified. The financial powers that govern the world to-day require curbing to a great degree in order that wealth may be diverted from its present avenues into other avenues more closely allied with the wellbeing and national life of the people. That point cannot be too often reiterated. The time will come when the system will be reviewed in the light of the desire of the people to govern themselves. I do not agree with the views of hon. members opposite that the Government should advance money to private enterprise which would judiciously invest it and thus find a solution of the unemployed problem. That is altogether too general, and has no concrete basis to recommend it. In times of depression, such as we are passing through, the proper and safer course for Governments to take is the governmental control of finance. Governments should lead the way and play an effective part in the rehabilitation of nations. To reserve that function to private enterprise would mean that Governments would permit private enterprise to usurp their functions, and destroy the will of the people. We have arrived at a stage not merely in Australia but throughout the world when steps should be taken to arrest the retrograde movement so noticeable under private enterprise. Destructive criticism of the nature offered by hon. members opposite does not get us anywhere. We are in a period when constructive proposals are required, not only in Queensland but also elsewhere. In the present crisis the system under which we are living has been weighed in the balance and found wanting, because it has not afforded the people the wherewithal to enable them to live in decent standards of comfort. Therefore, the time has arrived for a careful review. We cannot overcome the difficulty by glibly saying that private enterprise will lead the way out of the morass. The system of governmental control is the pivot on which such a movement should operate. Private enterprise has failed badly, and if it is to assist us out of our difficulties, it should play its part and dovetail in with the scheme of government. Throughout the length and breadth of the world a gloomy depression prevails; and the one-time happiness and bright outlook of the masses have disappeared. We hear rumblings of war, for the nations are desirous of forcing their nefarious designs on each other. If their designs are realised, it will mean the decimation of the peoples of many nations.

It is no good sidetracking the facts; they must be faced. The fate of civilisation itself is in the balance. The present unsatisfactory system cannot continue indefinitely, and it requires no wonderful mind to realise that some change is necessary if we are to improve

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the conditions of a large section of the population whose outlook at present is hopeless. The Creator ordained that a man is entitled to at least the necessities of life. Any system which denies to a large section of the world's population that competency which is their right cannot continue indefinitely. Some change is necessary if civilisation itself is to be saved.

I was referring to the question of the interest on the overseas debt, and I made the point that the interest rate should be reduced. I traced the contractual relations which existed between the lender and the borrower, and I admitted that a person was entitled to be paid a just rate of interest. On the other hand, I emphasised the moral obligation which a country had to its own people; and after having considered both points of view, I found myself definitely in favour of "flesh and blood" as against "£ s. d." If the rate of interest on the overseas debt—and I mean the American debt also—were reduced by 1 per cent. there would be a saving to us in interest of £706,798, and at the present rate of exchange a saving of £179,350 in exchange, making a total saving of £886,148. At a basic wage of £3 14s. per week, that would provide a week's employment for 239,588 persons in the year in which that conversion was effected and every year thereafter.

Mr. PLUNKETT: There are too many "ifs" about that.

Mr. W. T. KING: I would remind the hon. member for Albert that the present system of society, under which a certain section of the people have to subsist on, say, 2s. per week, cannot continue indefinitely. A way out must be found. We have a duty to our own people, and if we find that on present price levels the rate of interest being paid is out of all proportion to the rate agreed to be paid when the contract was made, a readjustment must be made in order to bring interest into conformity with the general level of prices.

Put the position in another way: If the overseas debt were converted to-morrow so that the interest rate was 3 per cent., there would be a saving in interest and exchange of £1,547,000, which at the basic wage would provide employment for approximately 417,270 people for a week for the year in which the conversion was made and every year thereafter.

Mr. PLUNKETT: There is another "if" there.

Mr. W. T. KING: I am stating definitely what I consider should be done, whereas the hon. member is content to adopt a negative attitude and indulge in destructive criticism that will get us nowhere. I think that even the hon. member for Albert will realise that an improvement must be effected somewhere, and I make no apology for stating that the interests of the people are the paramount consideration of the State.

If we converted our overseas loans on a basis of 3 per cent. we should make an annual saving of £1,547,000, made up as follows:—

| | | £ |
|----------|--------|------------|
| Interest | | 1,234,000 |
| Exchange | | 313,000 |
| | | £1,547,000 |

That would be itemised as follows:—

| | | £ |
|-----------------------|--------|------------|
| London— | | |
| Interest | | 1,044,000 |
| Exchange | | 265,000 |
| | | £1,309,000 |
| New York— | | |
| Interest and Exchange | | 238,000 |
| | | £1,547,000 |

A sum of £1,547,000 would give employment to the number of people I have mentioned in this regard.

The position has to be faced. The hon. member for Kennedy went through the interest tables and found that there was a difference of interest between 1932-33 and the previous year of £72,000—a difference that, he said, had been caused by conversion of loans in England. During that period, however, there was no conversion of loans in England at all, so that the hon. member made an absolute misstatement of fact. I want to be fair to the hon. member—I do not think any hon. member would accuse me of being unfair—but although there was a conversion of a Commonwealth loan of £2,000,000 from 6 per cent. to 4 per cent., the benefit will not be seen until the next financial year. We can take the hon. member for Kennedy as being absolutely bowled out. That is typical of his statements in regard to the financial position.

The hon. member for Cook stated yesterday that on a previous occasion I made a speech in this Chamber to the effect that under no circumstances would I agree to government by regulation, as distinct from government by Parliament. The hon. member suggested that because I support a Government who introduced a Bill under which they have power to fix fees by regulation I had departed from the principle I believed in, and that I now agreed to what Lord Hewart styled "The New Despotism." I stand on the principle I previously enunciated, and claim that the Government are not governing by regulation. I make that correction in case someone out in the country, seeing the statement of the hon. member for Cook and not knowing him, should think that I had departed from my principles and that the hon. member was to be relied upon.

I think that under all the circumstances the Government have done wonderful work. They have had to face very hard times, but they have done well for the people. They have tried to do everything possible to live within their means, and have been reasonably successful. One big feature in the Budget is that no wage-cutting is to be indulged in nor anything else that would invade the rights of the workers of Queensland. We are out to help the workers and give them back the conditions that were taken away from them by the Moore Government. We were sent into power by the people, and we legislate for them. It is our duty to carry out the programme which we put before the people. We have a duty to see that to the people are given the means to live. Our present economic system is being shaken. Relief must be given to the workers of Queensland; we must help them, as they cannot help themselves. Certain obligations must be altered to meet existing conditions,

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and the people of Queensland must be properly clothed and fed. Our first duty is to our own people.

Mr. R. M. KING (*Logan*) [2.19 p.m.]: I have listened very carefully to the speech of the hon. member for Maree, who has taken a good deal of consolation to himself from what he considers the present Government have done to meet the present position. He may derive some consolation from it, but the people of Queensland are not getting much consolation out of the slender work that the present Government have carried out.

The TREASURER: It is pretty liberal compared with what you gave us.

Mr. R. M. KING: We shall find very soon that the people are not as satisfied with its results as are the members of the Government. I have heard adverse comments from people outside this Chamber who are supposed to be strong supporters of the Government, and members on the other side would not be very flattered by what was said. The hon. member for Maree made remarks which were not very complimentary to the hon. member for Toowoong. He said he resorted to platitudes. I may apply similar remarks to the hon. member for Maree himself. I cannot see that there was anything constructive in the speech he has just made. The hon. member for Toowoong spoke the truth. He offered very adverse destructive criticism of the actions of the Government and he had every justification for doing so. The hon. member for Maree is perfectly satisfied with present conditions and seems to be perfectly convinced that the principles of the party for which he stands are built on a foundation as solid as that of the Trades Hall. Well, the Trades Hall foundation is pretty rotten, because it was built on property filched from the people. The Trades Hall was erected in lieu of the building used previously as a Trades Hall because, it was said, the latter was condemned as unsafe. It is, however, still being used for other purposes. From the moral point of view, therefore, the present Trades Hall is built on a pretty rotten foundation.

The hon. member for Maree also revived the question of what took place at the Premiers' Conference in April, 1932, as regards the basic wage reduction. It is on the records of this Chamber that the Leader of the Opposition stated at that conference that he could not go into the question of wages at all, as it was not a matter for him, but one for the Arbitration Court. That was a plain enough statement. Nevertheless, another story is trotted out here time after time. It was trotted out at the elections and the people were made to believe that the Leader of the Opposition and our party advocated a reduction of wages, including the basic wage. There was no truth in it. If the hon. member placed a case before the court in the way he has made it to-day he would not be listened to. He would be put out of court straight away. He has merely introduced bitter party feelings to belittle the actions and good name of the Moore Government.

He also made some reference to the evidence of progress in the State. He quoted the remarks of Mr. Lansdowne, but that is the only evidence he brought forward to support his assertion. I do not

know that Mr. Lansdowne poses as an economist or an expert competent to give an opinion, but we do know that he likes to see loan money spent. All men who are engaged in businesses such as his like to see loan money spent, because that money is in due course passed over their counters and decreases their difficulties.

Mention has also been made in this debate of the chances of employment for boys. What chance has a boy got when a Labour Party is in power, intent on piling up extravagances, with their consequent indebtedness and interest charges, the burden of which he will have to carry in the future?

The hon. member also made mention of armaments. We all deplore the fact that it is necessary to spend so much money on armaments when it could be used to so much better purpose in other directions. But preservation is the first law of nature; we must protect ourselves. We may be wealthy, prosperous, happy, and contented—carrying on our usual vocations—and still have no means of defence. We are then at the mercy of any raiding hordes who care to exploit us. Then we shall call out, "Where is our defence?" We have no defence. I am firmly of opinion that the best way to ensure peace is to prepare for war. That course may be very hard upon the peoples of the world, but its truth remains. It is one of the immutable laws of humanity. Those people who are imbued with a strong desire to settle the differences of the world without resort to armaments have failed up to the present, and how we are to fare in the future I do not know. Ruinous wars continually imperil our very existence and if we are wise we will prepare for an emergency that may arise at any time and wipe us out of existence. Nobody likes war, but we must be prepared for it.

The hon. member for Maree criticised the present system of society. Presumably he referred to the capitalistic system. He said that the system should be scrapped. It is very easy to make that contention, but no one has suggested an acceptable alternative. Until we can find a substitute for the capitalistic system, it must remain. I know that it has its weaknesses, and that in many cases it is guilty of corruption. I cannot claim that it is the "best" system, because we cannot speak of social systems in terms of "good, better, best," but it is the least objectionable system, or the least bad of any system that has operated throughout the world up to the present time.

Much has been said during the debate in condemnation of the Lyons Government and of Mr. S. M. Bruce. It is the intention of the present Government to let loose a flood of political propaganda during this session in the hope that it will sink into the minds of the electors and have some effect during the coming Federal election campaign. I do not think that it will have that effect. When the hon. member for Rockhampton moved a motion on private members' day with the object of discussing the alleged sins of omission and commission of the Federal Government, he and his supporters were so roundly flogged that the Treasurer was only too glad to deprive hon. members of the right of private members' day. The name of Mr. S. M. Bruce has been very freely introduced into the debate. I regard that gentleman as one of the

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greatest men Australia has ever produced. He is not a little Victorian, he is not a little Queenslander, nor is he a little Australian. He is a big Australian, a man who has done wonderfully fine work for Australia during his political life, and especially in his capacity as resident Minister in London. His wonderful work reminds me of these lines—

“God give us men! A time like this demands—

Strong arms, great hearts, true faith, and willing hands,

Men whom the lust of office cannot kill,
Men whom the spoils of office cannot buy,
Men who have honour—men who will not lie,

Men who have opinions and the will
To stand before the demagogue and damn
their false teachings without winking,

Tall men—sun-crowned—who live above
the fog,

In public duty and in private thinking.”

Mr. Bruce is doing splendid work for his country and is one of the greatest patriots we have ever had.

I listened carefully to the Budget, and I am sorry to say that in it I cannot find any solution of our difficulties. I can express satisfaction in the fact that there does not seem to be any provision for increased taxation, but, unfortunately, no provision is made for any reduction. The Government will not face the position or recognise their obligations in this respect. I have said before, and I say again, that Labour cannot govern in a time of crisis, because it fears the loss of votes if it does unpleasant things. It knows that if it adopts drastic methods it will alienate supporters.

High taxation militates against an industrial revival. It is necessary to balance budgets, as all States are trying to do, but it is also necessary to balance them in such a way that incomes are not affected by taxation to an extent that it will retard expansion of production and enterprise. No attempt is made in this Budget to reduce taxation; the expectation of the Government is that prosperity will be achieved by borrowing to the fullest possible extent. That is a very poor foundation on which to build prosperity. The Government argue that by borrowing money and spending money the purchasing power of the people is increased, that the money is circulated through the community, and ultimately finds its way back to the Treasury. The Government never think that there is a day of reckoning. The hard truth was forced upon the people a few years ago when they were made to realise that Governments could not continue borrowing indiscriminately without producing and exporting sufficient goods overseas to establish a favourable trade balance. They awakened to that fact, and as a result of a series of consultations between the Commonwealth and States, the Premiers' Plan called upon all sections to make sacrifices. It appears that those sacrifices may be in vain because some Governments, the Government of Queensland especially, are rapidly drifting back to the old policy of borrowing and extravagance. In fourteen years Labour doubled the loan indebtedness of Queensland, whilst in the following three years the Moore Administration did not borrow but actually reduced the national debt. The public debt on 30th June, 1929, just after they came into

power, was £112,862,049, and on 30th June, 1932—the month the Moore Government went out of office—the public debt had been reduced to £111,911,785, or a decrease of £950,864. The present weight of public indebtedness is a very heavy burden on industry and seriously hampers and impedes national recovery and the progress and development of the State. Last year our public debt was increased by £2,619,000, and but for the temporary withdrawal of £800,000 worth of Treasury bills, it would have been £3,419,000. It is proposed by the Government to spend £3,300,000 loan money during the current year. At the Premiers' Conference held on 5th July, 1932, the first of such conferences that the present Treasurer attended, it was decided—

“Conference favours the flotation of a national recovery loan of £15,000,000 to be raised over a period of three years for the undertaking of public and private works of a permanent and reproductive character, subject to the following conditions:—”

Then it provided for the constitution in each State of an independent honorary board to investigate and recommend to Government reproductive works that would provide employment and promote the national wealth.

The Financial Statement outlines the directions in which the £3,300,000 approved by the Loan Council will be expended in the current year. The directions include—

| | £ |
|-------------------------------------------------------|------------|
| Buildings | 431,374 |
| State Advances Corporation | 300,000 |
| Loans and Subsidies to Local Bodies .. | 1,017,714 |
| Loans to Hospital Boards | 50,000 |
| Transfer from Main Roads Fund to Consolidated Revenue | 250,000 |
| Total | £2,049,088 |

The Loan Council imposed a condition that the money must be expended in avenues that would be reproductive and would add to the national wealth. I submit that expenditure in the directions I have mentioned does not fulfil that condition. For example, at the present time buildings are liabilities rather than assets. Moreover, they house employees, and the position of the State does not justify the appointment of additional employees.

Part of the loan money will be expended in the erection of workers' dwellings and workers' homes. Workers' dwellings have been a very good investment for the State and have been a great boon to the people. The Workers' Dwellings Department has functioned satisfactorily, ut, although the system of workers' homes may have been helpful to the poorer class of people, it has been a calamity so far as governmental expenditure is concerned, and it is safe to estimate that arrears of payments in respect of workers' homes amount to many thousands of pounds.

In the carrying out of Government works generally the present Government adhere definitely to the day-labour principle.

Mr. FOLEY: Hear, hear! To make a decent job of it.

Mr. R. M. KING: Quite as good a job and a cheaper job would be obtained under the contract system. It is all very well to be generous with other people's money, and

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that is what happens in many cases under the day-labour system. When I was Secretary for Public Works I gave every opportunity to both systems. I do not propose to enter into a dissertation on the question of contract versus day labour, but I may tell the Committee the results of the practical experience of the Moore Government, who desired to find the best method of carrying out works that would be paid for by public money. We did not follow the day-labour principle, although it was given every chance to compete, and we had excellent results in the quality of the work, and in addition there was a saving of 20 per cent. to the State.

A far greater proportion of the loan expenditure I have mentioned should be allocated to wealth-producing agencies. Let us look at the reproductivity of the Loan Fund for the year 1932-33. Interest payments amounted to £4,932,460, and exchange thereon to £1,075,768, or a total of £6,008,228. When one inquires what the return on loan expenditure has been one is appalled at its unproductive nature. We find that the return from loans for works and services amounted to £2,640,503, showing a shortage to be made up out of revenue of £3,367,725. We are receiving £3,300,000 from the Loan Council this year on the distinct understanding that the money must be spent in reproductive and permanent works which will increase our natural wealth; but with the experience we have had of the tremendous loss on loan moneys last year we can only come to the conclusion that the money to a large extent will be used in such a manner as will not be reproductive.

Dealing with the loan expenditure, the Budget states—

“In addition to creating assets of value to the community, the utilisation of funds for these purposes relieves unemployment in a most effective manner. Business is stimulated by the circulation of increased purchasing power which, in turn, augments the demand for consumable goods.”

It was pointed out this morning that that statement was absolutely wrong and misleading. Borrowing money simply means the transference of the purchasing power from one person to another; it does not increase the volume of purchasing power. If the money was left in the hands of its original owners it would still retain the same purchasing power. The use that is made of the money is the only sound test to apply to borrowing, whether by private individuals or by the State. Loan moneys used to maintain conditions which are economically unsound are detrimental to trade and industry. We have an example of that in the transference of £250,000 from Loan Fund Account to consolidated revenue. That is one method of financing; financing by means of Treasury bills is another. Spending loan money merely to absorb in employment those whom trade and industry cannot employ by reason of the conditions prevailing is another.

As to balancing the Budget—the Treasurer's idea was that it should be balanced—we must come to the conclusion that New South Wales, Victoria, and South Australia, at any rate, are standing up to the collar, whereas Queensland is not. Those States are recognising their obligations and are trying

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to get back to normal conditions as soon as possible. They think that the sooner they take their medicine and become convalescent the sooner will they renew their health. Queensland is not prepared to take its medicine, judging by the action of the Government. We were previously taking our medicine pretty strenuously and feeling pretty sick, but it was doing us good. We were getting somewhere until a new medical man was called in and altered the prescription. We are now going back to the bad condition in which our first medical adviser found us. The people will be more sick than they ever were, thanks to the policy of the present Government.

I am sure that the work which has been carried out by the other States in recognising their obligation to carry out the Premiers' Plan is commencing to show good results. Let us compare Queensland with some of the other States. Victoria's deficits in three years have been or are estimated to be—

| | £ |
|---------|-----------|
| 1931-32 | 1,608,322 |
| 1932-33 | 841,501 |
| 1933-34 | 700,000 |

Unemployment relief taxation in that State was reduced 10 per cent. in 1932-33, and further reduced 5 per cent. in 1933-34. It will thus be seen that that State is reducing its taxation and its deficit, whereas we are increasing ours. The registered unemployed figures for Victoria are—

| | |
|-----------------|--------|
| July, 1932 | 63,222 |
| September, 1933 | 37,762 |

For the year there was a reduction of 25,460. Queensland cannot point to such a satisfactory state of affairs. The Victorian people were true to their trust and recognised the obligations imposed upon them by the Premiers' Plan. They are already commencing to reap the benefit of bending their backs to the task. Another illustration of their march of progress is in the numbers receiving sustenance—

| | |
|-----------------|--------|
| July, 1932 | 47,098 |
| September, 1933 | 28,112 |

The estimated receipts from unemployment taxation for 1933-34 is £1,805,322, which on a population basis is half the Queensland amount. The railway deficit in Victoria for 1932-33 was £744,000, but for 1934 it is estimated at £444,000. That is an improvement of £300,000, and signifies an increasing prosperity resulting from the fulfilment of the obligations imposed upon them by the Premiers' Plan.

South Australia is well known to have been the most backward State in the whole of Australia from a financial point of view. Let us look at its record. Its deficits in three years have been or are estimated to be—

| | £ |
|---------|-----------|
| 1931-32 | 1,063,360 |
| 1932-33 | 1,008,898 |
| 1933-34 | 932,986 |

Relief in taxation has been given in that State by the reduction of the super tax on companies from 25 per cent. to 10 per cent., and farmers and pastoralists have had the right given to them to deduct losses for 1931-32 in arriving at assessable incomes for

1932-33. The number of persons on relief were—

| | Persons on relief. | Weekly cost. |
|-------------------------|--------------------|--------------|
| 9th September, 1931 .. | 74,065 | £17,003 |
| 19th September, 1932 .. | 47,337 | £11,902 |
| 19th September, 1933 .. | 46,244 | £9,962 |

The SECRETARY FOR LABOUR AND INDUSTRY: You forget to tell us how much they got from the Commonwealth. You should give us both sides of the case.

Mr. R. M. KING: We know all that. The Moore Government were so concerned about preserving the rights of the people and following strictly economic lines, saving money where they could, governing honestly and straightforwardly, that they were able

to make a good deal of progress, whilst the other States slipped.

The SECRETARY FOR PUBLIC LANDS: Thanks to fourteen years of Labour Government.

Mr. R. M. KING: It is a wonder that Queensland ever survived after fourteen years of Labour Government. Not one word is said by hon. members opposite about the Commonwealth Budget and no praise is extended by them to the Commonwealth Government for their satisfactory progress. I always give credit where credit is due, and I have always given credit to a Labour Government where credit was merited, but not one hon. member opposite has admitted that good progress has been made by the Commonwealth Government. It is well that I should submit these figures showing the favourable result of the Commonwealth Government as disclosed in their last Budget—

| | 1931-32. | 1932-33. | 1933-34. |
|---------------------------------------|-----------|-----------|-----------|
| Surplus | £ | £ | £ |
| Deficit (Estimated) | 1,314,091 | 3,546,608 | 1,760,000 |
| Taxation Relief— | | | |
| Property | | | |
| Income Tax | | | |
| Land Tax | | 1,700,000 | |
| Sales Tax | | | |
| Taxation Relief— | | | |
| Income Tax | | | 2,620,000 |
| Land Tax | | | 400,000 |
| Customs and Excise | | | 1,760,000 |
| Sales Tax | | | 2,570,000 |
| Entertainment Tax (abolished) | | | 140,000 |

The Budget also discloses these concessions—

| | £ |
|-------------------------------------------------------------------------------------------|------------|
| Annual Value of Partial Restoration of Salaries and Wages of Government Employees | 550,000 |
| Assistance to Exporting Fruitgrowers | 25,000 |
| Tobacco—Investigation and Instruction | 20,000 |
| Increase in Old-age and Invalid Pensions | 635,000 |
| Increase in Soldiers' Pensions | 248,000 |
| Increase Contributions to Public Service Superannuation Fund | 80,000 |
| Total | £1,658,000 |

The Lyons Government were subjected to very severe criticism for their action in reducing old-age and invalid pensions, and it is well to remember that that Government now propose to increase the pensions by 2s. 6d. per week, up to a maximum of 17s. 6d. per week.

Mr. G. C. TAYLOR: They took away the whole apple and are now handing back half.

Mr. R. M. KING: They did not take away the whole apple. The Scullin Government reduced old-age and invalid pensions by 2s. 6d. per week. The Commonwealth Government propose to increase the pensions paid to inmates of institutions from 3s. 9d. per week to 5s. per week, and to increase the maintenance payments to institutions and hospitals from 11s. 3d. to 12s. 6d. per week. Provision is also made for increased pensions in accordance with the cost of living. It is well that I should supply this information because hon. members opposite are significantly silent on the point.

Let me carry the story of progress in other parts of Australia just one step further by

referring to the record of the present New South Wales Government. The deficit has been reduced from £14,227,845 in 1931-32, the last year of the Lang Government, to an estimated deficit of £3,601,021 in 1933-34, and expenditure from revenue has been reduced by nearly £11,000,000. The number of registered unemployed has been reduced from 200,000 to 115,000, or a drop of 42½ per cent. Taxation and other concessions to the public total an annual value of over £6,000,000. Those figures show that a different state of affairs exists in other parts of the Commonwealth, and that depressed conditions are not so general as they are in Queensland. Anybody expressing an impartial opinion will unhesitatingly assert that these Governments are much more prosperous than we are in Queensland, and that some hope is held out in those States for a return to greater prosperity. Unfortunately our Budget does not give us any hope whatsoever. It is very unsatisfactory, especially when we know that just prior to the crisis trade returns disclosed that Queensland was in the best position of all the States. Now we are practically the worst off of any State, and are likely to remain so. To me it appears that the Government have made up their minds to "go the whole hog" as their predecessors did in 1929, spending loan money to the fullest extent and getting all money possible from revenue sources and expending them also.

Mr. P. K. COPLEY: Don't forget that we left you £5,000,000 in the Treasury when you took office in 1929.

Mr. R. M. KING: I know exactly what amount of loan money was left, and I know

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that it was expended on useful purposes. Probably the present Government will follow the course of the McCormack Government in 1929 and leave an unholy mess for their successors to clean up. The McCormack Government indulged in an orgy of financial extravagance and thereby created a fictitious prosperity. Then came the crash! Loan indebtedness and taxation attained stupendous proportions. The unfortunate Government who followed had the duty of cleaning up the mess and of doing most unpopular and unpleasant things in the process. So they were put out of office. It is very easy for a Government to give concessions when they have the money, but it is a very difficult thing to bring back prosperity after a good deal of damage has been done.

The Budget cannot possibly inspire confidence, because it absolutely nullifies a revival of industry, and consequently industrial stagnation will continue. Experience should teach us that a prosperity created by indiscriminate borrowing is purely artificial and cannot be maintained. Such a policy creates false standards which must be scrapped in times of crisis such as arose in 1929. It is impossible for trading concerns to develop industry while they are hampered by excessive taxation, because money which should be legitimately used in the development of industry is diverted to pay taxation.

The Treasurer, in the course of his policy speech delivered as Leader of the Opposition at Mackay on 28th April, 1932, said—

“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.”

One would naturally come to the conclusion after reading that statement that taxation would be considerably lessened after the present Government were returned to office. No such relief has been afforded. In fact, taxation has been increased tremendously, and the revenue augmented. Increased taxation resulted in additional revenue as follows:—

| | £ |
|-------------------------------------|------------|
| Income Tax (rates increased by 25%) | 311,812 |
| Super Land Tax (reimposed) | 121,759 |
| Increased Railway charges | 325,000 |
| Transfer from Main Roads Trust Fund | 250,000 |
| Total | £1,008,571 |

On these figures alone the deficit for 1932-33 would have been considerably greater than the deficit for 1931-32—probably to the extent of £500,000. The taxation is not confined to that; because the unemployment relief taxation was increased as follows:—

| Income. | Increased rate per £. |
|--------------------------------|-----------------------|
| £299 to £499 per annum | 6d. to 9d. |
| £500 and upwards | 6d. to 1s. |

The receipts from the unemployment relief tax increased from £1,089,645 in 1931-32 to £1,806,010 in 1932-33, or an increase of £716,365.

In addition increased taxation was brought about through increased fees in

connection with the Supreme and Magistrates Courts, the Justices Acts, the Real Property Acts, etc. Further, fees have to be paid in connection with stallions, bulls, pigs, and power alcohol. Is there anything left to tax?

The Treasurer has stated that he regretted that dire necessity compelled him to increase taxation and that £270,000 needed to bridge the gap could not be obtained by economies. I say unhesitatingly that the Treasurer created the dire necessity himself by reinstating railway strikers at a cost of £50,000 per annum, providing full holidays to part-time employees at a cost of £30,000, and introducing the 44-hour week at a cost of £200,000 per annum. It is easy under such circumstances to create the “dire necessity.” There was no necessity to do it, but the hon. gentleman had to do it because it was part of the policy of the Labour Party. It is one of those political bribes that are held out at election time to secure votes. On this particular occasion they were successful. It is a wonder to me that hon. members opposite were not more successful in view of the extremely difficult times through which we are passing and the extraordinary promises which they made. It is a wonder to me that under those circumstances the Opposition were not completely annihilated. It is a tribute to their common sense that all the electors were not gulled by these fatuous promises and gross misrepresentation.

It is difficult to reconcile the subsequent actions of the Treasurer with the following statement in his policy speech:—

“A special Queensland revival loan of £2,500,000 from Queensland citizens will be invited. In this manner all Queenslanders will be asked to demonstrate their desire to help in the national work of rehabilitation and will be asked to become partners in the onward drive to better times.”

What a farce! And how foolish the poor, deluded electors must feel in the face of the unfulfilment of the promise that secured such a big backing from them! Instead of becoming partners in an onward drive to better times they find they are partners in a backward movement to ruination with a big burden of taxation which they are called upon to shoulder through the bungling of the manager of the partnership. It is a very expensive partnership into which an ordinary person would not venture. The present economic situation demands exercise of prudent and careful management; instead of adding to the burdens of the taxpayer the Government should practise economies. But Labour will never follow the unpopular path. All its actions are directed to buying votes rather than attempting to improve the position, no matter what the consequences. The Moore Government, in an honest attempt to right the ship of State reduced expenditure in the Government service. It was unpopular, but the Government faced their duty with a full knowledge of the consequences.

As compared with 30th June, 1932, the increase in the number of Government employees as at 30th June, 1933, was as follows:—

| | |
|---------------------------------|-------|
| Paid from Revenue, Increase was | 370 |
| Paid from Trust, Increase was | 318 |
| Paid from Loan, Increase was | 457 |
| Total | 1,145 |

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Number of Government Employees (all Funds)—

| | | | |
|-----------------|-----|--------|--------|
| 30th June, 1930 | ... | 36,743 | |
| 30th June, 1932 | ... | 28,973 | -7,770 |
| 30th June, 1933 | ... | 30,118 | +1,145 |

These increases occurred notwithstanding the fact that the State sawmills and timber yards had been disposed of. Economies effected in 1931-32 reflected a large reduction in expenditure during the first quarter of 1932-33. Unfortunately, these reductions were not maintained. The following is a comparison of expenditure for each quarter of 1932-33 with the corresponding quarter of 1931-32:—

| | £ |
|--------------------------|--------------|
| First Quarter, decrease | ... 117,528 |
| Second Quarter, decrease | ... 23,617 |
| Third Quarter, increase | ... 13,372 |
| Fourth Quarter, increase | ... 9,568 |
| Year, net decrease | ... £118,205 |

So Queensland went back to the old extravagant system of needlessly spending money and finding jobs for the friends of the Government in the public service. What a wonderful solicitude this Government have for the public servants! I do not wonder at it, because they get good support from the public service. The Treasurer, in reply to a question asked by the Leader of the Opposition a couple of days ago, stated—

“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.”

Replying to a further question as to what the cost of these increases would be, the Treasurer replied—

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

In boom years Labour took advantage of provisions of the Industrial Arbitration Act to exclude certain Government employees from the jurisdiction of the Arbitration Court, namely—

1. 1917 to 1920—Officers receiving £300 per annum and over; 1921 to 1924—Officers receiving £300 per annum and over. Embargo was lifted just prior to election in October, 1930, but was reimposed four months later.

2. Automatic increases prescribed in awards and agreements were limited to certain salaries in various years. 1915-1917—Only to salaries not exceeding £200; 1917-1918—Only to salaries not exceeding £300; 1918-19—Only to salaries not exceeding £500; 1919-20—Only to salaries not exceeding £600; 1921-22—Only to salaries not exceeding £500. All increases were paid in elections year, 1920-21.

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

Mr. FOLEY (*Normanby*) [3.19 p.m.]: After carefully listening to the speeches made by hon. members opposite I have attempted to analyse the attitude of the Opposition in the light of their statements, and find it rather difficult to arrive at a conclusion. Apparently it consists of a condemnation of increased taxation and increased loan expenditure by the Government. On the other hand, however, they condemn the Government for not obtaining further loan moneys to enable them to absorb the unemployed in full-time work. No one on this side of the House contends that taxation is low in Queensland. We know it is high. We also realise that our loan expenditure is high as compared with that of the previous Administration. How could it be otherwise in view of the circumstances in which we are placed? How is it possible to avoid high taxation and large expenditure when the whole of the population is looking to the Government to carry on essential services? What alternative is there for the Government than to increase taxation and borrow money when the public insist that the Government shall provide for the unemployed of the State—as do also members of the Opposition? We are doing that and not apologising for it. I, at least, do not apologise for high taxation or for the high loan expenditure.

Do hon. members opposite want the Government to reduce and deflate or do they want them to do the things they have suggested during this discussion? There is only one way in which employment can be increased under existing conditions in this State, for private enterprise has broken down and cannot employ its man power. That way is to raise loan moneys. The Government are doing that as far as the finances of the State will allow them. Why do the Opposition not say candidly what they want? If necessary, money can be raised on loan, which would result in further taxation to meet interest and redemption. The Opposition cannot have it both ways.

They cannot expect the unemployed to be absorbed into useful employment under a policy of deflation, with reduced taxation and diminished borrowing. Queensland was subject for three years to that policy whilst they were in power, with disastrous results to the business people and the workers generally. The political party that sponsored that policy were cast into political oblivion, but a few remained to carry on.

Hon. members opposite should say just exactly what they want. The Opposition have adopted hypocritical tactics during this debate and have suggested certain lines of policy only by innuendoes and insinuations. They have not the courage to state definitely just what they expect the Government to do. They have argued both ways, but they cannot have it both ways. If they approve of a policy of deflation, with reduced taxation and decreased borrowing, then the unemployed cannot be absorbed in industry as they suggest. If they were sincere in their advocacy of a policy to absorb the unemployed, then taxation would be increased to meet the added charge upon increased loan expenditure. What other method is available?

Mr. KENNY: Spend the money allocated by Parliament this year.

Mr. FOLEY: The money appropriated by Parliament this year will be spent this year. The Treasurer has drawn attention

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to the fact that it is difficult for the State to finance its operations because of the inroads of the Commonwealth Government into the field of taxation in this State. He has pointed out—

“The gross Customs revenue collected by the Commonwealth Government during 1932-33 exceeded by £2,554,993 the revenue from this source for the previous year.”

He has also pointed out that the Commonwealth Government's taxation collections in Queensland from all sources approximate or exceed those of the State Government.

Mr. MOORE: What do they give back? What about the old-age pensions and soldiers' pensions?

Mr. FOLEY: They are giving back some but they are extracting this enormous amount of income from the working population of this and other States so as to return it to the higher income earners. That is indicated by the recent Federal Budget. The income taxation relief provided by the Federal Government works out at 2½d. a week on a taxable income of £200, 6½d. a week on a taxable income of £400, but on a taxable income of £10,000 it reaches £6 8s. 6d. per week. Those figures will give some idea of how money is being extracted from one section of the people to be paid to the higher income earners. And this is done on the plea that it will encourage the development and expansion of industry! We know how industry has expanded throughout the Commonwealth during the past few years. We recall that the last Commonwealth loan was oversubscribed in a few hours, because no more attractive avenues of investment were available to those who had accumulated savings to invest.

At 3.30 p.m.,

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

Mr. FOLEY: If relief from taxation would bring about the development and expansion of industry, why did capital not invest for this purpose the £15,000,000 that was subscribed to the Commonwealth loan? The claim by most speakers that we should reduce taxation does not appear to me to be sound, nor is that course practicable at the present time, especially in view of the financial position of the State as pointed out by the Treasurer in his Financial Statement. If there is to be any reduction in taxation, such reduction in the first place should be brought about in the amount now being levied on the workers, both outside and inside the public service. Hon. members complain about high taxation, but if they carried the burden of taxation now imposed on the great mass of the workers, including public servants who can ill afford to pay it, they would have some reason to squeal. I propose to give hon. members an idea what the workers are contributing towards the rehabilitation of Queensland. They are subscribing an enormous quota of their earnings to avoid bankruptcy, and to lighten the burden on that section of the community which should rightly bear the whole burden—that is, the owners of wealth. Owners of wealth-producing agencies should justify their right to a position in society by providing work for our people by keeping the wheels of industry going. As they

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have not done so, I say that private enterprise has broken down.

From the time that the unemployment relief tax was first imposed on 1st August, 1930, to 30th June, 1931, workers outside of the public service paid in this form of taxation £324,644, while the employees of the Crown, including railway employees, contributed £89,392, or a total of £414,036. In 1931-32 employees engaged in private industries contributed unemployment relief tax amounting to £542,700, and Crown employees £145,940. In 1932-33 employees in private industry contributed £872,840 in relief tax, and Crown employees £232,000. During the whole period that this tax has been operating, the workers have contributed £2,208,116 in order to prevent bankruptcy on the part of the State. That is a fact which speaks for itself.

I now propose to deal with another sacrifice of the workers employed by the Government. The salary reductions are a direct tax upon the workers. A perusal of the figures show that in the year 1930-31 employees in the Railway Department paid out of revenue account received £257,104 less than in the previous year as a result of the operation of the percentage reduction. The amount under the heading of loan was £15,923. In 1931-32 a direct saving was effected from both these sources of £490,381, while in 1932-33 the amount increased to £491,000. From the employees of the Railway Department, who are now earning barely sufficient to purchase food and clothing and provide shelter for their wives and children, salary reductions and rationing schemes have taken no less a sum than £1,252,516. That, in my opinion, should be more correctly borne by the wealth-owning section of the community, not by the workers of the State.

Coming now to a consideration of the public service, we find from the latest report of the Public Service Commissioner that for the financial year 1932-33 an average reduction of 19.7 per cent. was made from the salaries of public servants, the reduction totalling £973,371. That amount multiplied by three shows that approximately £3,000,000 has been directly contributed by the public servants of this State in the last three years towards the rehabilitation of Queensland. Stated in another way: the percentage wage and salary reductions imposed under the Premiers' Plan and ratified originally by the Moore Government have saved the taxpayers of the State the amount I have mentioned. Aggregating the figures, one finds there has been an enormous contribution from a section of the community, the majority of whom previously did not pay taxation. What we are really doing to the average basic wage-earner is to reduce his wages to the extent that we impose unemployment relief tax and percentage reductions. In that way we are relieving the wealthy sections of the community from making the sacrifice that they should make towards the rehabilitation of the country, for they have the greatest stake in the country and have the most to lose in the event of a smash. If any reduction of taxation is to take place I will certainly plump for reducing the burden on the shoulders of the poorer section of the community before any reduction is given to that section of whose welfare the Opposition have been so solicitous throughout this

debate. The present Government succeeded to a financial position that it was impossible to correct immediately without creating confusion and chaos.

The accumulated deficit left by the Moore Government makes it difficult to carry on, let alone to reduce the burden of taxation. Notwithstanding the difficulties, the Government are endeavouring to bridge the gap by providing employment to as great an extent as the finances will permit. The loan programme of £3,300,000 mentioned in the Financial Statement is a considerable improvement on that of the previous Administration. I want to emphasise that the best we can do is merely to bridge the gap. We are providing a measure of employment that barely provides a living for those who have been unfortunately thrown out of ordinary employment by the breakdown of private enterprise. Even to the extent that we provide that measure of relief we are roundly condemned by the Opposition, who in one breath condemn us for relieving the unemployed position and in the next breath complain that we do not absorb the unemployed.

Great Britain and the United States of America have found that deflationary methods are not successful, and they have been compelled to adopt other methods. The Right Hon. Walter Runciman and the Right Hon. Ramsay MacDonald recently stated that they are carrying out—and intend to continue to carry out—a tremendous public works programme in England; and America is working along the same lines. America, quite apart from the enormous loan and public works programme, running into thousands of millions of dollars per annum, is going one further. Men there are advocating an increase in wages of employees, the shortening of hours so that a greater number of workers can be employed in industry, and also—what is anathema to hon. members opposite—the right of the workers to organise themselves in industrial unions.

The hon. member for Hamilton remarked that one way out of the difficulty for Australia would be to bring down wages—to maintain the “open shop,” as it were—of our youthful employees. If that argument is sound in the case of the youth leaving school and starting to learn work in industry, it should apply also to other workers. It appears to me to be rather an unsound method in view of the industrial and financial crisis which has existed since 1928. The average wages of the American worker were the highest of any other worker in the civilised countries of the world. President Roosevelt—who is by no means a Socialist or Labourite—backed by his advisers and by Congress, is advocating increased wages on top of what are already the highest wages in the civilised world. He is also advocating shorter hours.

Mr. KENNY: That does not prove he is right.

Mr. FOLEY: If the hon. member would use a little more reasoning in these matters he would come to the conclusion that that is the only method that is left to the capitalistic world if it is to get out of the mess it is in at the present time. The Americans, who are keen judges of what is best for industry, realise that the only way to rehabilitate industry in that country is to

bridge the gap between the consumption and production of goods. If there is a lag in consumption through low wages and diminished purchasing power chaos in industry naturally follows. The object in America, therefore, is to raise wages and bridge the gap so that the capacity to consume can be kept on a level with the capacity to produce.

Mr. SIZER: That will not solve the problem.

Mr. FOLEY: I am not arguing that it will solve the problem, but at least the Americans are taking a step that appears to all political students in the world to be the only logical step that can be taken by any capitalist country towards rehabilitation of industry. The opinion of the noted Socialist, Upton Sinclair, appeared in an article in the Brisbane “Standard” recently. He is recognised in America as one of the foremost economists and literary men of the day, and his opinions on matters of this kind are considered worth while. He says—

“Mr. Roosevelt has made large public promises and simply dares not delay for ever to keep them? He is going to be President for four years, if he lives—and I do not believe our old system can last that long, except with the help of a world war. Sooner or later he is going to be driven to start the new system, and I ask why not sooner? If he does it he will be President for eight years and the most loved man in American history.”

The article infers that although they may bring about some improvement they cannot bring about the improvement that is desired. Sinclair argues that Roosevelt will eventually be forced to “go the whole hog” and take control of industry in the United States of America and so organise and plan it as to provide work and income for the bulk of the citizens in that country. Further on he points out that the most difficult task in arriving at that point is not so much taking over industry but breaking with tradition—which takes courage. On that I agree with him.

The United States of America is one of the most highly developed industrial countries in the world. There the existing high wages are being increased, but in Australia men like hon. members opposite are advocating that we do just the opposite. As a matter of fact, the Opposition when in power did just the opposite, but under the Labour Government Queensland has an established and systematised order of giving a fair deal to every worker. During the regime of the Moore Government, when the hon. member for Sandgate was in charge of the Department of Labour and Industry, a Bill was introduced that put into the discard an arbitration law affecting thousands of workers. What was the result of that procedure? Wages fell from £3 10s. to 25s. or 15s. a week in many cases. A similar attitude was adopted in regard to timber workers, who, instead of getting £17 a 100 for sleepers supplied to the Railway Department received a miserable £11 10s., a sum which insured a living and no more.

Mr. MAXWELL: You promised award rates, and the workers are not getting them.

Mr. FOLEY: They are getting them. Under the Moore Administration we had the

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relief workers throughout the State receiving "Sizer's slave rates," but they are now getting award rates. (Opposition dissent.)

The TEMPORARY CHAIRMAN: Order!

Mr. FOLEY: As compared with the year 1931-32, our programme of works is favourable. During our first year of office it amounted to £4,610,200, and this year it is £3,300,000. This will provide at least some measure of assistance to those who find themselves on the labour scrapheap. During this and other debates hon. members opposite have insisted that an obligation is cast upon the Government to find employment for all workers who are thrown on the industrial scrapheap by private enterprise. That reminds me of an article that I recently read in a little magazine called "Australia," published by the Rev. Father Mills, who is a very definite opponent of socialisation. In that article he points out that if the public insist that the Government shall find employment for every citizen, and do all the things that the public demand, socialisation must come. If we can judge by their expressed opinions, hon. members opposite are strong opponents of the system of socialisation, but during this debate they have continually urged the Government to greater activity in providing work for the unemployed. They cannot have it both ways. If they are sincere in their desire, then they should assist the Government to carry the policy into effect. I am right behind any move to provide full-time employment for every unemployed person. Work is the moral right of every member of the community; but it is impossible under our present Constitution for any Government, whether it be Labour, socialistic, or communistic, to provide work for all of the unemployed. If the Opposition are sincere in their desire to provide employment for all of the unemployed, then they should be prepared to assist the Government by granting them the same dictatorial powers as have been granted to President Roosevelt of the United States of America. They should be prepared to grant the Government power to plan and conduct industry so that every member of the community will enjoy what is his moral right. They should be prepared to clothe the Government with greater power by giving them economic control of industry in this State. (Opposition interruption.) Hon. members opposite do not like the cane. (Opposition laughter.) Apparently they have only been beating the air and camouflaging the position during this debate. Not one is sincere in the suggestion that it is necessary to bring about in this State and the rest of the Commonwealth that admirable state of affairs under which employment and income will be available to every member of the community.

At 4 p.m.,

The CHAIRMAN resumed the chair.

Mr. FOLEY: It is no use thinking we can achieve the desired end by reducing taxation, or by reducing loan expenditure. We must go further than that if we are to attain that ideal state of society which will give employment to everybody. If hon. members opposite are sincere they should not criticise and belittle the Government, but should offer to stand behind them and assist to give full powers to the Government so to organise industry that every man in the community can be provided with employment. All over the world economists and

other students are suggesting other methods. They have suggested the raising of price levels, the stabilisation of international currencies. They are clutching at straws in an endeavour to uphold the capitalistic system as long as possible, while the great masses in the community rot in misery and privation. Their methods are but high-sounding terms.

The stabilisation of currencies, for instance, is practically an impossibility. The foundation of the monetary system makes it impossible to bring about a stabilisation of currencies and a stabilisation of prices. Many hon. members do not realise what the basis of the monetary system is and how it operates. The system operating in the world to-day permits one specific commodity to be used as a measure of value for all other commodities, yet individuals will argue that prosperity will be brought about by increasing price levels, forgetting that the units of the whole capitalistic world are competing with one another on the world's markets in an effort to reduce those price levels. The only effect that an attempt to bring about prosperity by increasing price levels will have is that the debtor section of the community will obtain some advantage, enabling them to pay their debts at the expense of the creditor section. We have the press preaching the doctrine of confidence, and on the other hand we have others advocating that the investing section of the community should be robbed by tinkering with price levels and prices generally. I refer to these matters in passing because there is no short cut to the rehabilitation of industry under a capitalistic society. Bernard Shaw, in the course of a recent address in America, gave expression to the same thought. He told his audience that they were now on the brink of a precipice and had reached a point that other social systems had reached without toppling over. That is what is really happening. A system of society has grown up over a number of years based on the expropriation of wealth produced by the working class. This has led to one section owning and controlling the wealth-producing agencies and accumulating the surplus over and above the amount upon which the working class has subsisted. The application of science and invention to industry has evolved many labour-saving devices. Surplus wealth has been reinvested yearly without any concern or consideration of the ability of the markets to absorb the enormous supplies of commercial products that reinvestment has helped to turn out.

There has been a gradual development of society throughout the world until a system known as economic nationalism operates in almost every country. As the result we have reached a point in world affairs where the productive wealth of the world cannot be converted into cash, and as a consequence a deadlock has resulted. Only one remedy is possible. The enormous accumulation of stocks of commodities must be absorbed before an upward trend in production can be registered. These stocks can only be absorbed by increasing the purchasing power of the world generally. That involves not less money, but more money for the workers so that they may keep pace with the enormous productivity of the world. Unless some action is taken the present system will be replaced by another. Just so

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surely as the sun will rise to-morrow, will the present system be improved upon, and just as older races have substituted superior for inferior forms of society, so will capitalism be replaced by a system that is free from the many defects of the present system.

Mr. KENNY: It is just as well you don't get support from your own party in that matter.

Mr. FOLEY: The Government are just as much a victim of capitalism as the capitalist is himself. The capitalist may accumulate tremendous wealth under the present economic system, but in a period of depression that wealth may be reduced quite suddenly to a negligible amount. While we as a Government are following the orthodox lines laid down by our Constitution and endeavouring to provide employment, we are restricted to the extent that these methods will allow us to go. We collect revenue to carry on essential services. We also provide for the expenditure of loan funds on a public works policy for the State. Even in normal times we can do no more than in abnormal times, and very often we are handicapped and can do still less. I urge hon. members opposite to be sincere in their remarks. They cannot have it both ways. For example, they cannot have low taxation and restricted loan expenditure and at the same time expect the unemployed to be absorbed. In due course the Government will overcome many of the difficulties with which they are confronted. They have three years in which to carry out their programme, but even if they do not carry it out in full they can truthfully say to the people that they have done everything possible in the circumstances.

Mr. WALKER (*Cooroola*) [4.12 p.m.]: I recognise that the hon. member who has just resumed his seat has extreme views. I give him credit for being honest and sincere in his opinions, but I cannot agree that he is practical. The hon. member referred to taxation and loan expenditure. He could not have it both ways. Taxation has increased to such a degree that many business people are to-day almost going out of business—some of them have, in fact, gone out. If we keep on in this way it is only a question of time when we shall be compelled to borrow money to liquidate our debts; if we balance our affairs it must then be with borrowed money.

The public debt has gone up by something like £2,619,000 since the present Government took office, and we have to pay interest on that money. Our interest burden will be very heavy until we get a larger population in Queensland.

The hon. member for Normanby stated that private enterprise had broken down. It is quite easy to understand why. High taxation is responsible for many businesses breaking down, and the low prices of our products overseas is another severe handicap. When you take the average price of butter for the month of August into consideration, you can understand how hard it is for men to pay their way, let alone make a profit.

One thing is responsible for our trouble to-day—that is, the increase in expenditure from consolidated revenue. The figures

show that the increases in the years given were—

| | £ |
|----------------|-----------|
| 1924-25 | 1,464,956 |
| 1925-26 | 1,274,116 |
| 1926-27 | 336,550 |
| 1927-28 | 216,610 |
| 1928-29 | 194,581 |

Under the Moore Government it decreased thus—

| | £ |
|----------------|---------|
| 1929-30 | 181,090 |
| 1930-31 | 806,359 |
| 1931-32 | 845,403 |

In the first quarter of the financial year 1932-33—after the Labour Government came into power—it decreased by £118,000, as a consequence of the many economies which the Moore Government had instituted. But there the decrease practically ceased, and for 1933-34 there is an estimated increase of £100,249. Those figures are a complete answer to the hon. member for Normanby. We cannot get anywhere unless we economise. If we economise in the way we should do, and as we are honourably bound to do by the Premiers' Conference, of which Mr. Scullin was president, we should be able to get on a better footing. Mr. Scullin agreed to all the economies, as did the Moore Government; yet we find hon. members opposite talking about what advantages would have accrued to us if we had only continued Mr. Scullin's policy.

Our public debt has been responsible for a large amount of interest. The present Government last year had the benefit of a reduction of £200,000 in the interest bill, which meant that the exchange was also lower. Labour Governments in the past borrowed £4,000,000 or £5,000,000 a year, and spent it in boom times when really no money should have been borrowed. They obtained loans at 6 per cent. or 7 per cent. interest. We will have to remedy that state of things; otherwise we shall get nowhere.

We need to economise. Economy does not mean the lowering of wages, but a stoppage of the drift that has set in. We do not want to see next year another 1,000 employees added to the public service of Queensland, as has been the case during the last year. It is not private enterprise which has gone broke, as stated by the hon. member for Normanby, because other States of Australia who have had the same Premiers' Plan to follow in the rehabilitation of their finances are doing remarkably well. We have not carried out the plan in Queensland, and are consequently making a very bad showing. The remedy is quite easy to see. We can provide an enormous amount of work for our people, for instance, in reforestation schemes. We should deal with forestry in a scientific way, and proceed on the lines adopted in Denmark and other countries.

New Zealand companies are carrying out a big advertising scheme in regard to reforestation and much of the money invested in them has come from Queensland. A similar scheme could be established here. The opportunities are here, and there is nothing to prevent us going forward and

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making a success of the venture provided of course we adopt the same methods of cultivation as have been adopted there. To go on as we are doing in Queensland is merely wasting public money, inasmuch as one bush fire may burn out the whole of our efforts. I venture to say we could pay the basic wage for that work. There is a world-wide demand for our soft woods, and inside of forty years we should be able to pay interest and redemption on the whole of the money required provided the labour gave us the return we have a right to expect.

Surely it cannot be said that we have stopped producing in Queensland! We have any number of markets. We know that recently there was a scare about over-producing. The same argument applied to sugar and many other products, but there are many people who can go out to-day and safely produce a good deal more. Notice should not be taken of this scare, which is engineered by commercial people in order to benefit some other country. We should go further into the question of markets, as the Commonwealth Government have done.

One hon. member made the comment that the Commonwealth Government received from Queensland taxpayers nearly as much taxation as the Queensland Government. They do not get more; they get less as a matter of fact. But supposing they got an equal amount, is it not proper that they should do so when they assist us by paying pensions for invalids and aged persons, and soldiers' pensions. The defence scheme also has to be provided for. They are carrying out scientific research work. Only the other day a question was asked in this House regarding £20,000 given for a tobacco-curing plant by the Commonwealth Government. We have had misleading statements made about Dr. Earle Page by some people who do not understand such matters. They indulge in carping criticism with a view to showing that we get nothing out of the Commonwealth.

I heard the same hon. member talking about the income tax and the large amount that was paid by many people here. According to the tables I have, only seventy-three people were paying on taxable incomes of over £10,000 in 1924-25, the aggregate taxable income being £1,337,377. Last year there were only ten over that amount with incomes aggregating £386,000. That conclusively shows that the "big" men do not exist and a corresponding reduction took place in every other man's salary. It must not be forgotten that such an income as £10,000 carries very high taxation—up to about 12s. 6d. in the £1. Knowing that, we should be very careful how we handle this subject. During the last State election the Treasurer made a statement that he had heard that enormous numbers of firms in Queensland were being exempted from income tax and that he would inquire into the matter. I think the total involved ran into about £2,000,000. As a matter of fact, most of us in politics knew that these firms could not pay. How can we make them pay? Not by making them discharge their employees and close up their business. The amount was not being written off; but was simply held over for the time being. The same thing is taking place to-day and the Treasurer realises that the policy we

adopted then is a sound one for him to follow.

Right through this debate a certain amount of criticism has been levelled against the Leader of the Federal Government. That to me is waste of time, considering that we have such major problems as unemployment to deal with. Talking about tariffs and excise and other Federal matters is waste of time.

A GOVERNMENT MEMBER: That is all bound up with the unemployed problem.

Mr. WALKER: We will say that it is bound up. Who called the Premiers' Conference that evolved the Premiers' Plan? It was Mr. Scullin. We take our hats off to him because he saved Australia, and is being lauded for it all over the world. It was adopted by all the Premiers—and there were more Labour Premiers then than there are now. What is more, it has been adopted by Mr. Lyons in exactly the same form as it was originally agreed to. The Prime Minister of the Commonwealth, Mr. Lyons, and the new High Commissioner of the Commonwealth, Mr. S. M. Bruce, have been subjected to very severe criticism by hon. members opposite. The Federal Labour Party has proclaimed its intention to nationalise banking if it is returned to power. To judge from the utterances of Federal Labour members one would imagine that the banks were owned by people with taxable incomes of over £10,000 per annum, but it must be remembered that banks, insurance companies, and building societies guard the savings and the investments of small depositors, too. All this talk of the nationalisation of banking is intended as political propaganda. Mr. S. M. Bruce has been more successful in the interests of Australia on the other side of the world in the matter of loan flotations and in other directions than the representative of any other nation. His successful loan conversion has resulted in a saving in interest of over £1,000,000 annually to the people of Australia. I advise the State Treasurer to endeavour to reduce the present interest rate of 7 per cent. on one American loan to 3½ per cent., and thus emulate the wonderful example set by Mr. Bruce. It may not be possible to achieve that conversion, but there is no reason why an attempt should not be made in the interests of the people of Queensland. I am satisfied that any representative of Australia in London, whether it be Mr. Scullin or Mr. Bruce, is prepared to do his best in the interests of Australia. The problems must be viewed in a broad way. Personal opinions must be held in the background to a very large extent, and during the negotiations there must be a policy of give and take.

The Moore Government have been severely criticised by hon. members opposite for their actions. I hope that it will not be necessary for me to repeat on every occasion that during our term of office we did some things that hurt the people, but it hurt the Government to do them, and it is well to remind the present Government that they have not undone any of the things that we did. It is true that the automatic increases withheld from public servants by the late Government are now to be restored, but it is also true that some of the public servants in receipt of salaries of £19 per week are

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to be paid an additional £1 per week, bringing their salaries to £20 per week. Is it fair to increase a salary from £19 to £20 per week whilst there are so many unemployed in our midst and whilst distress still prevails? How can a public servant on £19 a week hold out his hand for an additional £1 per week, knowing full well that many people are on the breadline?

The SECRETARY FOR PUBLIC LANDS: What salary will be paid to Mr. S. M. Bruce as High Commissioner of the Commonwealth?

Mr. WALKER: I understand he is to be paid a salary of £3,000 per annum, and is to be provided with a house, but after he has paid taxation levied by the British taxing authorities very little of his salary will remain. The late Agent-General for Queensland and his predecessor distinctly stated that they could not live in London on their salary because the cost of living was so high. When the dairying companies appointed a manager to watch the interests of the dairymen in London we decided to pay him a salary of £2,000 per annum, but out of that sum he had to pay £500 per annum right away to the British Government in taxation, and he had to provide his own house. Is not a salary of £1,000 per annum a reasonable salary to pay to a man in that position, resident in London? He is expected to carry out effective work, and he should not be expected to frequent the streets and mix with decent people yet wear ragged trousers. Mr. Bruce on £3,000 per annum will be called upon to associate with people in very high rank. The money will be well spent, particularly if one has regard to the brain power of the individual concerned. The present Government have failed to reduce taxation; in fact, they have increased taxation by over £1,000,000, with disastrous effects upon industry and the unemployed.

We shall be able to deal more fully with the increases in public servants' salaries when the Estimates are under discussion, but I repeat that the time is not opportune to pay increased salaries to highly-paid officers of State. I do not object to reasonable salaries being paid to public servants. I realise that a person can be sweated on £3,000 per annum and on £1,000 per annum just as he can be sweated on 10s. per week.

In 1932 the number of registered unemployed was 35,823, but by 1933 it had grown to 40,464, and I am safe in saying that the actual number of unemployed in the State to-day exceeds that figure.

Mr. MAXWELL: Yet they say we have "turned the corner"!

Mr. WALKER: I only wish that we had turned the corner. The Government should have concentrated their efforts on securing that end instead of talking about what others are doing.

Mr. G. C. TAYLOR: It is as hard to turn the corner as it was to win the war.

Mr. WALKER: If we were all like the hon. member the war would not have been won, nor would we turn the corner.

One can say without fear of contradiction that there is nothing bright or appealing about the Budget. There are no rays of that sunshine which we heard so much talk about from hon. members opposite. If we pursue the policy laid down in the Budget

we shall make no progress. We must endeavour to secure a better return on our loan money by expending it on reproductive loan works and not in the nonsensical ways that are being followed at present. Much developmental work remains to be done. Queensland is the only State which is budgeting for an increased deficit. That is a matter for regret because the Leader of the Opposition, as Premier of the day, gave his word to the other Premiers and the Prime Minister, to budget for reduced deficits. Queensland is the only State that is not pursuing a policy in accordance with that agreement. She is setting a bad example. The Treasurer could have achieved that purpose if the additional 1,000 men he has provided for were not put on. All these matters should have been studied, and they could have been reasonably studied if the Government were strong enough, but, as I have always contended, Labour is not strong enough to govern. There are so many outside influences at work that its hands are tied. We have an example of that in the extent to which metropolitan Labour members are interviewed. I sympathise with them because they are not able to give the time to their parliamentary work that they should. The big unions are also pushing and pestering hon. members opposite from morning to night in order to get something or other done. We have one concrete example. The Moore Government permitted the Industrial Court to function for a couple of years after one of its members had died, making a temporary appointment only when the occasion warranted it, but so soon as hon. members opposite attained power they made a permanent appointment at a cost of £2,000 per annum. I hope that the Secretary for Public Lands will not forget the salary of this appointee.

Last year the Government increased the incidence of income tax by an average of 25 per cent., reimposed the super land tax, made substantial increases in railway charges, increased the unemployment relief tax by an average of 50 per cent., increased the fees payable under various statutes, and transferred £250,000 from the Main Roads Fund to consolidated revenue. Last year Parliament passed approximately thirty measures, most of which contained a provision for the imposition of a fee, which in the ultimate increases the cost of the production to the workers.

Mr. WATERS: According to you, a reduction in interest means increased taxation.

Mr. WALKER: The only reduction brought about in interest rates was that obtained by the Commonwealth Minister in London, Mr. S. M. Bruce, by the successful conversion of Commonwealth loans. Generally, interest rates are just as high to-day as ever. It is true that the Prime Minister has from time to time converted Commonwealth bills at a lower rate of interest. The hon. member evidently forgets that the Leader of the Opposition, when Premier, secured a reduction in interest rates to pastoralists financed by financial institutions. If the hon. member had been alive to his political duties he would not need to be reminded of these facts.

In addition to these increased burdens which I have enumerated, a further inroad amounting to £250,000 is to be made on the Main Roads Fund. In a period of twelve

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months £500,000 has been transferred from the Main Roads Fund to consolidated revenue when the money could have been put to better use in developing our rural areas, particularly the coastal areas as far as Cooktown. Road connection not only aids in the development of the State but assists in the expansion of production, and enables the producer to market his produce at profitable rates. The Government, by the adoption of smart tactics, are overcoming the agreement in connection with the Premiers' Plan by transferring money from one fund to another under conditions which I do not like. I do not agree with the transfer of this £500,000, which is simply done for the sake of conserving a few non-thinking votes. It is a very wrong practice indeed.

Mr. WATERS: Your opinion of the working class is that they are non-thinking.

Mr. WALKER: I have done more work than the hon. member has ever done, and am better fitted to represent the workers. For something like seven years I worked underground as a miner. I have worked all my life, and am still working, and am keeping a few fellows who are not working to-day. The sunshine the Treasurer promised to the people in 1932 is no doubt in existence somewhere, but it will be very difficult for its rays to penetrate through the present Budget. The increased deficit that the Treasurer is inflicting on the people of Queensland this year is in spite of a reduction of over £200,000 in exchange on overseas interest payments. This is due to the depreciation in the "almighty dollar," brought about by the adoption—only temporarily, I think—of the Australian Labour Party's methods of currency inflation and governmental industrial regulation and control. I hope that the lesson the United States people are learning will prove profitable to the Australian public, and I trust that no heed will be given to the advocacy of Messrs. Scullin and Theodore that inflation will overcome the ills of our own country. Let us proceed in the style which has always been characteristically British; in other words, let us have stability in our financial and monetary activities, and we shall quickly regain the stable position that was ours in pre-war days. If we have the courage boldly to face our difficulties we shall quickly overcome them.

I notice that the Treasurer in his Budget speech makes a further rather guarded reference to a "co-ordinated plan of recovery accompanied by a policy of monetary deflation." It would have been infinitely better if the hon. gentleman had told us just what he had in mind. We know that the Labour Party's policy includes political control of banking, which would mean the issue of paper money at the will of the Government. That would certainly cause a rise in prices internally, which the wage-earner would be the first to feel, but it would have no effect whatever on external prices. It would, however, increase our costs of production immensely, and the sale of our goods in the world markets would become impossible unless the value of our money depreciated correspondingly with the increased issue of paper. In that case there would be no gain to anyone, but there would certainly be tremendous losses and an increasing lack of confidence in the minds of people with money to invest. We would reach the depths of degradation plumbd

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by every country that has resorted to currency inflation as a solution of the difficulties caused by falling prices. The political control of banking would destroy confidence. Take the position of insurance offices; they have not the confidence that they had a few years ago, because of misunderstanding and a lack of that spirit of fairness which previously existed between various companies. The shareholders in any big private company are almost as numerous as the so-called shareholders in the State Government Insurance Office.

Mr. W. T. KING: No; the shareholders in private companies are limited in number.

Mr. WALKER: It is no use the hon. member saying that. We know that many people are insured with the private companies. Personally, I am insured with the State Government Insurance Office, for reasons best known to myself.

I do not believe there is any business in the Treasurer's proposal to finance the construction of the proposed Kangaroo Point bridge.

Mr. WATERS: You don't want work created in Queensland.

Mr. WALKER: I do not want the people of Brisbane saddled with something for which they cannot pay, especially as existing facilities can cope with the requirements of the people for many years to come. In any case, if the project ever reaches the Loan Council I think it will be abandoned. It was in connection with the proposed building of that bridge that a correspondent in last evening's "Telegraph" advocated that the bridge be built by the issue of bonds, and he referred to an experiment carried out in Guernsey in the last century. Mr. J. B. Bridgen deals with the Guernsey experiment in his book, "Credit," as follows:—

"Many beautiful theories have been murdered by a gang of brutal facts; but their ghosts walk, and they have their seasons when they clamour for reincarnation. Every depression is their season. They come out like pimples in the spring. About one hundred years ago the Governor of the island of Guernsey made a name for himself by building a market house out of paper money. He was under no Central Government, making this exploit illegal. Until recently the tiny island of Guernsey had its own issue of notes, and it may still have them, but it has had wiser Governors.

"The Governor increased purchasing power. He may have built a small building requiring a very small addition to the notes in circulation, but to that extent purchasing power was increased. It followed that prices rose to a corresponding extent; that people with fixed or customary incomes were able to buy less income, and that the Governor's building was built with what they had to go without. His people may not have seen through the disguise, but we may be sure that they felt the operation. And then this clever Governor proceeded to cancel the additional notes. He could get them this time only by obvious taxation or by borrowing. The taxation would have been increased in the usual way, and the revenue so derived would

have been deposited in the bank used by the Government. Then the Government would withdraw notes and cancel them.

"The issue of notes would at first raise prices. The cancellation would reduce them again. Both of these processes would disturb industry and incomes. At some time, whether borrowing intervened or not, the taxpayer would have had to pay for the building. He also had to put up with the disturbances to prices.

"Is it any wonder that the exploit has not been repeated?"

In my opinion there is no magic in the printing press, and the people of Australia will have to be very careful as to what is done in connection with the proposed fiduciary issue scheme of the Australian Labour Party. The difficulty we are facing is due to the aftermath of the Great War, and is common to all the countries of the world. It is difficult to see when we are going to get over our troubles; we must do all in our power, and we require all our courage to arrive at a solution. We need to develop our industries so as to find work for the unemployed. Many men would sooner die than live under the present rotten conditions.

Some years ago Mr. Theodore proposed a fiduciary issue of £18,000,000 to bring about a revival of trade and a return to prosperity. Mr. Scullin, backed up by many of the supporters of the Labour Party, travelled over Queensland, advocating that proposal, but he dropped it at the time of the Premiers' Conference, as he found that if he did not drop it Australia would not be able to pay more than 12s. in the £1 and would go broke. He has since started to advocate it again.

The best way to meet the situation which exists would be to return to the old price levels. Take the price of our products just before the war, when we were able to export our stuff all over the world. Our wool at that time was 14d. per lb. During the war it went up to 2s. 4d. per lb., and substantial increases were given to workers employed in the industry. Wool has dropped again in price, but I think it is going to go up in view of our Eastern markets. The Premier could have allowed a great deal more when budgeting for next year's income tax if he had taken into consideration the probability of the further increase in the price of wool.

The originator of the fiduciary issue policy and of what is called Labour's monetary policy eventually condemned it as impracticable, because its success was contingent upon action being taken by all the countries throughout the world. Yet members of this House are still advocating that policy—dangling the printing press before the eyes of the people.

There must be some understanding between the nations of the world; otherwise there will be a restriction of production. The Premier, when speaking on the Address in Reply, and also down South, said he could never believe in a reduction of exports of any of our products. At the same time, he has always been interested in the sugar industry, where we have had a restriction of production. If we had no restriction in

the export of sugar and the outside market price was about £8 10s., our home price would go down to something like that amount—which would kill the whole industry. The Treasurer is not playing the game with regard to his responsibilities, but, Micawber-like, is hoping that something will turn up. When it does turn up, I hope it will be something of a better character than we have had during the last few months.

Referring again to reforestation I urge the Government to send someone to New Zealand to investigate methods there. It will be found that similar scientific methods of cultivation can be adopted in Queensland and will prove a sound investment. We have the vacant land and the unemployed. Would it not be far better to plant trees than have the unemployed pulling up weeds in the streets, or working down at Breakfast Creek wearing white shirts and shovelling mud, which could be moved more cheaply by machinery? Throughout Queensland unemployed men are being asked to do work which they know is of no real value to the country. Some of them are making recreation reserves that will not be used for 200 years. The men have lost the incentive to work and consequently are not giving 100 per cent. of their efficiency. It would be better were they to be placed at reforestation work and paid the basic wage. I venture to say this work would show results and give an adequate return for the money expended. Prices are changeable all over the world. We have had them before and we will have them again. Butter was down to 62s. a cwt. To-day it is up to 100s. and it went up to 110s. recently. Prices of produce must move. The subject we have to study in the meantime is economy. If we study economy and play the game we shall get somewhere.

The hon. member for Normanby criticised the taxation proposals of the Moore Government and he also criticised the Federal Government for failing, in his opinion, to grant adequate taxation relief to taxpayers with small taxable incomes, but he overlooks the fact that he is supporting a Government that has decided to grant increased salaries to State public servants, who at present are in receipt of handsome salaries.

Comparing the present relief schemes with those of the previous Government, I venture to say the unemployed were better off under the intermittent relief scheme than they are to-day, when the cost of living is taken into consideration. There was more satisfaction amongst the men. We shall get nowhere unless we give an incentive to the unemployed and try to work shoulder to shoulder with the Government.

The House resumed.

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

Resumption of Committee made an Order of the Day for Tuesday next.

SPECIAL ADJOURNMENT.

The SECRETARY FOR PUBLIC LANDS (Hon. P. Pease, *Herbert*): I move—

"That the House, at its rising, do adjourn until Tuesday, 17th instant."

Question put and passed.

The House adjourned at 4.53 p.m.