

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 25 OCTOBER 1933

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WEDNESDAY, 25 OCTOBER, 1933.

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

QUESTION.

ALLEGED ILLEGAL TRADING OF AUCTIONEER
AND COMMISSION AGENT.

Mr. MOORE (*Aubigny*) asked the Attorney-General—

“ 1. Has a letter been received from licensed auctioneers and commission agents in Rockhampton complaining that Edward Hempenstall has been trading as an auctioneer and commission agent in Rockhampton since January last without having been licensed?

“ 2. If so, why has no reply been forwarded?

“ 3. Will he take steps to stop this illegal trading? ”

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

“ 1. and 2. Yes, a letter was received and answered on the following day. A further letter was received on Monday last, and is receiving consideration.

“ 3. Steps have already been taken, and further action will be taken if necessary.”

PANEL OF TEMPORARY CHAIRMEN.

NOMINATION OF MR. V. H. TOZER.

Mr. SPEAKER: Pursuant to the requirements of Standing Order No. 13, I nominate Vivian Hoyles Tozer, member for the electoral district of Gympie, to fill the vacancy in the panel of Temporary Chairmen caused by the death of Ernest Lancelot Grimstone, member for the electoral district of Stanley.

SUPPLY.

RESUMPTION OF COMMITTEE.

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

ESTIMATES-IN-CHIEF, 1933-34.

HOME SECRETARY'S DEPARTMENT.

MEDICAL.

Question stated—

“ That £2,031 be granted for Home Secretary's Department—' Medical.' ”

The PREMIER (Hon. W. Forgan Smith, *Mackay*) [10.34 a.m.]: I beg leave temporarily to withdraw the motion.

The CHAIRMAN: Is it the wish of hon. members that the motion be temporarily withdrawn?

HONOURABLE MEMBERS: Hear, hear!

Motion, by leave, temporarily withdrawn.

VOTE ON ACCOUNT—£3,400,000.

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

“That there be granted to His Majesty, on account, for the service of the year 1933-34, a further sum not exceeding £3,400,000 towards defraying the expenses of the various departments and services of the State.”

This resolution will initiate the Appropriation Bill usual at this time of the year. It is similar to that which was introduced last year and provides for the requirements to the end of the current year.

Mr. FADDEN (*Kennedy*) [10.36 a.m.]: Once again hon. members have the opportunity of discussing the financial activities of the State. The Appropriation Bill which hon. members are to be asked to pass must not, of course, be treated lightly, and in order that we may be guided as to the likelihood of achieving the financial results that we are endeavouring to obtain we must look at the results of the past and try from them to forecast the probabilities of the future.

The other day the Treasurer advised hon. members to take various points into consideration when approaching the Budget and considering the position arising therefrom. The hon. gentleman stated that in any approach to the State Budget the following considerations are essential:—

- “1. What is the national income?
- “2. How much of it has been taken by the Government for its purpose?
- “3. How has that money been spent?
- “4. What has been the effect on industry and on the employment of the people?”

The Treasurer might have gone further; he could have stated that in order to give hon. members an opportunity adequately and properly to consider the matter it would be beneficial to have comparative results and statements as between year and year and Government and Government. It has also to be remembered that in making comments or indulging in criticism on the Treasurer's Statement hon. members did not have what was very requisite—namely, a copy of the Auditor-General's report for the financial year just concluded.

If the Treasurer desires hon. members to get that full grasp of the economic position which it is their duty to get I would strongly recommend that he request the Auditor-General to embody in his report the information that he suggests that hon. members should acquaint themselves with, and also to see that Parliament is armed with the report at a time when it is most beneficial for it to have it.

In order to give full consideration to the suggestion put forward by the Treasurer, we can take as a basis the taxable income of the State. That income is a fair gauge or

barometer, and therefore gives a proper and fair basis of comparison. We find in the report of the Commissioner of Taxes that the taxable income of the people for the year from 1st July, 1932, to 30th June, 1933, was £15,478,273, whereas for the previous year—the last year of the Moore Government—the taxable capacity was £17,681,862. Out of that £15,478,273 taxable income for the year ended 30th June, 1933, the Government assessed, levied, or imposed tax amounting to £1,601,668; whereas out of the £17,681,862 for the previous year—the last year of the Moore Government—the tax assessed, levied, or imposed was only £1,491,489. It is therefore obvious—and it is an indisputable fact, according to the Commissioner's report—that despite the fact that the taxable capacity of the people and the possible income of the State as a consequence declined by £2,200,000 an additional £110,000 was imposed or assessed by this Government.

The Treasurer accused me the other day of mixing up Estimates and receipts, but I did no such thing. I used the word “inflicted” purposely and advisedly throughout because I knew that if there was any aspect on which the Treasurer would pick it would be that very aspect, because it was the only one that would be suitable for political propaganda. He did not understand the difference between a comparison on a reconciliation basis and an ordinary statement of receipts straight out. Even taking the receipts position, what do we find? Granting the Treasurer the most advantageous basis, we find that while the taxable capacity of the people last year was £15,478,273, the Treasurer actually obtained in receipts from income taxation alone £1,743,000; so that—using his own argument—we find that £1,743,000 was actually received by way of taxation from a capacity of £15,478,273, compared with receipts of £1,674,000 during the last year of the Moore Government, when the taxable capacity was £17,681,862. So that during the Moore Government the residue of taxable capacity after taking income tax was approximately £16,000,000, compared with £13,750,000 after the present Government had taken their “whack” out of the taxable income.

Despite that position, we find that the deficit only declined by £520,000, so that on a proper comparative basis and having regard to the public purse and the capacity of the people to pay, the people of Queensland are approximately £600,000 worse off to-day than they were at the end of 1931-32.

Despite the fact that that extra taxation was obtained from a decreased taxable capacity, the Government overspent about £1,500,000, because that is approximately the deficit. Those are indisputable facts, and they require no camouflage. On a comparative basis the position is beyond any doubt whatever.

In his Budget last year the Treasurer stated that in order to achieve an estimated revenue of £13,299,535, he had to inflict a certain increase in taxation and certain adjustments in revenue. They are as follows, as stated in his own Budget:—

“In attempting to effect a reduction of £1,265,000 in the anticipated deficit, it must be realised that the task could not be accomplished solely by curtailing expenditure. After a very careful

Mr. Fadden.]

survey of the position it was decided to proceed as follows:—

" To reduce estimated expenditure by	£220,000
To reimpose the super land tax ..	130,000
To increase income tax by ..	270,000
To increase railway fares and freights	325,000
To transfer from the Main Roads Fund receipts	250,000
Adjustments in estimated receipts under various headings as result of revised estimates	70,000"

We will leave out the £220,000 because that does not come into the revenue side. So that in order to get a revenue of £13,299,535 the Treasurer set out to get increased revenue by way of taxation and transfer from the Main Roads Fund totalling £1,045,000. It is quite obvious that if that £1,045,000 had not been taken into consideration the estimated revenue would have been £12,254,535, and the estimated deficit accordingly would have been increased by £1,045,000; and the estimated deficit under those conditions, instead of being £1,500,000, approximately, would have been about £2,500,000. The actual revenue received was £13,396,644, or £1,142,109 more than the estimated revenue. That is reconciled as follows:—

	£
Revenue in excess of the estimate	97,109
Plus the extra taxation, etc. ...	1,045,000
Total	1,142,109

You can analyse the position backwards or forwards or any way you like, but the fact remains that while the Treasurer took me to task and stated that—

"The facts are income tax receipts—"

The CHAIRMAN: Order! I would like to point out to the hon. member that he is not entitled to speak on the reply given by the Treasurer on the Financial Statement.

Mr. FADDEN: I am very sorry; my remarks were not intended as a reply. I am quoting the Treasurer's statement where he said the revenue from taxation increased by only £60,000. If he had not increased taxation—and he will not deny that he increased it—instead of the increase being £60,000, there would have been a decrease of over £200,000. He cannot get away from those facts. The figures quoted by me are indisputable and are intelligible to people intelligent enough to understand them.

Another matter which requires consideration—and this is the proper time to consider it—is the position of the trust accounts. Will the Treasurer deny that the trust accounts definitely show that the State Insurance Fund increased during the year by £70,000, and at 30th June, 1933, the credit of the fund was £84,225? Whilst the trust funds show a credit of £3,311,060, tangible assets represent only £3,226,835. I am not attacking the stability of the State Insurance Fund. The State Insurance Fund was in credit £84,000 as at 30th June, 1933, but that credit was made possible by the fact that securities were not purchased as had been the practice before the year ended 30th June, 1933. Securities amounting to £50,000 were purchased on behalf of the fund on 1st July, 1933, but that is not within the year ended 30th June, 1933. When the securities amounting to £50,000 were purchased there was a credit of £84,000 available for the purpose. If those securities had been purchased before 30th June, 1933,

[Mr. Fadden.

the credit of the cash account would have been reduced by that amount. The trust funds have trust fund responsibilities greater than the cash on hand. Is the Treasurer satisfied with the position of the trust funds of the State? Will he state that the credit balances represent liabilities and responsibilities upon the State, and if so, whether those liabilities and responsibilities are represented by tangible assets? The public debt of the State has been understated for some considerable time. Trust funds are insolvent, and they are insolvent because the tangible assets are of insufficient value in comparison with the credits of the funds. My statement is confirmed by the Auditor-General's report on the public accounts for the last financial year. The report confirms my criticism of trust accounts made last year. The Auditor-General has pointed out this year that various debits in trust accounts are absolutely worthless. Still they are accepted as being the proper equivalents of credit balances. Considered on an ordinary elementary accounting basis, the trust accounts are insolvent, and they are insolvent to the extent of the shortage of cash plus the shortage in value of tangible assets. I am sure that the Treasurer does not wish that position to continue. The other day he suggested that the Leader of the Opposition should obtain the services of a competent clerk to check certain figures, but a clerk is not required on this side of the Committee. I recommend to the Treasurer that he obtain the services of a qualified practical accountant to ascertain whether the public debt of the State is understated or not.

Mr. GODFREY MORGAN (*Murilla*) [10.52 a.m.]: It can be anticipated that for quite a number of years it will be necessary for Governments generally to provide assistance for a number of the unemployed. It is to be expected that a number will be reabsorbed in industry as time goes on; at least, I hope so. Even in good times we had a number of unemployed in our midst. Governments should now recognise that it is useless to continue to utilise the services of unemployed workers on unproductive works. It is unfortunate that large sums of money are now being spent in this and other States of Australia on unproductive works. It is also regrettable that since the return of the present Government to power both married and single men and others are being attracted from country districts to the large centres of population. That is detrimental to the interests of the country, and even to the city itself where the congregation is taking place. Something should be done to provide work for the unemployed in the far-distant centres of the State. The people in the country are becoming dissatisfied because of this policy initiated by the Government of concentrating on the expenditure of unemployment relief funds in and around Brisbane. The large amount of unemployment relief funds being made available to the Brisbane City Council is out of all proportion to the allocations being made to other parts of the State. The Government are continually assisting the Brisbane City Council with a view to finding work for unemployed men who have been attracted here from the country by the policy of the Government. The Treasurer will probably say that the population of Brisbane is a little more than one-third of the entire population of the State, and that

the workers in the area contribute by far the greater amount of the unemployment relief funds. That may be so, but when Governments frame their policy no consideration is given to the question where the most revenue has been collected. No Government have any right to allow that fact to influence their works policy. We have only to take as an instance the millions of pounds that have been spent on public buildings in and around Brisbane. It is quite true that such work provides employment for a large number of men, and that the people of the city obtain a direct benefit from the policy. Notwithstanding that a large amount of the revenue is collected in Brisbane, the Government have no right to expend that money where it is collected if it can be spent to better advantage in other localities. I have several suggestions as to how unemployment relief funds can be spent in many other parts of the State to better advantage than they are now being expended in and around Brisbane, and under my suggestions the people would be far happier by being attracted to country centres where living conditions are preferable to those obtaining in the cities. The Treasurer has already made a statement in the press that he can obtain sufficient loan money to enable a bridge to be built across the Brisbane River at Kangaroo Point. It would be a calamity to embark on the construction of another bridge across the river, especially if the money is to be secured by way of loan. We have already two bridges across the river—one too many. The Grey street bridge should never have been constructed, or at least not for another ten years.

The TREASURER: I quite agree with you. When I was Acting Premier in 1927, I refused to give authority for its construction and held up the job.

Mr. GODFREY MORGAN: I commend the Treasurer for his action at that time. The Brisbane City Hall has been built ten or fifteen years before its time. As a result of the construction of the city hall and the Grey street bridge, the people are paying the piper very heavy amounts. Some people believe that the cost of such work falls upon the people in the city only. The cost of the erection of the city hall and the construction of the Grey street bridge is a burden upon the country people just as it is a burden on the people in the city. In consequence of this work, rates have been increased. It is true that these rates are paid by the people in the city, but the business section of the community pass on their share to the country people in the course of their business transactions. The people in the country by that means contribute their proportion of the cost of two "white elephants." If the Treasurer refused his consent to construct the Grey street bridge, why is he so anxious to proceed with the construction of the Kangaroo Point bridge? The money could be spent to better advantage and would give more employment on reproductive works in the country. I suggest that the £2,000,000 estimated to be the cost of the Kangaroo Point bridge be expended on a policy of water conservation throughout the length and breadth of the State. Such expenditure would be reproductive, create wealth, and increase our exports overseas. It would also create more employment in the State, because in addition

to the employment created by the increased wealth production the materials used for constructing weirs across the rivers are manufactured locally. Many rivers, such as the Condamine, Moonie, and Burnett, could be locked and in that way the State would have an insurance against drought.

On the other hand, the construction of the proposed Kangaroo Point bridge will mean that a large sum of money will go out of the State in the purchase of material for what is not a reproductive work. Where will such a bridge be reproductive even if a toll is imposed? Interest and redemption payments will be very high for many years to come. Of course, if a private company cares to speculate in building that bridge, well and good; the Government would be justified in giving a franchise. It is entirely wrong, however, for the Government to borrow £2,000,000 to construct a bridge which will not be necessary for another twenty years when at the same time urgent and essential work on water conservation is being neglected. Queensland probably more than any other State needs the provision for water conservation that I have outlined. It would make for a considerable increase in the volume of exportable primary products, would increase population, and the construction of the work would utilise Queensland material. Merely because a number of business people in Fortitude Valley advocate a bridge at Kangaroo Point because the absence of that facility has in their opinion been responsible for a reduction in the volume of their business to the advantage of houses in Queen street is no justification for borrowing money to provide it. It might increase their trade and enhance their profits, but much more reproductive work could be done in the directions I have indicated.

The HOME SECRETARY: Why didn't you do that when you were in power?

Mr. GODFREY MORGAN: We did not have the money available. It is all very well for the Treasurer to suggest making available a special loan of £2,000,000 for the Kangaroo Point bridge in order to create employment. The fact is that work in the direction of water conservation would be more reproductive.

The HOME SECRETARY: It would have been better if your Government had spent money rather than lent it to other States.

Mr. GODFREY MORGAN: Have not the present Government done exactly the same thing in regard to the redemption of Treasury bills? The Loan Council restricted us to the spending of a certain amount of money, and it was infinitely better that we should lend some of our surplus funds to other States and receive interest thereon rather than that they should be allowed to remain idle. The Moore Government did precisely what the present Government would do in similar circumstances.

With regard to the construction of the viaduct from Sandgate to Redcliffe, popularly known as the Hornibrook Highway, the present Government have no right to guarantee the payment of interest to debenture-holders.

The TREASURER: We have not done so.

Mr. GODFREY MORGAN: I hope the Treasurer will recognise that it is speculation, and that the fact that it will provide

Mr. Morgan.]

employment does not justify the Government in creating a precedent by guaranteeing the interest of debenture-holders. After all, the construction of that viaduct will only mean a saving of ten minutes in the journey from Brisbane to Redcliffe, and after the novelty wears off people will not be prepared to pay the toll, especially when they may enjoy that ten minutes' extra journey along a good road and amid pleasant surroundings. I have never regarded it as a payable proposition, and the Government have no right to guarantee interest on that speculation.

The TREASURER: What Government have done that?

Mr. GODFREY MORGAN: The hon. gentleman's Government are asked to do it, and, judging from the newspaper reports, the request has been favourably considered by the Treasurer. I hope the Treasurer will turn it down and not establish a precedent of that kind. The Government have no right to guarantee any such speculation.

Another matter of very great importance is the expenditure of money on reproductive works. One of the best ways in which money has been spent—and all country members irrespective of party will agree with me—is upon the ringbarking of country reclaimed from prickly-pear. There are millions of acres of very good land, which, generally speaking, has been reclaimed from prickly-pear through its destruction by the cochineal insect and other biological means. The Moore Government obtained a loan prior to the last election and established a fund for the purpose of assisting people to ringbark and make improvements on land of this description. The money was readily availed of by the settlers, an enormous amount of work was done while the money lasted, and a great deal of employment was given to people in country districts. The present Government have continued the scheme to some extent, but unfortunately they did not place sufficient money at the disposal of the people for that class of work. I am sorry to hear that no further money is to be allowed for work of that nature other than through the Agricultural Bank. These lands could not be made productive until a certain amount of money was spent upon them in providing water facilities and making other improvements. There are now settlers with herds of cattle in the localities on which previously only a few wallabies were running. There has been considerable settlement in these reclaimed areas in my own and adjoining electorates and much useful work has been performed with the money, which was available at 3 per cent. interest. The Government do not intend to lend any more money at 3 per cent., and people who desire advances can make application to the Agricultural Bank. That shows disregard by the Government of country interests. Hon. members opposite who represent city electorates are evidently overwhelming in their requests, while apparently country members on the Government side seem to have to give way in every respect and are not getting a fair deal for their electorates—the city members are “ruling the roost.” Go wherever we like, we see that a huge amount of money has been spent in the city, while country parts of the State have been neglected. Money could be spent in the country on reproductive work, and the more people we can attract to the country the better it will be for the

[Mr. Morgan.

State generally. It is time that country Labour members formed a country branch of their party like we on this side, so that they will be able to stand together and not be overwhelmed by city representatives. They will then be able to get a fair deal for their constituents, which they are not getting at present.

The HOME SECRETARY: There is only a national interest in this party.

Mr. GODFREY MORGAN: The city point of view operates with hon. members opposite because they get overwhelming power in that respect. They are controlled by one section of the community—that is, the unions—who are their bosses, and must do what the latter tell them. We learn from the press to-day of the amount of discontent in the railway service. According to the report, letters have been sent to hon. members of Parliament in regard to the matter. I am satisfied that when the unions speak the members of the Government will knuckle down and probably next session the unions' request will be acceded to. That will show that the union boss rule is paramount in Queensland.

We hear a great deal about the dictatorship in Germany. Hitler may have been responsible for the deaths of a few Communists, but if the Communists had got in they would have slaughtered the people by thousands—they would have blown out the brains of Germany the same as they blew out the brains of Russia. It is fortunate for the world that Hitler got in before the Communists. The Australian Workers' Union is in the position of dictator here to-day. It has control of the Industrial Court and everything as far as industry is concerned. I recollect that when cablegrams were published to the effect that people in Germany were being compelled to join unions the local press pointed out that Hitler was only imposing conditions that were already in operation in Queensland. Civil servants will be denied the right to share in automatic increases unless they are prepared to join a union, and that union, as we know, contributes to the fighting funds of the Labour Party. People have said to me, “Look at the frightful thing Hitler is going to do—compelling men to join a union.” They were dumbfounded when informed that such methods existed in Queensland. We were almost on the verge of dictatorship when Lang had control of New South Wales. It only needed a little more persecution on the part of Lang and we would have had a revolution in New South Wales. It was a question whether the New Guard or the Communists got in first.

The Government are not giving the country districts a fair deal in the expenditure of relief money. The Government have a city outlook, because that is where the big vote is. They make the conditions in Brisbane attractive and neglect other parts of the State, thereby causing migration to the city. Money can be spent to better purposes in the country than in chipping footpaths in cities. I trust the Government will see that the country gets a better share in future.

Mr. BARNES (Warwick) [11.18 a.m.]: Very serious consideration should be given to the expenditure of public money, and in view of the experience of the past greater care than ever is required. It is extremely

difficult to spend money in proper channels during these times, when large numbers of people are in urgent need of assistance from the Government. I am very much in sympathy with the remarks of the hon. member for Murilla regarding the appropriation of money for water conservation purposes. Following upon my representations to the Government, they have intimated that consideration will be given to the Condamine River project at an early date, and I am hopeful that some of the money about to be appropriated will be available for the purpose. The scheme will provide a very fine service for the men on the land and will be reproductive in every sense of the word.

I do not suggest that settlers should be assisted by a grant of 100 per cent. of the finance required, but it should be possible to finance them by advancing 10s. in the £1 against improvements carried out on their holdings. When one realises the excellent work that has been done by the cactoblastis, one begins to wonder just how far similar agents might be used to combat other natural pests. The Parliament of Queensland is to be congratulated on the very fine work that has been carried out in the prickly-pear areas.

We have every right to be jealous regarding the expenditure of public money, and apparently my jealousy the other evening led the Secretary for Public Instruction to remark that I had made a remarkable misrepresentation of the situation. I wish to make the position clear and point out that I had no intention of inferring that the whole of the expenditure incurred in connection with the agreement under which the Queensland Government Savings Bank was transferred to the Commonwealth had been incurred by the present Government. I intended at the time to convey the meaning of the note set out on page 37 of the tables relating to the Treasurer's Financial Statement, which says—

“During the year ended 30th June, 1921, the addition to the public debt amounted to £10,592,088. The actual increase in the loan liability of the

State was £4,625,172. The sum of £10,592,088 included £5,936,916, portion of the funds of the Queensland Government Savings Bank. It was the practice to make use of these funds towards meeting the cash requirements of the State. As no securities were issued for the sum used in this manner, the liability was not treated as part of the public debt. In terms of the agreement under which the Queensland Government Savings Bank was transferred to the Commonwealth Bank in the year 1920, Queensland Government securities for this sum had to be issued to the latter bank, thus necessitating the addition of the amount to the public debt.”

I did not for one moment intend to convey that only the present Government had dipped into that fund, but I did intend it to be understood that their action in dealing with this fund brought about the ultimate result. The Auditor-General in his report upon the public accounts for the financial year 1919-20 sets out that the total cash balances as at 30th June, 1920, amounted to £778,249 4s. 4d., less a net overdraft at the Queensland National Bank of £742,322 0s. 7d. In order to arrive at this balance allowance was made for the deposit of £1,000,000 at call with the Treasurer by the Commissioner of the Queensland Government Savings Bank. If this amount were excluded the cash balances would have shown a debit of £964,072 16s. 3d., so that if the Government of the day had not availed themselves of the money that was obtainable, and only obtainable at call, they would have had to come down with a deficiency in their cash balances to the amount I have stated. If hon. members look at page 17 of the Auditor-General's report of 1921, they will find further illuminating facts. The Auditor-General here indicates the various movements which led to the transfer of the Queensland Government Savings Bank to the Commonwealth Bank. He states—

“The total cash balances at 30th June, 1921, were distributed as follows:—

Held in the State—			
Commonwealth Bank of Australia, Brisbane—			
Current account	£1,631,762	2	6
Fixed deposit account	20,000	0	0
			£1,651,762 2 6
Under Public Depositors' Relief Act—			
Queensland National Bank, Limited	133,323	15	0
Australian Bank of Commerce, Limited, shares, &c. .. .	6,129	0	0
English, Scottish, and Australian Bank, Limited, extended deposit	1,365	0	0
			140,817 15 0
Coin at Treasury			3,690 0 0
Held in London—			
Bank of England (at call)	56,040	4	7
Agent-General	557,063	7	9
			613,103 12 4
As above			£2,409,373 9 10”

The Auditor-General remarks—and this is what I specially draw attention to—

“It will be noted that at 30th June, 1921, the aggregate cash balance was £2,409,373 9s. 10d., as compared with £35,927 3s. 9d. at 30th June, 1920. This is brought about by the adjustment of the Savings Bank balances at the date when the Queensland Government Savings Bank was taken over by the Commonwealth Bank.

“The amounts credited in this connection to the Treasurer's Trust Account, as will be seen on reference to page 14 of this report, were—

£	s.	d.	£	s.	d.
2,889,334	15	1			
36,557	9	1			
190,800	11	1			
			£3,116,692	16	1”

Mr. Barnes.]

Further particulars concerning this matter will be found on page 99 of the report. Notwithstanding this sum of £3,116,692 16s. 1d., the credit balance was only £2,409,373 9s. 10d. I had no intention to misrepresent. My real idea was that we should mark time in expenditure in order not to repeat the mistakes made in the past. Time prevents me from giving the whole facts of the case, but hon. members can obtain further particulars at page 98 of the report. It shows that the assets of the Queensland Government Savings Bank were £3,251,539 17s. 1d. The report at page 99 continues—

“(f) and (g). Balance retained by the State Treasurer, on his giving to Commonwealth Bank a Treasury deposit receipt at call, bearing interest at 3½ per centum per annum.”

The whole position, as disclosed by the Auditor-General, indicates that but for the aid which came to the Queensland Government when the Commonwealth Bank took over the Queensland Government Savings Bank, Queensland would have had practically nothing to work on. It is quite evident that that transfer would not have taken place had not an extraordinary event happened. The State by that transfer lost 1 per cent. on the moneys which were being made available from the Savings Bank, and no one, except in the case of extreme urgency, would have dreamed of transferring the Savings Bank and making such a loss in the process.

I make this explanation because I desire to convey the true facts to the Committee, and because I believe that we should be careful in considering matters of expenditure and guard against a repetition of things which have taken place in the past.

Mr. KENNY (*Cook*) [11.30 a.m.]: In approaching the question of the wisdom of appropriating £3,400,000, we must consider how the money will be spent, where it will be spent, and what the effect of spending it will be on the State. At the same time that he tried to misconstrue many statements that had been made from this side of the Chamber, the Treasurer, in his reply on the debate on the Financial Statement, suggested that criticism of the Budget should proceed from certain angles. We on this side have no desire to misconstrue or to mislead the people of Queensland. We deal with facts, and in that debate our criticism so perturbed the Treasurer that he suggested the points of view from which the question should be approached. I appreciate the hon. gentleman's suggestion, which will be helpful, not only to him, but also to many other hon. members. Let us view the position from the angles suggested by the Treasurer.

In the first place, what is the income of our people? In 1931-32 the taxable income of individuals and companies was £17,681,862, and of that amount the Moore Government took £1,491,489 by way of income tax. In 1932-33 the taxable income was £15,478,273, or £2,203,589 less than for the previous year; but despite that fact the present Government took by way of taxation the sum of £1,601,668, or £110,179 more than in the previous year, when the taxable income was greater. The point is that the Moore Government recognised that excessive taxation would have a most detrimental effect on industry; but that fact is, unfortunately, not considered by the Labour Government, whose only concern is

to retain their seats, find jobs for some of their supporters, and carry on with what they term “the good work.”

Let us now examine the position from another angle suggested by the Treasurer—namely, how has the money been spent? The late Government were subjected to a great deal of criticism for effecting economies in the administrative services of the State, and in the midst of that condemnation the present Government were returned to office. The present Government are merely carrying out the policy adopted by the Moore Government in certain directions. Certainly this year the Government are budgeting for a slight increase in expenditure. That is not to ease the position of the taxpayers of the State or to create more employment. They are utilising loan funds in expenditure previously met from consolidated revenue. That is apparently being done to prevent the Government from increasing their deficit. For example, last year £1,000 was appropriated from consolidated revenue for the maintenance of aboriginal children sent to industrial schools, orphanages, homes, etc., but this year the amount will be provided from the interest on the bank accounts of aborigines. In other words, the aborigines with banking accounts will provide the £1,000. Just imagine what would happen if a similar policy were adopted in regard to the white population! What would happen if white people with banking accounts were asked to pay for the social services of the State? How long would hon. members opposite stay over there? They would be cast out on the first opportunity.

THE HOME SECRETARY: Who pays?

Mr. KENNY: There are 40,000 unemployed who pay through the forfeiting of every standard of living they ever had and because of the maladministration of his Government. The rank and file of the people are suffering, and the aborigine is asked to sacrifice the interest on his banking account in order to provide for the upkeep of social services. The sum of £1,800 previously provided for blankets for aborigines is not put down in the Estimates this year, but is to be provided from the interest from the aborigines' Savings Bank accounts. I knew yesterday that the Minister was the victim of circumstances, and I do not like to be hard on any Government member during this trying time. Realising that the Minister was forced into the position, I did not push the point. This £1,800 must be found from the aborigines' interest to enable the Government to pay for a few of their political jobs.

The Treasurer's fourth point is: What has been the effect of the Government policy? Again the Treasurer is quite right. I might ask: What is the effect of Government policy at any time? I looked through the report of the Bureau of Industry, appointed by the Labour Party, to ascertain that effect. The bureau makes a return each month, and the last return rendered tells me that the unemployed in July, 1932, after this Government came into power, numbered 35,823. In July this year, after hon. members opposite had been carrying out their policy for twelve months, the unemployed in the State numbered 40,464, or an increase of, roughly, 5,000. We on this side asked the Secretary for Labour and Industry to give us information as to the number of unemployed in the State. He replied that the information was

[*Mr. Barnes.*]

being obtained. When we knew that the information was available and asked for it, the Minister said that we would get it when the report of his department was published. That report is not yet published, so we cannot discuss the question.

The Government know that they cannot defend their administration. Therefore the Government have fallen down on all the four points which the Treasurer asked us to consider. I hope that in our debates in this Chamber the Treasurer and his henchmen will continue to give the Opposition a few points by which to test their administration. We like to meet them on their own ground, because their administration cannot bear sound criticism at all. That is why hon. members opposite are so perturbed to-day.

The Treasurer tried to make a great deal of political capital by saying that the Moore Government were notorious for record deficits. The record has been created by the Labour Party since last coming into power. The deficit for 1929-30 was £723,184; for 1930-31 it was £842,044; and for 1931-32 £2,075,000. I am not going to shuffle; I am giving the exact figures from the Auditor-General's report and am not taking the Treasurer's figures—I believe in going to the Auditor-General's report so that the Treasurer cannot shuffle and misrepresent. During the last two years of the Moore Government the deficits were £2,917,224. Hon. gentlemen will not say I am shuffling when I give them that figure! Let me take the Labour Government's regime. For the year 1932-33 their deficit is £1,554,433, and the estimated deficit this year is £1,848,402. The total deficits of the two years of Labour administration are £3,402,835! In effect, the Labour Government have created a record deficit in two years which exceeded those of their predecessors by £485,611. Like Johnny Walker, they are "still going strong"; and when they go out at the end of three years I do not know with whom we shall be able to compare them. The people of this State will be very perturbed to see the effect of the administration of this Government on the community.

The public debt on 30th June, 1929, was £112,862,049. On 30th June, 1932, it was £111,911,785, or a reduction of £950,264. Surely hon. members will not deny that! If they do I ask them to turn up their own tables. They have been in power one year, and at 30th June, 1933, the public debt of this State had increased from £111,911,785 to £114,530,855, or an increase of £2,619,070 in the year. Had not increased taxation been levied on the people of this State, their public debt would have been much greater.

An HONOURABLE MEMBER: They would not have been perturbed.

Mr. KENNY: Hon. members are only concerned about holding their own particular jobs, and they are afraid of the people of Queensland being told the truth. During this session I have had the "gag" applied to me on no fewer than six occasions; and that was done to stop the people from getting the truth. I am not concerned for myself, for hon. gentlemen cannot hurt me. When the time comes I will go to my people and the other people of Queensland, and I shall need to tell them only the simple truth in regard to the Labour Party to see them swept out of office.

I am concerned about the Government's expenditure of loan money. Going through

the Auditor-General's report, I look at the expenditure from loan money and find that the nine local authorities in Queensland north of Cairns—Cairns, Cairns City, Eeacham, Tinaroo, Douglas, Woothakata, Etheridge, Croydon, and Thursday Island—receive £10,752 of the loans to local bodies, amounting to £321,834, or 3.3 per cent. The far northern technical colleges and vocational training colleges receive £1,236 out of a total amount of £46,902, or 2.6 per cent. Loans to hospital boards amounted to £4,704, and out of that £90, or 1.8 per cent., was received by the far North. The special loan for unemployment was £254,064, and those councils received £872, or .3 per cent. The people north of Cairns are paying their taxation and they have a right to demand their share of the loan money that is being spent. Out of a total amount of £623,064 made available only £12,950 was received by those councils or their areas, or 2 per cent. We are justified in asking the Treasurer whether justice is being done to these local authorities and to the localities. The money must be repaid by the whole of the people of the State, and as representative of a portion of Queensland I have every right to insist that the localities referred to get fair consideration and a proper allocation of money.

The Government promised that on their return to power a building revival scheme would be launched. The benefits of the scheme were lauded by the press throughout the State, but only £37,890 has been spent throughout Queensland in connection with it.

The press also lauded the proposal of the Government to make money available for ringbarking and clearing purposes so as to relieve the distress of the unemployed. According to the report of the Auditor-General, only £4,821 has been spent for the relief of unemployment in this way, which is a very small sum per capita. Hon. members opposite must admit that they have fallen down on their job. A sum of £13,515 was made available for the relief of the unemployed, so that they might undertake tobacco cultivation in the Beerburum area. I referred to the matter in this Chamber a few weeks ago when I pointed out that the poor unfortunate unemployed worker who engaged in tobacco cultivation in this area obtained only £2 9s. 9d. for his labour for the year. I suppose we are now asked to appropriate a further £13,000, and we have every right to remind the Government that it is useless to persist in an experiment which absorbs £13,000 per annum without any beneficial results.

Mr. FOLEY: When did you become an authority?

Mr. KENNY: My statement is based on the sales catalogue and I defy any hon. member to prove that my statement is incorrect. During the election campaign Labour candidates entered my electorate to condemn me and the Moore Government for failing to provide water facilities for the tobacco-growers in the Marceba area, and they promised that these facilities would be made available if they were returned to power. I have approached the Treasurer, the Secretary for Agriculture, and other Ministers with a request that a bore costing not more than £200 should be put down to provide a water facility for these agriculturists, but my proposal has been turned down and I can see no provision for this

Mr. Kenny.]

project in the Estimates for the current year. A sum of £200 would be quite a small sum to find for this purpose. I await the introduction of a Bill to deal with tobacco cultivation, when I shall deal with another phase of the matter which cannot be discussed in the time at my disposal now. The rest of Queensland is watching the results of Beerburum; we cannot afford to waste £13,000 per annum. The money could be very well spent on attractive projects in North Queensland. A road could be constructed from the Daintree to Cooktown and another new road from Mount Molloy to Mossman to open up additional land for settlement. When the Deputy Leader of the Government addressed the people of Mossman and Mount Molloy he told them that if they had not had me as their representative the road from Mossman to Mount Molloy would have been constructed long ago. I was returned to Parliament despite the hint by the hon. gentleman. The road from Mossman to Mount Molloy is still necessary, and I should like to know what the Government intend to do about the matter. It took the Government nine years to build the railway line from Mount Molloy to Rumula, and I suppose it will also take nine years to construct this road. The unfortunate relief worker will be given a job for a few weeks prior to an election. Many things are done in my electorate to create popularity for my prospective political opponent.

Mr. O'KEEFE: Good Government!

Mr. KENNY: I thank hon members opposite for doing their job, and I am at all times prepared to hold out my hand of co-operation for the development of North Queensland.

Mr. WATERS: The mailed fist.

Mr. KENNY: If the mailed fist is necessary I am quite prepared to use it. I always stand up to my job in this Chamber irrespective of whether hon. members opposite attempt to intimidate me. Such actions have no effect on me.

The proposed construction of the Kangaroo Point bridge has been introduced into this debate. The Treasurer is attempting to placate a disgruntled section of his supporters by borrowing £2,000,000 for this purpose.

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

Mr. MOORE (*Aubigny*) [11.55 a.m.]: On the 24th August this Chamber, at the instance of the Treasurer, voted £3,000,000 on account of Supply for the year, and now in October we are asked to vote another £3,400,000 on the same account, inclusive of amounts from the Trust and Special Funds and Loan Fund Account. We must discover on what basis this money is being voted, and how the revenue is coming in, how the money is being expended, and whether the people are receiving an adequate return for the revenue they provide. All sorts of suggestions have been put forward as to the method under which this money is being spent. The Treasurer put figures before us in his Budget showing the methods to be adopted to bring about prosperity and revitalise industry. There is something extraordinary about his statements. Yesterday we listened practically all day to a panegyric of the Government by the Home Secretary. He stated that unfortunately

[*Mr. Kenny.*

last year he was unable to do all that he wanted, that he was unable to give the increases he desired, and that he was unable to honour the pledges given by the Government prior to the election. He stated that this year the Government were in a much more fortunate position, and consequently would be able to restore many of the "cuts" which had been made, and give consideration to the requests made by various sections of the community. That is all very well provided the Government have the money to do it, but to-day the State has not the necessary money. The Government say that they are giving the people concessions, and restoring some of the conditions which had unavoidably been taken away owing to the financial depression. We are not paying for the restoration of these concessions and conditions out of revenue or earnings. We are giving an I.O.U. for the future in order that the Government may secure popularity at the expense of the men who will follow them in this Chamber. The Government have obtained the consent of the Loan Council to an increased deficit this year, the council presumably thinking it was necessary in the interests of the State that an extra amount of money should be voted to enable us to carry on. The Loan Council never anticipated that the Government would be generous for the purpose of securing votes by restoring conditions that were withheld under a definite pledge to give adherence to the Premiers' Plan. That pledge involved the curtailment of expenditure in order to balance the Budget. We are not doing that. That plan is not being adhered to; prosperity is not coming to Queensland through the legislation and administration of the present Government. The deviation from that policy is being made at the expense of the people in the future by giving I.O.U.'s to make the position a little easier for them to-day. That is an extraordinary principle to follow. If the Government through their action during the last twelve months were able to show that the State was recovering its position, that our revenue would increase without further taxation, or that industry was reviving and absorbing more unemployed, there would be some excuse for putting forward these suggestions of increases and restoring conditions which had unavoidably to be taken away. The Government are paying for these things in I.O.U.'s, and we must not forget that it was the adoption of these principles by a previous Labour Government that brought us into the difficulties we are in to-day. I cannot understand such a policy.

The Treasurer in the course of a speech at the Arcadia Theatre, Ascot, on 20th June, 1932, said—

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

What sort of a tonic has industry got to enable it to bring back this increased prosperity to the State? The sort of tonic we have got so far is the reintroduction of the 44-hour week, which means an increased cost to the Government. The exact amount I do not know, but we all know that in several departments it accounts for a large proportion of the increased expenditure. That

has made our position among the States less favourable.

At 12 noon,

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

The TREASURER: They have a 44-hour week in New South Wales.

Mr. MOORE: In some instances, recently the railwaymen were brought under Federal awards and are now working a 48-hour week. Victoria also has a 48-hour week. Further, there has been a reduction in the basic wage in New South Wales by reason of a decrease in the cost of living. I am pointing out the position of Queensland in comparison with other States. We have increased the number of public servants by over 1,000 and we are giving increases to public servants and paying for them by I.O.U.'s. Whilst concessions are being given to sections of the community, the Government are reimposing the super land tax and increasing railway charges and harbour dues in Brisbane on imports. Is that the tonic which was to be administered to industry?

Let us see where we are driving to. Take the Auditor-General's report and refer to the Commonwealth Savings Bank transactions in Queensland recorded at page 34. That is one of the matters that the hon. member for Rockhampton is so fond of quoting as an index of the prosperity of the State.

Mr. FOLEY: Give us your idea of a tonic.

Mr. MOORE: My tonic would be to take off the restrictions and allow industry to provide the employment which is necessary and which it could give. If you impose restrictions so that industry in this State cannot compete with that in other States the unemployed will not be absorbed. Time after time has the Treasurer stated that if private industry falls down it is time for the Government to step in and spend money, and time after time have I said that any Government can make industry fall down provided they legislate against industry by placing restrictions on it that it cannot bear.

The SECRETARY FOR LABOUR AND INDUSTRY: What restrictions are you referring to?

Mr. MOORE: I am not going to waste time telling the hon. gentleman, but I would ask him to go through the industrial awards.

The SECRETARY FOR LABOUR AND INDUSTRY: Would you abolish all the awards?

Mr. MOORE: No, I would not, but I would make the conditions far less rigid. I would take into consideration that all industries cannot afford to pay the same—that industries are exactly the same as human beings. Every man cannot earn the same, and neither can every industry bear the same rigid conditions.

The SECRETARY FOR LABOUR AND INDUSTRY: Doesn't the court take those matters into consideration?

Mr. MOORE: Look at the object lesson we have in the court to-day. We have representatives of a section of Government employees appearing before the Industrial Court and saying to the court, "If you do

not give us what we want we will go to the Premier." Can we imagine a court tolerating such a threat? It seems a most extraordinary position. This is the court that is supposed to administer justice. In every other court people who threaten the court as to what they will do by political influence if they cannot get what they want by justice would be fired out for contempt of court.

The SECRETARY FOR LABOUR AND INDUSTRY: What about the Toowoomba Foundry Company's case that you were interested in? They went to the Premier.

Mr. MOORE: The Toowoomba Foundry Company's case is nothing that the hon. gentleman need be proud of.

The SECRETARY FOR LABOUR AND INDUSTRY: That is a case where they went to the court and also saw the Premier.

Mr. MOORE: If the hon. gentleman thinks that it is a good thing to close up that industry by putting restrictions upon it so that the work will go to employees in other States, then the hon. gentleman is welcome to all the consolation he can get. If he likes to see men thrown out of work in Queensland—

The TREASURER: You brought in a Bill to override the court in that case.

Mr. MOORE: We did.

The TREASURER: Then what are you talking about?

Mr. MOORE: We brought in an amending Bill to provide an opportunity for people to get employment—

The TREASURER: You brought in a Bill specially to override a decision of the court that had been given on two occasions.

Mr. MOORE: I am prepared to bring in a Bill to override any court if that course is going to be for the benefit of the people of this State and enable them to secure work under terms and conditions similar to those granted by the Federal Arbitration Court.

The TREASURER: You cannot have it both ways. In one breath you say the court should not be interfered with, and in the next you say that if the court does not give a decision that you like you will override it.

Mr. MOORE: It may please the hon. gentleman to talk that way; but the fact is that the court is only allowed to function in the way that Parliament allows it to function. If the Legislature imposes conditions within which only the court can function, and those conditions are infinitely more circumscribed than conditions under which the Federal court can function, then it is the Legislature which is wrong, not the court. If you give the court a free hand—

The TREASURER: It has a free hand.

Mr. MOORE: An amendment of the Industrial Conciliation and Arbitration Act was brought in to allow the court to take into consideration the financial position of the country. That was done so as to give the court an absolutely free and open hand. This Government bring in legislation to tie the court's hand and say that the hours of work must be forty-four hours per week. The court is circumscribed as to what it can do. All we endeavoured to do by the

Mr. Moore.]

amendment of the Act was to give the court a free hand.

Mr. GAIR: The present Government were elected by the people to do what they have done.

Mr. MOORE: The present Government secured election on the promise to bring prosperity to the State. Have they done so? Take the position with regard to unemployment relief. In the first quarter of last year £311,574 was paid out in unemployment relief; in the second quarter £484,472; in the third quarter £484,193, and in the fourth quarter £491,072.

HONOURABLE MEMBERS interjecting.

The TEMPORARY CHAIRMAN: Order! I would ask hon. members to refrain from interjecting across the Chamber, and to allow the Leader of the Opposition to proceed without interruption. These interjections are out of order, are very annoying, and must cease.

Mr. MOORE: In the first quarter of this financial year we have paid out £130,000 more in unemployment relief than in the first quarter last year, and this quarter is the best quarter of the year. The Minister is spending on that basis at the rate of £80,660 more than his estimate for the year.

Let us take the Commonwealth Savings Bank transactions in Queensland. The Auditor-General's report states—

“During the year ended 31st March, 1933, depositors' balance increased as follows:—

Quarter ended 30th June, 1932 .. £585,000'

This is all during the time when Labour's policy of giving an impetus to industry was being tried. The next figure is—

Quarter ended 30th September, 1932 £141,859

Then the amount went down—

Quarter ended 31st December, 1932 £34,811

Total £761,670

Then it decreased again—

Quarter ended 31st March, 1933 .. £279,080

Net increase for year .. £482,599

Does that show that Labour administration had any great effect on the prosperity of Queensland?

Then take the Harbour Dues Trust Fund. In spite of the increase of 25 per cent. in import dues at the port of Brisbane, the overdraft of the fund increased last year by £81,855 9s. 1d. The report of the Auditor-General states—

“As previously mentioned, the import dues at the port of Brisbane have been increased from 1st September, 1933, generally by 25 per cent. If the large maintenance expenditure of recent years is to continue, it is doubtful whether the additional revenue from this increase in dues will effect an appreciable reduction of the overdraft.”

Rockhampton, of course, is another pitiable example of what can happen to harbour boards. It has not paid interest for the last few years. The Treasurer to-day is expending £440,165 on unemployment relief from trust funds for the first quarter of the year. That is increased expenditure.

[Mr. Moore.

As to the State Government Insurance Department, the report of the Auditor-General states—

“WORKERS' COMPENSATION.

“For the second year in succession ordinary and domestic business of this department has shown a loss. For the year under review the loss sustained was £93,831, as compared with £70,643 for the previous year. After allowing for the balance brought forward, an amount of £93,000 has been transferred from departmental reserve to meet this loss.

“During 1931-32 a sum of £55,000 was similarly transferred. The departmental reserve, which amounted to £165,138 at 30th June, 1931, is now reduced to £15,138.

“It is apparent that action is required to arrest the drift that has set in during the past two years.”

The only way in which I can see the Government are likely to arrest the drift is to increase the premiums the people have to pay for the insurance, which would be another tax on industry.

The whole position is one of drift. We have a most depressing Budget. We have increased taxation and cast nearly 3,000 people out of the area of taxation—on account of the policy of the Government—and this is the only State budgeting for an increased deficit. We are the only State showing, not merely no decreases, but a tremendous increase in the deficit. That is sufficient to show the nature of the tonic administered by the Government! They have taken the medicine out of the wrong bottle—the cure is making the disease infinitely worse.

The estimated expenditure for the year is £23,922,379. The Treasurer has been talking about the revivifying of industry by the expenditure of loan money—a totally different recipe from that adopted in the neighbouring States. In the neighbouring States they have realised the necessity of encouraging private industry to absorb the people who are out of employment, and they have been very successful. They have undertaken and completed the removal of many restrictions on industry in the way of taxation and wharfage and harbour dues, and other measures that tend to stimulate industry have been adopted. Although the Government of New South Wales took office with a remarkably big deficit and under tremendous difficulties, the adoption of their policy has resulted in a tremendous improvement. If this Government by the expenditure of loan money could show the same result, there would be nothing for the Opposition to say. We could only say, “Your policy is right. There is proof that your policy is operating successfully.” But when we see exactly the opposite, we cannot admit its success. We do not find that there is to be an increased revenue, and we find there is to be an increased deficit. At the same time some people who are getting £20 a week are to get increases of £1 a week. That money is not paid out of what we earn but out of what we borrow. Is that a satisfactory position? To give concessions when we are unable to do so unless we put a charge on the future is intolerable.

We are gradually drifting into a worse position. Despite the reduction in our interest bill that we were enabled to secure

by the conversion of our local loan and a small conversion overseas, we are losing what we have won in that respect to the extent of £75,000 this year because of the extra increase that has fallen upon the taxpayer owing to the expenditure of an increased amount of loan money. I do not believe that the Treasurer thinks that the increased expenditure of loan money will do what he suggested. At the present time he is not spending anything like the amount he anticipated or budgeted for; he is spending only about half that amount, in spite of the stated carry-over from last year. In the first quarter he has spent at the rate of £1,600,000 a year, whereas he has budgeted for an expenditure of £3,200,000. I have nothing to say against that reduction because I do not think spending loan money will remedy the position, but it ought to be spent if Government promises are worth anything. It is regrettable that a lesser amount of money is provided for carrying out reproductive work. The work that is bringing the most return to Queensland is that of ringbarking and the improvement of properties in the country. The result of such work is evidenced by their increased carrying capacity. That work has now been practically stopped, as only a small amount has been provided for the Agricultural Bank, and graziers are supposed to go to it. Hitherto the borrowers had two years before commencing to pay off the principal, so that they had an opportunity to get a return before being called upon to make repayments. They were given the opportunity to obtain a return before being called upon to repay the advance.

The TREASURER: The conditions of financing are different altogether, too. In the beginning the Commonwealth Government assumed responsibility for the payment of one-half of the interest.

Mr. MOORE: Yes. Treasury bills issued for the purposes of Government finance are issued at 2½ per cent. The Government are at liberty to lend the money provided they can obtain a return.

The TREASURER: Treasury bills are not being used for loan expenditure.

Mr. MOORE: It makes little difference from what fund loan money is taken. It is natural that any Government will use the cheapest money to meet their deficit. If Treasury bills can be issued at 2½ per cent. and loan money carries an interest rate of 4 per cent., the Government will surely use the money obtained at 2½ per cent. to finance their deficit. I am satisfied that the Treasurer is possessed of sufficient common sense to do that, even though it might mean manipulation. No Government would pay more in interest than is absolutely necessary. The policy adopted by the Government, intended to act as a panacea for the ills of Queensland, is not having the anticipated effect. The expenditure of loan money is having quite the opposite effect. Savings Bank deposits have declined, the unemployed have increased, the Government have budgeted for an increased deficit, and it is anticipated that the return from income taxation will be less during the present financial year. All these factors show that the results anticipated by the Government are not being realised.

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

Mr. LARCOMBE (*Rockhampton*) [12.21 p.m.]: The Leader of the Opposition was entirely wrong when he said that the Government were drifting financially or in any other sense. He might have been correct had he stated that the improvement was not rapid. There are indications that the State has improved in economic, industrial, and financial health; but it should be borne in mind that the repercussive effect of three years of the Moore Government is partly responsible for the very position of which hon. members opposite complain to-day.

Mr. KENNY: And your administration of the Railway Department, too.

Mr. LARCOMBE: I am not going to be distracted from a rational discussion of this subject by flippant, absurd, and irrelevant interjections. I shall discuss railway finance and railway administration at the proper time. The Moore Government were responsible for the very conditions about which hon. members opposite complain this morning. Their improvidence, mismanagement, dissipation of cash balances, enormous increase in unemployment, and tremendous increase in taxation—all these factors are operating in the State to-day. We cannot suffer from the financial, industrial, and economic evils created by the Moore Government and expect to recover in twenty-four hours or even in twelve months. The Leader of the Opposition referred to what he termed my favourite test of prosperity—Savings Bank returns—and he quoted certain figures.

Mr. MOORE: From the Auditor-General's report.

Mr. LARCOMBE: I am not complaining about that. But we should have a basis of comparison. Things are right or wrong only in relation to other things. The Savings Bank deposits made in the year 1928-29 amounted to £24,620,000, but during the year 1931-32—the last year of the Moore Government—they were only £16,760,000, or £7,860,000 less. Yet the Leader of the Opposition had the temerity to quote Savings Bank returns as an indication of retrogression! During his term of office, Savings Bank deposits declined in one year by the staggering amount of £7,860,000.

Mr. FADDEN: National income also declined.

Mr. LARCOMBE: That is so; but overseas prices declined during 1931-32 also. If hon. members opposite consulted the financial column of to-day's "Courier-Mail," they would find that there is an improvement in industrial shares.

Mr. NIMMO: In Southern industrial shares, not Queensland.

Mr. LARCOMBE: In Queensland, too, an index of returning prosperity is the greater demand for industrial shares. There is evidence that the tonic supplied by the present Administration is having its effect, and that the State, under their direction, is slowly returning to normal health.

The Leader of the Opposition speaks of increased unemployment. We know the appalling disasters which accompany increased unemployment. There is no need for me to deal with the evil in detail. Under the policy of deflation practised by the Moore Government unemployment increased by 200 per cent. The last issue of the "Economic News" discloses that employment has increased by 5,000 in the last twelve months, and that the number of unemployed

Mr. Larcombe.]

has decreased. That shows that the policy of the Government is having its effect. There is more employment and less unemployment. The Leader of the Opposition quoted statistics in support of his contention that unemployment was increasing. His figures were not convincing, because the Government are spending more money, not because there are more unemployed, but in giving more generous consideration to people on intermittent relief work and to those in poverty and distress. That is the reason why more money is being spent under the heading of "Unemployment"; it is not because there is any increase in the number of unemployed.

Mr. MAXWELL: That is why there is such dissatisfaction in the Railway Department.

Mr. LARCOMBE: There is no need for the hon. member to talk in that strain. We know that under his Government terror, alarm, fear, and discontent existed throughout the Government service. His Government practised a policy of terror, tyranny, and despotism which made public servants afraid to issue a document similar to that which has been published by the combined unions. The Moore Government resented criticism and restricted freedom of speech and expression of thought. In fact, they penalised public servants who transgressed in that direction.

The Leader of the Opposition was also very much perturbed because he said the Government were living on I.O.U.'s and were not meeting current expenditure from current revenue. I would advise him to direct that argument to the anti-Labour Prime Minister in the Federal sphere and the anti-Labour Premiers in the other States. We find the Prime Minister budgeting for a reduction in taxation to the extent of a little over £5,000,000 for the present financial year, and at the same time budgeting for deficits for the next two years of approximately £5,000,000. Are the Federal Government living within their income? There we find the very same weakness of which the Leader of the Opposition complains! Let him direct his criticism and his suggestions to the Federal leader of his own party. We find in New South Wales the same position. An anti-Labour Government in New South Wales are budgeting for a large deficit and at the same time for reduced taxation. Therefore, if there is any consistency in the viewpoint of the Leader of the Opposition he should immediately direct his advice to his leaders in the Federal sphere and in New South Wales.

The hon. member for Kennedy endeavoured to show that the Treasurer had misrepresented and distorted his remarks on the Financial Statement. Very little can be gained by a continuance of the discussion along those lines, but I would point out to him that he was discussing receipts and revenue, and that he distinctly said that last financial year the railway freights increased by £325,000. We know quite well that railway revenue decreased in that period. What was the purpose of the hon. member's quoting those figures, except to show that railway revenue increased by that amount? As a matter of fact, it decreased! He also said that the Labour Government, between 1915 and 1929, had almost doubled the national debt. That is a very gross inaccuracy. The hon. member was approximately £5,000,000 out in his calculation.

Mr. FADDEN: What about trust funds?

[Mr. Larcombe.

Mr. LARCOMBE: If the hon. member for Kennedy will look up "Hansard" for 1931 and consult the reply of the then Treasurer, the late Hon. W. H. Barnes, to a question asked by the hon. member for Warwick concerning the public debt of 1915, he will find that it was £62,000,000 odd.

Mr. FADDEN: What does the Auditor-General's report show?

Mr. LARCOMBE: If the hon. member will read the Auditor-General's report he will find that the figures harmonise with those given by the late Treasurer, who was fair enough to state the position accurately. The late hon. gentleman pointed out that the public debt of the State in 1915 was £62,000,000 odd, and not £56,000,000, as frequently contended by hon. members opposite. If hon. members opposite will study the reply of their own late Treasurer they will there find the source of their inaccuracy and misstatement.

The hon. member for Kennedy said that we had borrowed £56,000,000. That is another inaccuracy which can be replied to in detail later. If hon. members will look at the figures they will find that the expenditure from loan funds from 1915 to 1929 was approximately £50,000,000.

Mr. FADDEN: I thought you left £5,000,000 behind? You expended £50,000,000 and left £5,000,000 behind.

Mr. LARCOMBE: The hon. member for Kennedy is entirely inaccurate in his interjection. If he considers the loan expenditure, the cash balances, and the amount in hand he will find that £56,000,000 was not borrowed by Labour Governments. Again, it astounds me to hear hon. members opposite, particularly the hon. member for Kennedy, who is a qualified accountant, talking of the debit side and not speaking at the same time of the credit side—referring to our liabilities and overlooking our assets. It is quite proper to keep a close eye on expenditure and public debt, but it is fair at the same time to state the assets. What is the result of the loan expenditure of the Labour Governments of 1915-29? The figures show an aggregate wealth production of £730,000,000 and a loan expenditure of approximately £50,000,000. If hon. members have any sense of proportion—

Mr. KENNY: What does that argument show?

Mr. LARCOMBE: It shows that the money was well invested. That enormous amount of wealth could not have been produced, marketed, and a great portion of it exported without the judicious expenditure of loan money that hon. members have criticised.

Mr. KENNY: What assets have you to show for it?

Mr. LARCOMBE: With that loan money the Labour Government built the Mount Isa Railway. Mount Isa was simply a mountain of waste before that railway was constructed; now it is a mountain of wealth, and the estimated value of ore expectations is £100,000,000.

Mr. C. TAYLOR: It is slipping!

Mr. LARCOMBE: Temporarily, because of low overseas prices. One thousand men are employed there and an enormous sum of money is circulated weekly, monthly, and annually, whilst railway revenue has

increased and business has improved—all resulting from the expenditure of loan money by the Labour Governments between 1915 and 1929.

Then consider the Upper Burnett-Callide Valley scheme, the first sod of the railways of which it was my good fortune to turn. When I went to Monto it was a wilderness; to-day it is a thriving township with thousands of citizens, hundreds of wealth-producers, splendid buildings, splendid roads—a magnificent monument to the expenditure of loan money by the Labour Government.

The Labour Government built the North Coast Railway, and thereupon North Queensland went ahead rapidly. After a visit which he paid to North Queensland soon after that line was completed, an ex-Prime Minister of Australia, the Right Hon. William Morris Hughes, referred to the improvement in North Queensland as a miracle of success. That is one of the assets that hon. members opposite omit from their calculation. Hon. members opposite speak of the debit side, but say nothing of the credit side—the enormous wealth production, enormous exports, increased Savings Bank deposits, increased land settlement, and increased agricultural production, both in volume and value.

Let me pass on rapidly to another point raised by the hon. member for Kennedy, who had a good deal to say about the taxable capacity of the people and the amount extracted by way of taxation. Let me again remind the hon. member of what Jevons, the noted economist, said: "There must be a basis of comparison. If we speak of a building being tall we mean that it is tall in relation to other buildings." Under the Moore Government there was a substantial drop in the capacity of the people to meet taxation, but an increase in the amount of new taxation. The amount of income of citizens and companies who made returns for income tax purposes in 1928-29 was £70,000,000. In 1931-32 it had dropped to £54,000,000 in round figures.

An OPPOSITION MEMBER: Because they could not pay.

Mr. LARCOMBE: A drop of £16,000,000 in the income of the citizens of Queensland under the Moore Government! Of course they could not pay. It was not there to pay; they did not make it. The Moore Government had destroyed income-producing capacity. Their policy of deflation and mismanagement had rendered it utterly impossible for the people of the State to make the same income that they made under the Labour Government. Allowing for the world-wide fall in prices, the Moore Government mismanaged the industrial and economic condition of the State to such an extent that there was a tremendous drop in the income of the people of Queensland.

Mark the effect of taxation. While the income capacity of the people of Queensland dropped by £16,000,000, new taxation to the extent of £3,350,000 was levied upon the suffering taxpayers of the State by the Moore Government. The Leader of the Opposition, in attempting to reply to our arguments, said on one occasion that the total taxation was less in 1931-32 than in 1928-29. Of course it was less. It was less because of the enormous drop in income, not because of the reduction in taxation rates. Sufficient new taxation was imposed

to bring in a net increase of taxation of £3,350,000, at a time when the income of the people dropped by £16,000,000.

Those facts indicate the inconsistency of the criticism levelled at the Government by hon. members opposite this morning. The information I have given in a statistical report are real facts. Oliver Wendell Holmes said—

"Facts are the intellectual brutes of creation."

At 12.38 p.m.,

The CHAIRMAN resumed the chair.

Mr. LARCOMBE: I have unleashed a few intellectual brutes this morning which I think will demolish the rhetorical creatures of hon. members opposite.

Let me pass on to the remarks of the hon. member for Cook. He said that the Moore Government had reduced the public debt by £900,000 odd. He said, "Look at the Auditor-General's report!" If he had read the report he would have found that the public debt of Queensland was reduced by £1,560,000 in 1929-30 by the cancellation of certain indebtedness under the Commonwealth and States Financial Agreement Ratification Act—not through any action on the part of the Moore Government—a reduction of £1,560,000 in the public debt was the result of cancellation of indebtedness. If we take the figures for 1928-29 and compare them with the figures for 1931-32 we find that the Moore Government increased the public debt of the State by a sum exceeding £1,000,000; yet hon. members opposite try to claim credit for a reduction of indebtedness! The hon. member for Cook must have half read the report, and so falls into the inaccuracy of trying to make the position of the Moore Government better than it is by saying that they reduced the indebtedness, when they substantially increased it. His party was responsible for adding £3,640,000 to the deficits of the State without funding these deficits. They were part of the debt, but there was no asset for them. Further, the party which complained about the increase in the public debt was the party which reduced the cash balances from £4,900,000 to £1,600,000. A decrease of £3,300,000 in the cash balances, a deficit of £3,640,000, and an increase in the public debt of over £1,000,000! Yet the hon. member for Cook and other hon. members opposite prided themselves this morning on their financial record!

The hon. member for Kennedy desired to know something about "dud" trust funds. Let me say that we are not going to take the ipse dixit of the hon. member for Kennedy about that. They were not placed there by the Labour Government; they were placed there by Tory Administrations. The hon. member for Kennedy compared a private trust account with a State trust account. There is no analogy between them at all. If a private trust account is overdrawn there may be insolvency, but in regard to a trust account of the State a different state of affairs operates, because it is backed by the assets of the State and the general cash balances. We know well that Tory Governments have robbed sinking funds established by Acts of Parliament for the repayment of loans. That did not imperil the financial security of the State. We know that while the sinking fund was robbed the other balances were able, after a time, to meet the sinking

Mr. Larcombe.]

fund payments that were necessary. I am not underestimating the importance of the argument of the hon. member for Kennedy, but he draws his argument out to a point where it breaks. It is not right to give the public the impression that because a trust account might not be in a stable condition it is in a state of insolvency. Our loans are guaranteed by the State. The Public Curator's debts are guaranteed by the State. Loan accounts and trust accounts and other accounts have been overdrawn by Tory Governments and the State has never defaulted.

The TREASURER: The Moore Government took over £600,000 without the authority of Parliament.

Mr. LARCOMBE: The Moore Government took nearly £700,000 altogether from loan funds and trust funds, yet members of that party complain about the robbing of the trust funds. The hon. member for Kennedy was not in Parliament at the time, but his party must bear the blame. They have the audacity and temerity to complain about the transfer of funds from the trust funds to consolidated revenue when they did the same thing themselves in an intensified form, without parliamentary authority—surreptitiously and secretly.

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

Mr. RUSSELL (*Hamilton*) [12.45 p.m.]: The hon. member for Rockhampton has made some very extravagant statements. I would like to point out to him that according to the Commonwealth Official Year Book the public debt of Queensland during the regime of the Labour Party was increased by £56,000,000. On 30th June, 1915, it was £56,869,046, and on 30th June, 1929—at the end of their reign—over £112,000,000.

I think the policy adopted by the Commonwealth Government has been a good one, for the Budget has created a great amount of confidence in Australia. I cannot see much of a revival in Queensland, but whatever there may be is due to the greater confidence that permeates Australia as a result of the Federal Budget. It is not due to the Budget of the Queensland Government, because that is a most depressing document. Whilst there has been some advance in values of shares and other investments, in most cases the improvement has been confined to the Southern cities. There is daily evidence in the balance-sheets of firms of how they have gone back during the last twelve months. A few days ago Allan and Stark, Limited, one of the oldest firms, showed a bad balance-sheet. We would be justified in saying that that was an example of the continued depression in Queensland just as hon. members on the Government benches have quoted instances of improved conditions in New South Wales. The fact is that some people have been fortunate and others unfortunate. In that regard I contend that there is no apparent improvement in the industrial conditions in Queensland, nor is there likely to be until we face the position seriously. This debate affords an opportunity to hon. members to criticise the financial methods of the Government. The Government have been in power since the election in 1932 and there should now be some results of the policy which they put forward at that time. It is idle for the

hon. member for Rockhampton to say that the Moore Government pursued a policy of deflation and that it created unrest in industry and destroyed confidence. That is all sheer piffle. We simply followed a sane and safe line to rehabilitate this country after fourteen years of Labour misrule. I say that advisedly. The hon. member for Rockhampton speaks of assets but what assets have we to show for the loan money expended? Would he call the investment in State enterprises good assets? Where are they to-day—gone to the four winds. The money was absolutely sunk in a foolish socialistic experiment. I am not so sure that the investment in the Mount Isa railway line is a good investment. We built the line to tap a rich mineral field, and the State went to an enormous expense to help a private concern exploit the Mount Isa field. The State took an enormous risk in investing its capital in a proposition which has yet to be proved. I never held that the building of the Mount Isa line was a good investment. If the private company thought so much of the Mount Isa field it was its duty to build the railway, and it would have done so had a Labour Government not been in office with their adherence to the shibboleth of the public ownership of everything. They would not allow the private company to build the railway. The State may yet be called upon to foot the bill in a very large degree. I am sorry to say that the returns from Mount Isa are not at all encouraging. I should like to see the company prosperous and employing a large number of men. The investment by the Government was a foolish and unsound investment. Mining fields have their day, and Mount Isa may have its day. We shall then be saddled with a useless railway bringing in no revenue at all.

The TREASURER: Your Government guaranteed the interest on the debenture issue of the company.

Mr. RUSSELL: That has nothing to do with the question at issue. The question is whether the Queensland Government should have allowed the private company to build the line. The timely aid of the Moore Government saved a serious situation. Events have proved that that was a sound policy. I must confess that at the time I was very doubtful about the expediency of doing that, but the majority of the members of the Government were of the opinion that the Government did the right thing in coming to the aid of the company.

The TREASURER: The Moore Government were forced into the position because of the false statements made by members of the party concerning Mount Isa.

Mr. RUSSELL: I know nothing about that. I was not in favour of the proposal, but events have proved that it was the right step to take.

The hon. member for Rockhampton speaks glibly about our assets, but I doubt very much if expenditure in many cases has been warranted. The Upper Burnett scheme was very attractive and was applauded by the people at the time. The idea of supporting a large population on the Upper Burnett lands appealed to us all. A great number of people took up selections, but it is sad to see the poverty that exists there to-day, and to learn the number of people absolutely on the dole. We went into this matter with our eyes open; we had not the slightest idea that

[*Mr. Lacombe.*]

the settlement would turn out so badly as it did. I only hope that the present conditions are transitory and that the Upper Burnett district will return to an era of prosperity. It shows how careful every Government must be when investing public funds. In the past it has been popular with all Governments to invest public money. It has certainly been one way of achieving popularity with the masses. I do not say that that is peculiar altogether to the party opposite, but it has been the trend of democracy to bid for support—to buy votes by investing the money of the people. The question is whether it was wise for the State to build a railway to Mount Isa. It was popular at the time, and the Government of the day did thereby achieve a good deal of popularity. After all, the main function of a Government is to govern and not to throw out largesse to this section or that section in the hope of getting support and keeping office. It has been the practice of almost all Governments who have held sway in Australia. The hon. member for Rockhampton was carried away when he spoke about the tyranny and the terror that existed during the Moore regime. We did pride ourselves on giving every citizen a fair deal as far as possible. When he talks about tyranny, what greater tyranny can there be than the tyranny of the unions at the present time? The unions drive every citizen into a union before he can get a job. The poor unfortunate intermittent relief worker must stump up certain fees to the union before he gets a job. We did not countenance such a policy. When a man is out of work union fees, are a big item to him, and if he can he should be assisted to save them. We did not care whether a man belonged to a union or not, provided he did his job. Every public servant is to be forced into a union under a veiled threat that otherwise he will lose his position. All clerks in the State were forced into a union. There has been one fortunate result. The Clerks' Union has been able to oust the would-be politicians who control that union, and politics in the Clerks' Union are now taboo. I could never see why any worker should be compelled to become a member of a political union. That is the objective of our friends opposite. It is more than preference to unionists. Preference to unionists is all right in principle, but wrong in practice. The whole object of the movement is to force the worker to subscribe funds for a political organisation. His politics should be as sacred as his religion. It is wrong to compel any worker to subscribe to the funds of a party with whose principles he does not agree. Preference to unionists brings in its trail a reign of terror. That terror exists to-day when many workers are compelled to join a union against their will, and thus subscribe to the funds of a political party unwillingly. There was no such thing under the Moore Administration.

The hon. member for Kennedy interjected in the speech of the hon. member for Rockhampton that there certainly was a decrease in 1931-32 in Savings Bank deposits, due to a shrinkage of the national income. The earnings of every person have been declining year by year, and as a natural consequence deposits have decreased. Of late there has been an increase in Savings Bank deposits; but that is not a feature over which we should gloat. It rather leads me to think that Savings Banks are being more

utilised to-day than twelve months or two years ago, because there are now fewer other avenues for the investment of the funds of the people. Trading banks have the same problem facing them to-day. They are absolutely overwhelmed with money which they cannot utilise profitably. In fact, the banks are refusing to take fixed deposits on which they have to pay interest, because they have no profitable avenue for investment. Our friends opposite will say, "Why not go in for a big public works policy?" The banks, who are the custodians of the people's money, will not countenance the investment of those funds unless they are assured that the objects will be revenue-producing. That is one reason why the Savings Bank deposits have increased of late. That is a fact, however, of which we should not be proud. On the contrary, we should be sorry to see money being hoarded up in this fashion instead of being utilised in the development of the State.

After all, the main effect to be considered is the continued drop year by year in national earnings. The figures for 1931-32 show that, as compared with the figures for 1927-28, the decrease in the value of production was £150,000,000. Consequently, there has been a tremendous fall in private incomes. The Treasurer said a little while ago that the main question to be considered was: How can we prevent the national income from becoming diminished and bring about its more equitable distribution? That is the main and the important question. That hon. gentleman further said that the Moore Government had tackled this question by making "cuts" in wages, but did not mention that these "cuts" in wages were made by various Governments in Australia, not only by the Moore Government. He attributed the lesser volume of business to this fact. The policy that has been outlined by Labour to stop this diminution in the national income and to increase the national income was put into effect after the last election. The measures adopted by the present Government include the following:—

- (1) Increase of taxation.
- (2) Increase of salaries and wages to public servants.
- (3) Shortening of hours by statute.
- (4) Increasing the staffs of public departments.
- (5) Borrowing for construction of public works.

The policy outlined by the Federal Labour Party included a scheme for the nationalisation of banking and the circulation of fiduciary notes. As a matter of fact, Mr. F. M. Forde, M.H.R., recently mentioned that Labour's monetary policy had been adopted by leading economists, and that one of the first acts of the Roosevelt Administration was the issue of 500,000,000 fiduciary notes.

The TREASURER: How many fiduciary notes have we in Australia?

Mr. RUSSELL: Far too many.

The TREASURER: The notes are all fiduciary.

Mr. RUSSELL: But the Labour Party would like to float a good many more with the idea of emulating the policy of the Roosevelt Administration. What has happened in Queensland since the present Government took office? For the financial year ended 30th June last, £1,514,923 has

Mr. Russell.

been paid out in relief work, and £314,617 by way of rations, or a total of £1,829,540. On top of that we have large amounts paid out by way of what might be termed "social services," which would include the payments to State wards, the upkeep of hospitals, etc., that would probably total £750,000; so that a small population such as Queensland has is saddled with expenditure under those heads of about £2,500,000. Despite all this latest expenditure, and despite the fact that our taxation was increased by £1,000,000—we admit that the Treasurer did not get in all that he anticipated; still, the exactions totalled £1,000,000—despite all that, we have to-day a tremendous number of people out of work. We have married men and single men who are endeavouring to subsist on the very meagre allowance under the intermittent relief scheme.

The TREASURER: It is 3s. 6d. a day more than your Government gave.

Mr. RUSSELL: But in the aggregate the intermittent relief worker is getting less per annum than he did under the Moore Government.

Mr. GLEDSON: No; he is getting more under the present Government.

Mr. RUSSELL: We introduced the rotational relief scheme, and under that, plus the intermittent relief scheme, a man's net earnings were £10 per annum greater under the Moore Government than under the present Government. In any event, the men are expected to live on these meagre earnings. I mention that to show that despite all the efforts made by the present Government to carry out their policy, we still have an enormous number of men out of work. Further, approximately 15,000 young men between the ages of sixteen and twenty years are out of work, as are also a great number of girls. Moreover, quite a number of widowers and deserted wives are living on the merest pittance. I mention those facts to show that Labour's scheme has not brought about that amelioration which was promised. We know what has happened to the American plan. To-day there is greater distress in the United States of America than in any other country; and it is evident that the Roosevelt plan is breaking down. As a matter of fact, this morning's "Courier-Mail" contains the following paragraph:—

"MUST FAIL.

"AMERICAN PLAN.

"*Economist's View.*

"London, 24th October.

"It is a pernicious doctrine to declare that increased purchasing power can cure the economic depression," said Professor John Harry Jones (Professor of Economics in the University of Leeds), in an address to-day. He declared that President Roosevelt's plan had failed, despite that it had the advantage of suitable circumstances. Indeed, the world was beginning to recover from the depression when the American plan started operations.

"The doctrine of some persons in Britain, who favoured the expansion of credit during the depression," he continued, "is equally pernicious, because it would at first increase the purchasing power of those shaping industry and not of the workers. The Ameri-

Mr. Russell.

cans had reversed the process, and at first stimulated industry. Then the higher wages raised the costs, absorbing the workers' earnings, and resulting in a continual sagging of industry.

"President Roosevelt can only bring about recovery by returning to the economic sanity for which Britain has long been famous."

The American system lauded by the Labour Party shows signs of breaking down. This is the opinion of a notable economist.

Hon. members opposite may ask what our plan is and say that it is all very well to criticise. The Labour Party condemn the measures we adopted. We pinned our faith to the Premiers' Plan, under which we asked every section of the community to make its share of the sacrifice. The result has shown that it was based upon right lines. It has been adopted in the other States, and if it had been carried out in its entirety in Queensland it would have brought about a better state of things than that which exists here to-day.

There is no doubt that the plan of the Labour Party is breaking down. We should be prepared to put some constructive scheme into effect. It seems to me that the whole question of wages, hours, and employment will have to be thoroughly overhauled, so that we can bring into effect a system which will give a fair share to all concerned—to capital its share, and to the producers and the workers their share. A scheme of national recovery must be based on lines which are fair to all sections of the community. But we must bear in mind that what we pay out can only be paid out from one source—that is, what we earn—from the cheques derived from the proceeds of our primary products—and if we go beyond that we must amass deficits. The sooner we face that situation the better. Every section of the community must get a fair proportion of the national income.

The Labour Party, with its adherence to the principles of high wages and the gradual exploitation of the capitalist—the employer—will sooner or later have to scrap its plan altogether. It would be far better if we provided regular work for all sections at a reduced wage until things improved. I previously mentioned the case, particularly, of boys and girls who are idling their lives away owing to the cast-iron regulations of our awards, which set out wages according to age. Thousands of boys are put out of their jobs when they arrive at eighteen or nineteen years of age—when they become useful and should earn something—on account of the rigidity of our wage system.

Mr. NIMMO (*Oxley*) [2.10 p.m.]: The £3,400,000 which is proposed to be appropriated under this resolution is a very large sum of money. I do not think that Queensland is making the progress to-day which it should be making. The hon. member for Rockhampton this morning made some very alarming and drastic statements which it would be very difficult to justify. He accused the Moore Government of putting the country into such a state that it was almost impossible for the Labour Government to get it out of that condition. He forgot to tell us that the Labour Government in New South Wales got that State into a very deplorable condition and a

Nationalist Government immediately following put the State into quite a different position.

Mr. W. T. KING: You are facetious when you talk in that way.

Mr. NIMMO: I do not think that the hon. member can gainsay my statement that New South Wales is to-day the outstanding example of what can be done by sound business government. Industry is expanding there, and men are obtaining employment in industry all over the State.

In the Queensland Railway Department, of which the hon. member for Rockhampton had control for many years, we find a fair example of what was done by Labour while in power. When the Labour Government took over the reins of power in this State the railways were a payable proposition; whilst to-day it takes two-thirds of the income tax revenue to pay the loss—not taking into consideration that the responsibility of £28,000,000 of its capitalisation was transferred to the consolidated revenue of Queensland. I will quote from the Auditor-General's report the losses on the railways from 1919-20 to 1928-29—

	£
1919-20	1,229,579
1920-21	1,739,475
1921-22	1,743,270
1922-23	1,475,192
1923-24	1,593,066
1924-25	894,495
1925-26	1,792,754
1926-27	1,964,365
1927-28	1,622,736
1928-29	1,603,980

My object in quoting those figures is to show that during the regime of the Labour Party in Queensland the financial position of our railway services was tragic, and that huge losses were piled up when the member for Rockhampton was Secretary for Railways. Yet he has the temerity to criticise the work of the Moore Government during a period which required cautious guidance in order to keep the ship of State on an even keel!

The hon. member for Rockhampton spoke of increased taxation and increased unemployment during the time the Moore Government were in office. Unemployment is the biggest problem we have to face in Australia to-day. Taking the figures as a whole, unemployment is practically even all over Australia. Unemployment in Australia was caused by the clumsy methods adopted by the Federal Labour Party in an endeavour to rectify the unfavourable trade balance of this country; and it has been an enormous task for the present Federal Government to reduce the number of unemployed.

Taxation has been increased to an enormous extent by the present Labour Government. Taxation was increased by the Moore Government to a certain extent; but, whereas it amounted to 1s. 8d. in the £1 under that Government, to-day it is 2s. 1d.

A GOVERNMENT MEMBER: You collected £100,000 extra taxation a year.

Mr. NIMMO: It is all very well to talk glibly about that, but how many taxpayers has the present Treasurer roped in since he has been in office?

The hon. member for Rockhampton recently criticised the action of the Moore

Government in introducing a minimum tax. He said: "If they only earn 7s. 6d. they are charged £1, which is sheer legalised robbery." To-day we find the present Treasurer has not merely continued that minimum tax, but has increased it 50 per cent. The minimum tax is now 30s.

The TREASURER: That is not true.

Mr. NIMMO: It is.

The TREASURER: Nothing of the kind.

Mr. NIMMO: I have the income tax assessment notice of a taxpayer to show this.

The TREASURER: Let me see it.

Mr. NIMMO: I have not got it here, but I will bring it up and show it to you.

In speaking of the deposits in the Savings Bank, the hon. member for Rockhampton said that the deposits for the year 1928-29 were £24,000,000, and for the year 1930-32 they had dropped to £16,000,000. He suggested that that was the result of three years of the Moore Government, but is it not remarkable that the figures declined all over Australia, and is it not natural to expect a reduction in Savings Bank deposits when the national income of Australia falls from £650,000,000 to £450,000,000? It is only natural to expect that Savings Bank depositors would draw on their savings for the maintenance of themselves and their families. I was astounded to hear the hon. member for Rockhampton say that the share market in Queensland was buoyant and bounding ahead. It is well known that industrial shares have not shown any appreciation in this State at all. The biggest rises in the share market have been in connection with Southern companies operating in States controlled by Nationalist Governments. Let us consider the share quotations of a number of business undertakings in this State. The shares of Brown and Broad, Limited, are quoted at 6s. 6d.; the shares of Carricks Limited, furniture manufacturers, are quoted at 11s. 6d. Evans, Deakin, and Company, Limited, have had a very poor year, the worst in their existence. The Intercolonial Boring Company, Limited, shares are quoted at 5s. each; the shares of John Hicks and Company, Limited, are quoted at 5s. 9d. each; the share of McWhirters Limited are quoted at 12s. 9d. The latter company has just completed the worst year in its history. For years the company paid a dividend of 10 per cent., but the last balance-sheet was the worst in its history.

Mr. GLEDSON: You know the reason for that.

Mr. NIMMO: What is the reason? It is because the Labour Government are in power. The shares of Allan and Stark Limited are quoted at 10s. 3d. each. The shares of Foggitt, Jones, Limited are quoted at 8s. 8d. each. Now let us consider the share market of New South Wales. During the past eighteen months the price of Australian iron and steel shares has doubled. The shares of Beard, Watson, and Co. Ltd., have doubled. The shares of the Broken Hill Proprietary, Limited, have increased from 16s. to 41s. The shares of Burns, Philp, and Co., Ltd., Farmers Limited, David Jones Limited, and Ushers Hotel Limited have doubled. In all cases I have referred to £1 shares.

Mr. W. T. KING: Quote the shares of T. C. Beirne and Company, Limited.

Mr. Nimmo.]

Mr. NIMMO: The company is a proprietary company and the shares are not quoted on the market. Industry has a very serious outlook to-day. The Queensland industries are subject to extremely severe competition from the South, and the Treasurer knows full well that it is impossible for them to compete if the industrial laws place this State at a disadvantage. I am not an advocate of low wages. I believe that high wages are for the benefit of a country provided the country can afford to pay them and that the rate operates on a uniform basis throughout the Commonwealth. Queensland cannot compete with the other States if a higher wage is fixed in this State and if industry is conducted on the basis of a 44-hour week compared with a 48-hour week in the other States. The Treasurer must know that the irksome restrictions operating in this State are causing the captains of industry a considerable amount of worry. Valiant efforts are being made to develop industry in this State. It is the best State in the Commonwealth, it enjoys the most suitable climate for production, and it will prosper in spite of the present Government, but something must be done to fix a uniform basic wage throughout the Commonwealth. I would not care if the basic wage was £4 a week provided it was applicable throughout the Commonwealth.

We have been continually told by hon. members opposite that unemployment has decreased in this State, and during the Fortitude Valley by-election campaign the Treasurer told the people that unemployment had been decreased from 19 per cent. to 17 per cent., thereby suggesting that his Government were responsible for the improvement, but he failed to inform his gathering that he had compelled the workers to become unionists, and that as the figures I have quoted above relate to unemployed unionists, naturally the percentage of unemployment will be less.

Many of the unemployed are not paying union fees, and, consequently, are not registered as unionists. The Federal Statistician shows an increase of over 4,000 in the number of unemployed for the period ending 30th June, 1933. Yet figures have been given in this Chamber indicating that unemployment is being reduced! That is an insult to some of those splendid men who are unemployed. The wife of such a man, on reading the statement made by the Treasurer, would naturally ask, "Why don't you get a job? Other men can get jobs." I am sorry to say that they cannot, and that the sunshine and happiness promised by the Treasurer has not yet materialised. There are a favoured few who are getting wonderful treatment. It is true that sunshine and happiness have come into their lives. There are men receiving £3 ls. per week as gangers on intermittent relief work, and at the close of their work each day are able to add to their earnings. These men are "dinkum" and "true-dyed" unionists of the Australian Labour Party type. They were on ordinary intermittent relief work before the election but are now getting wonderful treatment. Why is the general body of men not getting a better deal? A case was brought under my notice this morning. A man residing at Oxley has been receiving two days' relief work per week. He has an invalid wife, who gets the invalid pension, an invalid daughter, and a son. The wife is in a very bad

[Mr. Nimmo.

state of health and most of her pension is expended in medicine. The pension was not taken into consideration until recently. The seventeen-year-old son obtained a situation on a farm under one of the church schemes. He received 7s. 6d. per week, 2s. 6d. of which is given to him as pocket money and the balance placed to his credit in the bank. The parents have naturally to send him clothing; yet last week this man was notified that his work had been cut down to one and a-half days a week. His earnings are now 29s. 3d., out of which he must pay 12s. 6d. per week house rent, and support a sick wife and invalid daughter, and provide clothing for his son.

Mr. KENNY: Some of them are better off than that!

Mr. NIMMO: Yes.

Mr. KENNY: But only the chosen few.

Mr. NIMMO: Some of them are receiving £3 ls. per week as gangers and drawing £5 per week from the Australian Labour Party "get-rich-quick" scheme at Barry parade. That is to say, their earnings are £8 ls. per week. Those men are getting "sunshine and happiness," but the general body of taxpayers have had no improvement in their conditions. Sympathetic consideration should be given to cases similar to the one I have instanced at Oxley.

The appropriation for which the Treasurer asks is a very large sum, especially considering that it is only two months since this Committee were asked to pass a similar amount. There appears to be no lack of money. Has the time not arrived when we should take stock of things? This is a fairly wealthy country and the money available should be spread over the whole of the people in order that there shall be work, wages, and prosperity for all and not for the few. Many things are now manufactured outside of Australia which can be produced locally, but who will take the risk of making them when the Federal and State Treasurers require almost half the profits, if any, that are made? The fear of taxation prevents investors from risking money in industry. There is not one hon. member who, if he had £2,000 to invest and could borrow a considerable amount more, would establish an industry in this State. That is not a desirable state of affairs, and every effort should be made to restore confidence. A much greater effort should be made to get our unemployed back into industry. The only way by which we can do so is to give encouragement to industry to employ more men. I would go further and suggest that, where a firm or business is prepared to employ more men, a rebate of income taxation should be allowed for every additional man employed. In short, my suggestion is to encourage private enterprise to absorb the unemployed—a policy that would be infinitely preferable to the present system whereby progress is retarded. For example, a business that contemplated installing new machinery would probably hesitate from doing so because of the heavy taxation—sales tax, primage duty, exchange, etc.—which is added to the original cost. The view is generally taken that under these circumstances it is too costly to install new machinery at the present moment and that it is better to wait until the incidence of taxation is reduced.

Mr. GLEDSON: That speech should be made in the Federal House, not here.

Mr. NIMMO: The same argument applies in both spheres. I contend that all action to-day should be directed towards putting men back in employment. Only recently a business contemplated the purchase of a machine costing £1,000, but found that a first charge would be £60 for sales tax. Had that machine been purchased, it would have found employment for two additional persons. In addition to all the taxation and restrictions that prevent the expansion of industry, if a business is fortunate enough to show a profit, it has to pay heavy taxation, and to that extent is prevented from extending its activities and thereby creating additional employment.

I urge the Treasurer to take urgent action to encourage the employment of men in industry, either by making a rebate in taxation as I have suggested or in some other way. Furthermore, some effort should be made to bring about uniform industrial legislation throughout the Commonwealth.

Mr. SWAYNE (*Mirani*) [2.33 p.m.]: While there is a general feeling that the relief taxation is necessary in view of the present circumstances, it is also felt that the money collected should be expended without fear or favour. A very common impression exists that favouritism is shown, and I have in my possession a statement which, if correct, shows that the funds are not being equitably spent amongst those who are entitled to them. It is claimed that rotational work is confined to a few who go from one job to another, while the rest never get a share at all. Here are a few illustrations bearing out this very grave charge—

“Charles Swanson, A.W.U. delegate to the Trades and Labour Council, and also a member of the Paddington A.L.P., who takes an active part in all Labour plebiscites. This man is an intermittent relief work ganger at Lang Park, for which he receives £3 ls. per week. In addition, he is employed at the A.L.P. carnival at Barry parade as a representative of the Q.C.E. of the A.L.P. at a wage of £5 per week and trimmings. His son is also employed at this carnival at a wage of £2 10s. per week.”

This is going on, while at the same time the Labour Department is reducing the amount of intermittent relief pay of other unemployed by the amount of any other earnings—

“J. Lonergan, Brisbane A.L.P., is an intermittent relief ganger at Breakfast Creek, while at the same time he is running a residential at Spring Hill, his own property.

“Mat Donovan, single, whose father recently contested the Valley plebiscite, had a period of about nine months on sewerage rotational work at £3 per week; was then transferred to the Hamilton job at award rates; then transferred to the Newmarket job, and is still there. He is employed continuously, although this is supposed to be rotational work. His unemployment form (Form 6) is marked ‘to be employed for an indefinite period.’ His father has a good billet.

“McAuliffe, single, nineteen years, son of Alderman McAuliffe, has been employed right through the Hamilton (rotational) job, about nine months, at award rates, and still is employed.

“Jim Lough, ex-organiser, A.W.U., has been employed continuously on the sewerage work, although it is supposed to be rotational.”

With regard to the North Coast Railway, for the construction of which the hon. member for Rockhampton claimed credit for the Labour Government, I find that 442 miles were built prior to 1910, and all that was built after the Labour Government came into power was something like 400 miles. The total distance from Brisbane to Cairns is 1,042 miles, of which 672 miles was built prior to Labour government. After the passing of “The North Coast Railway Act of 1910,” the average rate of progress was 46 miles per annum till 1915 (including the bridges over the Pioneer and Burdekin rivers), and from 1916 to 1924 41 miles per annum. The Burdekin and Pioneer bridges were the most important jobs on the line, and it is only fair for me to say that Queensland owes the building of those two bridges to my former colleague, the late Hon. W. T. Paget, who was then Secretary for Railways. Yet the hon. member for Rockhampton had the audacity to tell us that Labour built the whole! When hon. members opposite make extravagant claims like these we at once have a criterion by which to judge how much credence should be given to their other statements. In this case not quite half the truth has been told; so that when they make these boastful utterances we can discount them by fully 50 per cent.

Prior to 1914-15 our railways were carrying £4 Os. 8d. per cent.; in other words, after paying all working expenses, they paid full interest upon the capital cost and a little over. Since Labour has been in power the income-earning capacity of the railways has dwindled. The hon. member for Rockhampton made such an astounding statement that I thought it was only right to correct him. We must remember, too, that he was Secretary for Railways at one time.

Mr. TOZER (*Gympie*) [2.40 p.m.]: The Treasurer is asking for Supply to the extent of £3,400,000. We have already had a Supply Bill to cover over £3,000,000, and this Bill will make the total appropriated this session over £6,000,000. Government has, of course, to be kept going and finance is necessary, but it is our duty to criticise any expenditure in connection with government. We have to look at the matter in the light that the amount being asked for includes certain increases which have been given lately in connection with the establishment of the 44-hour week, the cost of which, I understand, works out at something like £395,000.

The TREASURER: Your understanding is at fault.

Mr. TOZER: I understand that something like £35,000 extra is required for the police, £200,000 for the Railway Department, and £160,000 for the public service.

The TREASURER: Your figures contain the usual amount of exaggeration.

Mr. TOZER: They may do, but one of the items was given by the Home Secretary himself, so that if he has exaggerated I cannot help it. The other figures have, I understand, been given in this Chamber. I have to take the figures which I get in this Chamber as being correct. I would

Mr. Tozer.]

have no objection to automatic increases being given to civil servants if the time was opportune; then I would be one of the first to support them, but where we cannot pay the money from revenue, except by borrowing and budgeting for a deficit, I do not see how we are justified in giving them.

The hon. member for Rockhampton endeavoured to place the whole of the blame for the financial position of the State on the Moore Government, which was quite absurd. The Labour Government from 1915 to 1929 enjoyed an average increase in revenue of £580,966, and a total increase in revenue from £9,000,000 odd up to £16,000,000 odd. Of course, the expenditure increased in proportion to the revenue that was being received. For the three years the Moore Government was in power there was a reduction in revenue of £932,790 a year. No honest person can blame the Moore Government for that condition of affairs, for it was caused by the economic conditions prevailing throughout Australia. The income of Australia had fallen something like £200,000,000 and Queensland suffered from that reduction.

I understand that the Treasurer has stated that an increased purchasing power can counter economic depression, and that the extension of credit during a period of depression is another means of improving conditions. I cannot quite follow that line of reasoning; I do not see how your spending power is going to benefit, because you have to pay interest on the money so borrowed. I would like to refer to an article that appeared in the press this morning which seems to touch these two points. It says—

“MUST FAIL.

“AMERICAN PLAN.

“*Economist's View.*

“London 24th October.

“‘It is a pernicious doctrine to declare that increased purchasing power can cure the economic depression,’ said Professor John Harry Jones (Professor of Economics in the University of Leeds), in an address to-day. He declared that President Roosevelt’s plan had failed, despite that it had the advantage of suitable circumstances. Indeed, the world was beginning to recover from the depression when the American plan started operations.

“‘The doctrine of some persons in Britain, who favoured the expansion of credit during the depression,’ he continued, ‘is equally pernicious, because it would at first increase the purchasing power of those shaping industry and not of the workers. The Americans had reversed the process, and at first stimulated industry. Then the higher wages raised the costs, absorbing the workers’ earnings, and resulting in a continual sagging of industry.

“‘President Roosevelt can only bring about recovery by returning to the economic sanity for which Britain has long been famous.’”

The Treasurer can only bring about recovery by returning to the economic sanity of the Moore Government. If that policy had been followed, I think the position of Queensland would be far different from what it is to-day.

[*Mr. Tozer.*

The hon. member for Rockhampton endeavoured to show that the large sums of money spent in Queensland at different times had been responsible for the total production. I would point out that the expenditure of that money did not produce the whole of the revenue from production. The expenditure was helpful to a certain degree, but it cannot be said that the whole of the income derived from the wool industry was the result of loan expenditure. It cannot be said that the expenditure of any sum of money has resulted in the revenue from mining or forestry or any other source of Government revenue. When the Moore Government were returned to power the revenue of the State, which had gradually increased to £16,000,000 odd, commenced to fall. It continued to fall during the period of that Government. Revenue commenced to climb again on the return of the Labour Government, due solely to the fact that increased taxation was imposed. The hon. member for Rockhampton asserted that the Moore Government imposed increased taxation amounting to £3,350,000, but I do not know how he arrives at that figure unless he includes the unemployment relief tax and the increased taxation levied as a result of the reduction of the statutory income tax exemption to £150. It must be remembered that the Moore Government also granted concessional deductions which must be set off against the increased taxation imposed by the reduction in the statutory exemption. Previously a number of people in Queensland who were in receipt of incomes paid no income taxation at all, and the Government considered that it was only fair and just that all people should bear their fair share of the burden, and so the amount of the statutory exemption was reduced to £150. However, I shall assume that the figure quoted by the hon. member for Rockhampton is correct. I should like to point out to him that the present Government have not reduced that taxation; on the contrary, they have increased it considerably, and if the Moore Government were blameworthy for what they did on that occasion, how much more blameworthy are the present Government for having increased taxation still further?

I have always regarded a tax upon land as in the nature of a capital tax, and one that was neither fair nor reasonable. During the last year of the Moore Government the super land tax was not reimposed. I propose to quote some figures to illustrate the inducements that are held out to the people to express a preference for land settlement in New South Wales and Victoria because of the lighter burden of land tax imposed in those States. In respect of a valuation of £5,000 the taxation in Queensland would be five times as high as that in New South Wales and nine times as high as that in Victoria. What a splendid inducement is offered in the other States to those who are anxious to take up land! These figures show the amount of tax levied in respect of land carrying a valuation of £10,000—

	£	s.	d.
Queensland	202	0	0
New South Wales	40	13	4
Victoria	21	17	6

Again observe the wonderful inducement offered to people to settle in the other States.

Now consider the difference in connection with land carrying a valuation of £25,000—

	£	s.	d.
Queen-land	720	16	5
New South Wales	206	0	0
Victoria	158	0	0

Observe the wonderful advantages that operate under the sliding scale in the other States. All wealth comes from the soil, and we should bend our energies in the direction of inducing people to settle on the land. Of course, hon. members opposite will retort that the present Government have embarked on a vigorous land settlement policy under the leasehold system, which does not attract land taxation.

Up to the 30th June, 1933, the public debt of Queensland stood at £114,539,855, or an increase during the previous year of £2,619,070. This year Queensland is budgeting for the expenditure of £3,300,000 loan money, which will increase the national debt by a considerable amount. The national debt now stands at £117,000,000 odd. An increase in the national debt is followed by an increase in the amount of interest payable each year and the amount paid in consequence of the adverse rate of exchange. Therefore, by increasing our commitments in one direction, we increase them in two other directions at the same time. The national debt is being increased to such an extent that I cannot visualise the ability of the State ever to repay it. These matters should be pointed out to the Committee when we are considering Supply.

I do not think that my remarks will have any influence upon the Treasurer, who will continue with his policy, as he believes it to be the best one. When we take all matters into consideration, it cannot be said that the policy is for the benefit of Queensland. We are spending an increasingly large amount of money year by year in relief work; but when that work is completed the men engaged are as far away from permanent positions as before it was undertaken. Relief work is practically only an existence. Those benefiting are not receiving sufficient to do anything more than actually live. They cannot pay rent, and if debts have been accumulated, they have no hope of repaying them. Some effort should be made to get our unemployed back into industry. Attempts are being made in certain places to revive mining, and if we could only discover a new goldfield it would be of more assistance than anything else in relieving unemployment. At one period it was thought that Cracow would assist in that direction, but the Golden Plateau mine is the only one that is showing promise. Had we a surplus like the Federal Government, both this year and last year, we could budget for further credit this year. Unfortunately, the State has exhibited deficits both this year and last year, and is budgeting for another deficit this year. We are not then in a position to give, nor are we justified in giving, concessions of any sort to any section of the people. Our duty is to the people on the lowest rung of the ladder; those in sheltered positions and possessing regular incomes do not require help. We should give greater help to those who have not than we are at the present time. Relief work is a God-send to those who get it. Single men receive only one day's work each alternate week, and rations the other week; but the man on the

land—the dairy farmer—despite adverse seasons, is not entitled to participate in it at all. If he applies to the Minister, he may receive rations for a limited time, conditional on entering into an agreement to repay the cost when he receives returns from his land. He has practically to give the Minister a power of attorney and a lien over his prospective produce. People on the land who are actually in want and are reduced to a state of penury should be treated similarly to the man in the city. Some people are under the impression that immediately there is a fall of rain an improvement takes place in the position of the man on the land, quite forgetting that time must pass before crops can be produced or the herds are brought into profit.

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [3 p.m.]: I have listened to the speeches—

Mr. MAXWELL: Mr. Bayley was on his feet. You are not closing the debate, are you?

The TREASURER: I do not propose to allow the hon. member for Toowoong to decide when I shall speak in this debate. Under the Standing Orders the Minister in charge of a resolution of this kind can intervene in the debate at any time he desires. The last thing that I would attempt to do would be to deprive any hon. member of his rights in this Parliament, and that particularly applies to the interesting and candid speeches that are usually made by the hon. member for Wynnun.

The speeches made to-day by hon. members opposite are very largely a rehash of the remarks they made during the Budget debate. The hon. member for Kennedy, who again opened the debate—the hon. member is evidently the opening batsman for the Opposition this season—endeavoured to explain away some of his previous errors. I had told the hon. member that he became entangled in his own figures, and he endeavoured to extricate himself from his difficulty by setting up new formulæ; but the fact remains that when he made his statements on the Budget debate he definitely gave the impression to Parliament and to the public outside—for the press got the same impression as hon. members—that his estimates of revenue were actual receipts. That misstatement of the general financial position has been spread throughout Queensland and no attempt has been made by hon. members opposite to correct that wrong impression. It was not until I exposed the obvious fallacy of the statement made by the hon. member that an effort was made to cover up the position. This morning his statements were very largely based on what certain thinkers would describe as the "if tremendous"—that if such a thing had eventuated such and such a result would be achieved. The hon. member proceeded along those lines for quite a time, and of course anyone could go on indefinitely dealing with matters in that way. I might just as easily put forward the proposition that if certain things were done certain results would be achieved. Many people who listened to the hon. member were, no doubt, just as confused and misled by his speech this morning as they were previously.

With all the appearance of importance of one who had made a new contribution to mathematical knowledge, the hon. member for Kennedy announced

Hon. W. Forgan Smith.]

another important discovery! (Government laughter.) The hon. member said in effect that on the 30th June last the State Insurance Commissioner had a given sum, that on the 1st July certain investments were made, and that if those investments had been made on the 30th June, instead of the 1st July, then obviously the cash balance would have been different on the 30th June. The hon. member will be telling us shortly that two and two are four, and that two added to that number makes six! (Government laughter.) We are all deeply indebted to him for the information, but, unfortunately for the State, it does not carry us any further. The hon. member has lost sight of the fact that during last year a very large proportion of the funds of the State Government Insurance Office was used for the final payment for the new insurance building which now houses the State Government Insurance Office. The investments that have been made since are made from the reserves that are available. Surely the hon. member does not suggest that the State Insurance Commissioner should make investments from day to day! Investments must be made periodically as reserves are built up, and in addition the State Insurance Commissioner must have funds available for ordinary current commitments.

The statement made by the hon. member that the Government were using trust funds for revenue deficits is entirely false. No trust funds of the State Government Insurance Office have been used for the purpose indicated, and obviously the statement of the position by the hon. member for Kennedy—and other Opposition members have repeated the same statement parrot-fashion—is calculated to mislead the people who take any notice of it. But when we look further into the position we find that even if the present Government were using trust funds for deficit purposes they would merely be doing what the hon. member's own Government did when they were in power.

Mr. FADDEN: Would that excuse you?

The TREASURER: No; it would be most reprehensible to follow any of the precedents established by the hon. member's party. I am sure that whatever views the hon. member for Kennedy may have of this Government he does not expect me to follow any precedent of that kind. I repeat that during the period of the Moore Government's regime trust and loan funds were used for revenue deficits. The revenue deficits as stated are in round figures £3,600,000. To that should be added an amount of over £600,000 which was transferred to revenue by the Moore Government; so that their accumulated deficit during the period under review was over £4,000,000. I will give hon. members the facts of the position. They have been stated before, but evidently it is necessary to keep on calling attention to them.

In their first year they took £100,000 from loan funds and passed it over to revenue. In the same year they transferred £100,000 from the Savings Bank accumulated profits in the trust funds, making £200,000 that year.

In 1930-31 they took a bigger bite of the reserve funds available—from Loan Fund Account, £100,000; from trust funds, including a portion of the accumulated profits of the Workers' Dwellings Fund, £100,000; a portion of the credit balance of the Assur-

ance Fund, Real Property Act, £176,110; and from the Treasury Notes Account, £22,456—making £398,566 in that year.

In the last year they took portion of the repayments to Loan Fund Account, amounting to £100,000; so that for the period under review they took from trust and loan funds and credited to the general revenue £698,566. Had that not been done, obviously their deficits would have increased by that amount. In addition, I also regret having to draw attention to the fact that they took from the Aboriginal Trust Fund in 1929-30 the sum of £6,910; in the following year their bite was greater and they took £25,663, and in the last year £14,725; making a total from those accounts of £47,298 by way of transfer from trust funds to general revenue.

During the greater portion of the period under review they did these things without statutory authority. They did them first and then came to Parliament and said, "This is in effect what the Moore Government's Treasurer has done. It cannot be undone now, so Parliament has to validate it." Parliament was not even asked to give its prior consent to the proposal. In dealing with these matters hon. members opposite would do well to bear in mind the facts I have given, and consequently not again place themselves in the invidious position in which they find themselves to-day.

I have stated before, and I say again, that the deficits of this Government are financed by means of Treasury bills. The current rate of interest on those Treasury bills is 2½ per cent., and it is progressively declining. I take the view that the Treasury bill rate should be a great deal less than that, because when the nature of the security and the method of finance are taken into account it really means that the associated banks are getting 2½ per cent. on current account. It is a function of the Commonwealth Bank to issue Treasury bills—to farm them out to other financial institutions, and the associated banks can demand their rediscount at twenty-four hours' notice; so that actually the system of finance is highly remunerative to the associated banks who hold the bills, and that is one of the reasons why the Commonwealth Bank has continually argued in favour of funding them at the earliest possible moment with a view to strengthening the bank's position.

The Moore Government financed their deficits from trust and special funds and Loan Fund Accounts. That is one of the reasons why Queensland is in so difficult a position as compared with other States. All the other States financed their deficits by means of Treasury bills, and consequently from the beginning reaped the advantage of the lower rate of interest payable on such accommodation, and as interest continued to decline they got a progressive advantage. On the other hand, the Moore Government deliberately curtailed loan expenditure, stopped or arrested all the development in the State and, as a consequence, much unemployment resulted. Having regard to the interest and the present rate of exchange, the Moore Government's accumulated deficits of over £3,500,000 are costing the State 5.32 per cent., whereas the deficits of other States are only costing them at the present time 2½ per cent. It is the progressive reduction in the interest rate that has brought about the comparatively improved position of New South Wales. Mr. Stevens

[Hon. W. Forgan Smith.]

candidly sets that out in his Budget. He points out that the saving in interest, aggregating over £4,000,000, which has been effected this year, has enabled him to give the remissions in taxation set out in the Budget. I have set out the position previously, but I point that fact out again so that there shall be no confusion of thought. The Moore Government's policy of arresting development and creating further unemployment not only created difficulty from that point of view, but it is also one of the primary causes of our interest bill being higher than that of any other State. I take the view that when Treasury bills come to be funded and included in the consolidated debt they should be dealt with in the order of issue. That is to say, those States who issued Treasury bills first, and have had the advantage of the progressive decline in interest, should have their Treasury bills included in the consolidated debt first of all. That is a matter for debate in another place, and hon. members can rest assured I shall place that case very fully before all the parties concerned.

The hon. member for Kennedy stated trust funds were insolvent. Obviously that statement is a ridiculous exaggeration and one to which no person could give serious credence—not even the hon. member himself. Trust funds, as pointed out very fully by the hon. member for Rockhampton, held by the Government are really in the way of special funds open for a specific purpose; and it is the aggregate cash balances—as the Leader of the Opposition pointed out—that really determine the solvency or otherwise of a Government. No Government would allow trust funds to lie idle. Where interest payment is due from the Government, they must earn interest, in the same manner as the banks make use of the deposits and current accounts so that they can carry on their general operations. If there is a debit in trust funds and a credit in the State funds generally it can be temporarily financed from the latter, in the same way as a private institution when overdrawn will arrange to give security for a temporary overdraft to tide it over the difficulty.

Certain trust funds are in debit. Why is that so? Take for example the case of the Stock Diseases Fund in the Department of Agriculture. That fund has been in debit for very many years—long before I was a member of a Government. I brought forward certain proposals when I was Secretary for Agriculture in order to place that fund on a sound basis. After full consideration by the Cabinet of the day a decision, in which I concurred, was made that it was better to leave the fund as it was, and that the difference between the cost of the service rendered and the receipts of the fund should be paid for out of consolidated revenue. The revenue that goes to the fund comes from levies on cattle and sheep owners. The Department of Agriculture provides a service in return. For many years the cost of the service has exceeded the receipts of the fund and, as a consequence, the fund has been in debit. Nobody would argue to-day that the impost on flock masters and stock owners generally should be increased. The Government prefer that the fund should remain in debit and that the indebtedness shall be borne by consolidated revenue. It is obvious that as time goes on, and the flocks and herds

increase, the fund will be restored to a proper position.

The hon. member for Kennedy suggested that the debits in the trust funds should be added to the national debt. If a trust fund has been established for a purpose, and that purpose no longer exists, there is a great deal to be said for the suggestion that any debit in the fund should be added to the national debt. After all is said and done, it is very largely a matter of opinion, and the hon. member should realise that accountability practice varies from time to time. It is probably true that the public accounts of the State could be presented in a more simple manner; and if simplicity would lead to greater accuracy on the part of the Opposition it would be a good course to take. The same might be said of the public accounts of other Governments. Criticism has been levelled against the method adopted here, but criticism has also been levelled against the Commonwealth Government and the Governments of the other States. The point is this: Whatever method may be adopted the material to be used remains the same. I tried to bring that home to the hon. member last year, and being a patient man I shall endeavour to do so again this year. For example, the parliamentary building is a fine example of the builders' art—of the work of the plasterer, the carpenter, and other artisans. No doubt the hon. member for Toowoong has the idea that he could evolve a scheme of decoration which would reveal the building in a much better way, and that is no doubt true, but whatever the scheme of decoration of the walls may be the fabric of the building and the foundation of the building would remain unchanged. The same can be said of the method of presenting public accounts. One may change the method of presenting the accounts and make the system more complex or more simple, but the basis remains the same.

The hon. member also fell into the grievous error—which I deplore—when he was pleased to refer to what he termed euphemistically “dud” assets. He considered the figures representing the expenditure since Queensland became a State, and he considered the figures representing interest earned by the assets of the State, and he deduced from those figures that the difference between the two columns represented “dud” assets in Queensland, which should be written off. It is true that there are “dud” assets in Queensland just as there are “dud” members of Parliament, but generally speaking the hon. member should realise that there are assets of the State that cannot be reduced to any accountability formula. The men of Queensland do not have auditors' ink in their veins. The majority of them have good, rich, red blood coursing through their systems, and they demand a full and free life with the right to pioneer and develop this country, and so emulate the example of the people from whom they came. To follow the argument of the hon. member to its logical conclusion we should have to commence to value all land on which there are public buildings and charge a ground rent for the use of the land, then value the buildings and charge a rent for the use of the buildings. It would then be necessary to regard the ground rent and building rent as assets to be set against the liabilities of the State. In adopting that method we would be charging for the use of all schools, public highways,

harbours, public buildings, and other utilities.

Will anyone suggest that you can estimate the value of the educational system of Queensland on the basis of the frigid attitude of an auditor? One must realise that land and buildings are acquired for our educational system, but the results of that education in building up the morale of our future citizens cannot be estimated in terms of cash. The suggestion that the buildings and land used for that purpose are "dud" assets is an assertion which will not bear investigation.

I have never argued that the expenditure of loan money will remedy or cure the existing unemployment and trade depression—such an assertion would be an indication that I had not even an elementary knowledge of the position—but I have said and repeat, that during a period of acute depression when private enterprise is unable to carry on, the Government should come to the rescue by undertaking public works calculated to develop the State and employ our people. By that means a counterpoise is presented against unemployment created under private enterprise. If everyone in the community were to adopt the attitude of the "Dismal Jimmies" who constitute the Opposition in this State, we would simply lie down in despair and refuse to do anything. That is a line of action that does not appeal to me; nor can it appeal to any thoughtful, resolute individual. With the means at our disposal as a Government we are endeavouring to preserve the social and economic fabric of this country in the best possible way. No one can argue that the Government under the existing system of society can provide work for all the people. That is impossible, because 80 per cent. of the reserves of the nation are in the hands of private individuals and are used for the purpose of winning profit for themselves. The aim of private industry is not to develop the country or give employment to the people. That is only a secondary motive. Men in every walk of life engage in activities of different kinds for the purpose of making profit for themselves and their dependants, and building up a competence for themselves. That is obvious. If a set of conditions is brought about whereby a surplus is created beyond the means of the majority of the people to purchase, obviously there must be a curtailment of enterprise, a curtailment of manufacture, and a curtailment of production. That produces the paradox of existing society, where millions of people are starving and in want although surrounded by plenty. The hon. member for Murilla this morning talked airily of Communism, Fascism, and Hitlerism. All those things are merely an evil in existing society. Men who are driven to despair, for whom the future does not present any opening, naturally seize upon any alleged remedy which offers them a hope for the future, just as the individual suffering from an incurable disease, after going through the hands of medical practitioners or surgeons, and finding himself still ill, is prepared to try anything which a specious vendor puts forwards as a cure. That is the basic motive which animates mankind in every form of human activity. So it is that during a period of difficulty in trade and commerce that produce unemployment and distress amongst every section of the community, a

number obviously must be found who are prepared to give a hearing, and possibly adopt, any "ism" speciously put forward as a cure for their ills. The phase of the situation that must interest hon. members is this: Hitler has secured control of Germany and is pursuing a certain policy. Mussolini and his people are pursuing a certain policy in Italy. That is not the significant thing. The significant thing is that those nations have recognised that the old systems have failed to provide for their requirements and are adopting methods which appear to them as a way of escape. The conditions existing in this or any country are the product of man's ingenuity and labour.

If methods are not adopted by Governments—Labour or otherwise—to provide employment and sustenance for the people—if the resources of the country are not strained to give the growing youth in the community a chance, then those "isms" which have been referred to as obnoxious will gain more adherents as time goes on. The remedy for Hitlerism, Fascism, or Communism is not to adopt the degraded, sordid policy of Conservatism that has been responsible for producing the world difficulty. The remedy is to free the community, so that all shall have an opportunity to earn a livelihood—so that men will be able to achieve and use for themselves the full product of their own industry, and so that lands and the instruments of industry shall not be locked up at the will of individuals for the purpose of profit, but that the resources of the nation shall be used in the interests of all the people who comprise the nation. Having regard to these principles, I definitely and solemnly affirm on behalf of this party and on behalf of the Government that we believe that the policy carried out by the Australian Labour Party offers the means of economic salvation of the people of this country, and that Labour is the safest form of government that can be in office at the present time.

Hon. members opposite, particularly the hon. member for Murilla, suggested that too much money was being spent in Brisbane. There is difficulty in finding suitable works in every part of the State. The Leader of the Opposition suggested that we were underspending our loan appropriation. We have already to a very large extent appropriated the entire amount of the loan funds at our disposal for the present year, but those works have not advanced to a stage where the whole of the money can be called up from month to month. You cannot start a big job, such as water and sewerage development, with the same ease as you can tear off a stamp. Plans and specifications have to be prepared, machinery and plant have to be assembled, and a hundred and one other things have to be done. Let me illustrate: Several weeks ago I announced that the Government were prepared to assist the Brisbane City Council to carry out another instalment of their sewerage work—such a highly desirable and necessary work, that it is a reflection on bygone local authorities that it was not completed many years ago when costs were lower than they are to-day. It was only yesterday that I received the final application for the £250,000 approved by the Government. The Brisbane City Council have the authority of the Treasury Department to proceed immediately with the work. The Government cannot determine the rate

[*Hon. W. Forgan Smith.*]

at which the expenditure will proceed; we pay the money as and when required. Similarly with all other forms of loan expenditure.

At 3.35 p.m.,

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

The TREASURER: In loan expenditure, the objective of the Government is, first, to

obtain work that is worth while and will be an asset to the State when completed; and, secondly, to provide the maximum of work and wages for Queensland citizens. We affirm that those are sound basic principles. Country districts have not in any way been neglected, as suggested by the hon. member for Murilla, because figures with regard to loans and subsidies granted since 1st January, 1932, show that the amounts have been fairly distributed—

	Loans.	Subsidies.	Total.
	£	£	£
Loans and Subsidies granted in Southern Division exclusive of Metropolitan Area	398,552	233,769	632,321
Loans and Subsidies granted in Metropolitan Area	354,190	137,250	491,440
Total Southern Division	£752,742	£371,019	£1,123,761
Loans and Subsidies granted in Northern Division	297,308	179,895	477,203
	£1,050,050	£550,914	£1,600,964

Those figures indicate very clearly that due regard is being had to all portions of the State. The Government must do work where that work offers. For example, we cannot build the main road in Queen street—that facility already exists. Consequently, main roads must be built in country districts. That principle applies to other public works. I may say that the Treasury is prepared to receive representations from responsible bodies in any portion of the State for works that will be worth while and will give employment to our people.

The question of unemployment is naturally the most important that can be discussed. Hon. members opposite are remarkable for their attitude towards these things. They reject the authority of any statistician who does not produce a table to suit their own purposes, and they use figures at random,

very frequently not understanding their significance or real meaning. We find that from the Treasury Tables an hon. member picks out a figure which appears to suit him without having regard to other figures in the same table which might modify his construction of their meaning.

We have in Queensland a very effective method of compiling unemployment figures. No other State adopts that method of compilation, so that for the purposes of comparison between Queensland and other States we must adopt the Commonwealth Statistician's figures, because the basis of their compilation is the same in all States and the rise or fall of the unemployment figures indicates the trend either upwards or downwards in the States, and is valuable for the purpose of comparison. Let me give the latest figures—

State.	June quarter, 1932.	September quarter, 1932.	September quarter, 1933.	Percentage Decrease in September quarter, 1933, on—	
				June quarter, 1932.	September quarter, 1932.
	%	%	%	%	%
New South Wales	33·2	33·0	28·8	13·3	12·7
Victoria	27·7	27·0	22·5	18·8	16·7
Queensland	19·9	19·3	15·1	24·1	21·8
South Australia	35·2	35·4	30·3	13·9	14·4
Western Australia	30·3	30·1	25·6	15·5	15·0
Tasmania	27·4	26·9	19·2	29·9	28·6

It will be seen from those figures, taken for the same quarter of each of the States, that Queensland has the lowest amount of unemployment of all the States of Australia, and the progressive decrease which is apparent in all the mainland States is the greatest in Queensland; so we are obviously obtaining advantage from the policy which has been pursued. I agree that the position is still very grave. One would be blind if one refused to take cognisance of that fact. The position in regard to unemployment is very serious; it is tragic for individuals and the State. The thing which depresses

me most is the fact that men adapt themselves to their environment and frequently become satisfied with the conditions that obtain. Up to the present time, the Queensland worker and the Australian worker have generally been the most independent type of worker in the world. He has only asked for a fair deal and has been prepared to give good service in return. If his employer did not like him or he did not like the employer the method adopted has been "Give me a cheque, boss," and off he went and looked for another job. But to-day we find a tendency for everyone to

Hon. W. Forgan Smith.]

argue in favour of putting people on relief funds. That is a very serious phenomenon indeed. If we carry it to its logical conclusion we obviously get to the danger point where it might be more advantageous to be a relief worker than to be a worker paying taxation. Is not that clear? I am sorry to find hon. members opposite advocating the extension of the system. I take the view very definitely that not only is the cost of this aid a very heavy burden on the resources of the State, but that more important than that loss is the building up of such an organisation and its indefinite continuance. This Government recognise those evils, and are using every effort to establish proper work so that men shall be afforded the opportunity of normal employment and live as normal citizens, and so regain that attitude to which I referred with such pride a few moments ago. Whether we be challenged on the basis of our policy or not—I do not deny the right of any individual to challenge that policy—I say definitely on behalf of this Government and on behalf of this party that all our efforts will be in the direction of doing the best that can be done for the people of this country. We desire to build up a healthy and self-reliant race of men and women, well educated and free and able to take a part in any of the avocations of life. We will pursue that policy—on which we were elected—and continue to do those things which we believe to be in the interests of the people who placed their confidence in us.

HONOURABLE MEMBERS: Hear, hear!

Mr. BAYLEY (*Wynnum*) [3.45 p.m.]: The Treasurer has opened up so many avenues for discussion—some of them are stony and dusty, others are leafy and shady and very tempting—that I find it impossible in the twenty-five minutes I am allowed to follow him over any great distance on any one of them. I agree with him that there is a danger that that independent spirit—on which we as a nation have prided ourselves in the past—is in danger of disintegration. Let me explain that by an incident. Yesterday I met a returned soldier who was an inmate of Simla Hospital, at Toowoomba. He told me that whilst walking down Ruthven street he was accosted by a man who asked him if he were looking for a job. He explained to this man that he was not in a fit state to work, and told him that he knew a number of young fellows who were out of work and he would see if he could send one of them along. This returned soldier went down and interviewed some young men. He told them what was offering, and induced one of them to return with him to interview the man. They then interviewed the prospective employer, and this young man was told that the work offered was on a dairy farm and the wage would be 30s. a week and keep. He turned it down with contempt. He said, "Why should I work for 30s. a week when I can get my rations and go to the Social Service League and get such clothes as I require? What sort of a fool do you think I am?" Of course, it takes more than one swallow to make a summer. There may not be many men of that type. That is the thing of which the Treasurer stands in dread and of which we all stand in dread—that our manhood will be so sapped that the time will come when they will prefer to live on

the community rather than accept a full-time job and draw a decent pay.

Mr. LLEWELYN: True to your class!

Mr. BAYLEY: What would the hon. member for Toowoomba have done? Would he rather go on rations than work on a dairy farm for 30s. a week? True to class? True to manhood!

The Treasurer endeavoured to show that the unemployment position is better in this State than in any other State, and said the only true basis for comparison was the figures supplied by the Commonwealth Statistician. The Treasurer and all of us know that those figures are based upon the returns submitted to the Commonwealth Statistician by the unions. We all know that a number of unions throughout Australia do not submit returns; and in no State does that apply so strongly as it does in Queensland where the greatest number of unionists are members of the Australian Workers' Union, a union which does not submit unemployment returns to the Commonwealth Statistician. There is another aspect of this question that we must take into consideration—that is, that the Government through their policy of compulsory unionism have compelled a number of men to take out union tickets, and that the only people who have taken out union tickets are those already in jobs or those who were able to secure jobs by taking out the tickets. Consequently, men who have been added to the unions are employed men and that fact has a very great bearing on the increased percentage of employment within the unions. There is no need for me to quote figures to prove that. The percentage of employment within the unions has increased very largely as a result of the action of the Government in imposing compulsory unionism upon the people, but it has not found a single job for any man. If the policy of compulsory unionism had not been adopted by the Government many of these workers would have remained in their jobs as non-unionists. The action of the Government has not improved the unemployment position in this State one iota, but it has improved the percentage of unionists who are in work.

The Treasurer stated that he and his party were convinced that Australia could be lifted out of her difficulties only by the policy enunciated by the Australian Labour Party. He has made that statement on several occasions, and he made it in the course of his Budget speech. He criticised the Lyons-Latham Administration for the things they had done in connection with the tariff, and he inferred that if the Labour Government were in power those things would not have been done. He referred to the textile industry and said that the imports of textiles had gradually increased during the past two years, and that at the same time a number of textile operatives had been thrown on the unemployment market to increase the difficulties of the States which were called upon to find work for them under the various unemployment relief schemes. The financial year 1930-31 was the last year of the Scullin-Forde regime. I mention the name of Mr. Forde because he was the Minister for Trade and Customs in that Government. It was he who said when tabling certain new tariffs that they would bring employment to between 20,000 and 50,000 men and women in Australia. At the end of 1930-31 there were engaged in the textile industry of

[Hon. W. Forgan Smith.

Australia 26,228 operatives, but the number had increased last year to 30,553. I was prompted to look up those figures because of a statement made on the floor of the Federal House by Mr. Casey, who was recently elevated to the position of Assistant Commonwealth Treasurer. Speaking in the House of Representatives, Mr. Casey said that in his electorate of Corio there were more mills than in any other electorate in Australia, and that there was not one operative in his constituency out of employment. The figures go to prove that the statement by the Treasurer is not correct. It was correct to this extent—that imports had increased, but the number of operatives had increased at the same time.

The Treasurer also says that the position that the world finds itself in to-day was partly brought about by over-production. Again, figures will not support that contention. Sir Ernest Cassel, one of the eminent authorities in the world, has produced figures to show that the increase in production throughout the world has been steady. Year after year, production has increased at the rate of 3 per cent., which is in keeping with the increase in population. Hon. members opposite and others have said that the position as we find it to-day has been created by the power of the machine which is able to produce more than the people can consume. That is not so. The same arguments were brought forward generations ago when the first loom and other machinery were introduced. We are suffering from under-consumption; the people have not the wherewithal to purchase the goods they need. Over-production! Have we in this country experienced any difficulty in disposing of our wool and our wheat? We have sold every bushel of our wheat, and we have sold every bale of our wool. It is true that this year a scheme has been propounded whereby we shall hold back a certain proportion of our wheat. Whether any good will result from that time alone will show. It is not a question of over-production, but it is a question of under-consumption, and the whole world must bend its energies towards putting people back into that position where once again they will become purchasers. When that is done all will be well. I have not time to follow any further along those lines, because I have a few minutes only at my disposal, and I have other things to speak of.

Another point raised by the Treasurer was that the Commonwealth Government were trespassing on our field of taxation. He invited us to examine the position. He pointed out how the Commonwealth was taking more taxation from certain avenues than the State. He criticised the Federal Government for so doing. He offered not one word of thanks to the Federal Government for what they have saved not only our State, but also every other State. Some years ago the Federal Government, by means of the Act whereby the per capita payment of 25s. per head were abolished, provided that the money distributed in the per capita payments to the States each year should be utilised largely for the purpose of building up a sinking fund. That policy has saved us. From 1920 there was no compulsion to pay the per capita payments to the State. The "Braddon Blot" lasted from 1910 to 1920, and it could have been wiped out any time after the latter date as the Federal Government decided. It only existed on sufferance after that date. Do hon.

members for one moment think that Mr. Scullin or Mr. Theodore would have allowed that £7,500,000 to lie idle? Do they think they would have allowed that £7,500,000 to be paid out to the various States at the time when they were searching every nook and corner for additional money, and when Mr. Theodore was propounding his scheme for the inflation of the currency? No. Every penny of that money would have been taken from the States and would have been swallowed up by the Commonwealth, had it not been for the attitude adopted by Mr. Bruce, and Dr. Earle Page, who put forward the sinking fund scheme. Be it said to the credit of the Opposition in the Queensland Parliament, they were the only members of the Nationalist Party in any State in the Commonwealth which had the foresight and wisdom to tell Mr. Bruce that they were with him. We fought our party from one end of Australia to the other with the exception of those hon. members sitting behind the hon. member for Aubigny in this Chamber.

At 3.58 p.m.,

The CHAIRMAN resumed the chair.

Mr. BAYLEY: The Treasurer and those associated with him, and the people of this State, have Mr. Bruce and Dr. Earle Page to thank that the position in which we find ourselves is not worse than it is.

For many years I have advocated that the Federal Government should vacate the field of land taxation. Unfortunately, when I was in another place it was not possible for me to carry a majority of my fellow members with me, but I have always argued that the land tax should be reserved for the States, that it is their duty to develop the lands of this country, and that they should have the wherewithal to do so. I hope that when the Treasurer attends the conference next January to which he has referred on several occasions he will argue along these lines and endeavour to secure for the people of this State, the sole right to levy taxation on the land within the State. I do that because I see in such a move an opportunity to reduce taxation along other lines. The Treasurer stated that 80 per cent. of employment was given by private industry. If this or any other Government can reduce taxation to a point at which more money will be available for placing men in employment, then so much the better for all concerned. I hope the Treasurer will work to that end for all he is worth, that he will carry the other States with him, and that he will thus find another avenue of taxation, but not necessarily exploit it to the full extent. It would be a bad policy if the land tax was simply taken from the Federal Government and the State Government were to impose additional taxation to the full amount of it. I hope they will not do so, but that they will satisfy themselves with an amount that will mean a big saving to the land owners of this country, and enable the latter to develop their own lands as they see fit.

We have been asked to vote a large sum of money—£3,400,000. It is essential that the Government should have that money in order to carry out their policy, but the amount is greater than it should be. The Home Secretary, who is in charge of the Chamber at the present time, stated not once but many times yesterday one of the reasons why the amount is greater than it

Mr. Bayley.]

should be. When he rose in his place and explained why one vote after another was greater this year than last, the hon. gentleman attributed the increase to the introduction of the 44-hour week. That has added to the expense of government in this State; and what has it done for industry? I have only to refer to those hon. members who come from the sugar districts of this State—men who are familiar with the working of the mill and who know that although the 44-hour week obtains in those industrial centres, not an additional man has been employed. It simply means that the crushing period has been extended—that the men who were previously in employment are employed for a longer period each year. So much the better for them; but not an additional man has found employment as a result of the 44-hour week. So that we, as a people, find ourselves saddled with an additional impost because the Government have decided that the 44-hour week shall obtain, and the amount we are asked to vote to-day is greater to that extent.

Another cause is the automatic increases that have been granted in the public service. It is a nice thing to pay an increase. Some of those men are entitled to it, according to the practice of the departments; but when this State entered upon the Premiers' Plan and became a signatory to the agreement that adopted it, it was understood that the sacrifice should be spread equally between all members of the community. Do the Government contend that that sacrifice is being equally spread amongst members of the community when one section is obtaining an increase in salary and at the same time a very large percentage of our people find themselves still on the unemployment list? There is no justice in that, and these increases should not have been given until the unemployment position had improved. When it has improved—when conditions have improved for people who find employment in private industry—when employers can afford to pay a higher wage for the men who are in their service—when these things happen, and not until then, should the Government give automatic increases. I regret that the Government have seen fit to give them.

Mr. FADDEN (*Kennedy*) [4.4 p.m.]: I desire to take advantage of the few minutes at my disposal to answer expeditiously some of the statements made by the Treasurer in his reply. The hon. gentleman tackled some of the problems and extricated himself from his difficulty with all the expertness of a Houdini, a Dante, and a Chevalo rolled into one. There is no doubt about the gentleman's ability to cloud the real issue; he is an expert in that direction. The hon. gentleman charged me with referring to the "dud" assets of the State in a general way. I did no such thing. As the hon. gentleman well knows, I referred to the "dud" assets in the trust account, as, for example, Chillagoe State Smelters Reconstruction Account, Harbour Dues Fund, Inkerman Irrigation Area Working Account, Irvinebank State Treatment Works Fund, Sapphire Trading Account, and the Stock Diseases Fund, which aggregate £1,000,000. To what extent they are tangible I do not know, but I shall have an opportunity on a later occasion to refer to them in conjunction with the Auditor-General's report. Having regard to the debits that exist in

these trust accounts, the excess of credits that have to be accounted for as trust money amounts to £1,996,000; and it is in accordance with common sense and reason that if those debits are intangible the balance constituting excess of tangible credits over debits must be correspondingly increased; so that by taking £1,996,000 as the responsibility of the trust account we are taking up the minimum position.

In response to my statement that the trust funds as a trust account are insolvent the Treasurer stated that the general funds of the State were available. Exactly so. Assuming that the whole of the funds available are trust funds and available to the trust accounts the cash balance available in that direction is £1,564,640 according to the latest figures available, or £431,910 less than the responsibilities and liabilities in connection with the trust credits in the trust account.

I also referred to the Insurance Fund, but referred to that as a trust account. The Treasurer has clouded the issue and referred to the matter in a general way, as if I were attacking the general stability of the State Insurance Department. I did no such thing. I referred to that account as a trust account, and that account as a trust account was in credit to the extent of £84,000 approximately, and had to be accounted for and is wrapped up in the amount I have already mentioned.

The Treasurer also referred to the general position of the trust accounts, and charged the Moore Government with using trust money. I may have an opportunity of showing the extent to which the trust accounts and the general financial position of Queensland have been juggled—and juggled successfully—and the issue was clouded when his party was in power previously and he was associated with the Cabinet.

If we are to have trust fund accounts we must have them as trust accounts. The Treasurer has treated my charge very lightly. I know he is not serious. I know him well enough to know that he recognises full well the serious position, but being too good a tactician and politician to admit it he takes up a frivolous attitude and attempts to cloud the main issue and belittle me.

He, however, did me the charity, having regard to his general attitude, of admitting that I was correct in regard to the general public debt position of the State when I said it had been understated. I would like to ask the Treasurer how soon he is going to right the position and give the people of Queensland a Financial Statement and not a financial mis-statement.

The HOME SECRETARY (Hon. E. M. Hanlon, *Ithaca*) [4.10 p.m.]: It is necessary that some reply should be made to the statements of the hon. member for Wynnum, because while I have a sufficiently keen memory to remember the incidents associated with the wiping out of the per capita payments, probably a large number of the electors of Queensland have not. The electors are of notoriously short memory. When the hon. member stated that we had not one word of thanks for the Bruce-Page Government for the good service they had done us in abolishing the per capita payments, I agree with him. We have not one word of thanks because the security that the State finances did get out of the Commonwealth and States Financial Agreement Ratification

[*Mr. Bayley.*]

Act was got from the Bruce-Page Government at the point of the bayonet by the Labour Party in Australia. When the proposition of the Bruce-Page Government to alter the financial position of the States was made, the proposition was merely to wipe out the per capita payments to the States and not to make any other payments at all. The proposition of the party behind which the hon. member for Wynnum sat at that time was that the payments which have been made to the States out of the Commonwealth revenue in return for taking certain sources of revenue from the States were to be abolished, and the Commonwealth Government were to get the whole. There was no proposal by the party behind which the hon. member sat to give anything to the States to help them to meet their liabilities. No proposal was made by the Federal Government to give any State Government a quid pro quo for the thing taken away from the State by the Bruce-Page Government, and it is very little to the credit of the hon. member for Wynnum that, in spite of that fact, he should say that the party in opposition in Queensland to-day was the only party the Bruce-Page Government had to thank on that issue. In their desire to see the Labour Government in Queensland embarrassed and see the State short of money the Nationalist Party in Queensland, then in opposition, supported the Bruce-Page Administration in their endeavour to tighten up the funds of the State. They were the only section of the Nationalist Party in Australia which associated themselves with the anti-State action of the Bruce-Page Government. I should have excepted the late Hon. W. H. Barnes. There is also another notable exception, one of the few prominent public men in Queensland not associated with the Labour Party who fought very hard for an honest deal for the State of Queensland, Mr. Abraham Hertzberg. It is much to his credit that he took up the cudgels for Queensland with the Federal Government, and carried on the attack through the press day by day till eventually the various State Governments secured an honest deal from the Bruce-Page Government.

I desire to make that correction because it is fitting that the people of Queensland should be reminded of the facts; and that these very cool statements made by propagandists of the party opposite should be taken with a grain of salt. Members of the general public who have not taken a keen interest in politics may have been misled by such statements; and I consider it is the duty of hon. members on this side of the Committee to keep a check on them and see that the people know the true position.

Another statement made by the hon. member for Wynnum, which is not in keeping with the reputation he has so far enjoyed in this Chamber, is the statement that the introduction of the 44-hour week has placed an additional burden on the taxpayers of Queensland and has not resulted in the employment of an additional man. The hon. member sat here yesterday when the Estimates were being discussed. I said yesterday that in every department it would be found there had been an addition to the staff.

Mr. KENNY: He said in the sugar industry.

The HOME SECRETARY: It is no use the little boy for Cook coming to the assist-

ance of the hon. member for Wynnum. He was a capable politician when the hon. member for Cook was in the "titty bottle" stage. Department after department in the State shows an increase of staff as a result of the introduction of the 44-hour week, and what applies in the State service applies in industry outside.

It is nonsense for the hon. member to say that there has been no addition to employment in private industry. If that were so, it would mean that men who have worked so hard in recent years have been able to accelerate their output by one-eleventh to compensate for the loss of four hours.

Mr. BAYLEY: I said the working period of the mills had been extended.

The HOME SECRETARY: Does not that mean additional employment? If a man is employed for three months ordinarily, and as a result of the introduction of the 44-hour week he gets four months, is not that additional employment? The position we have to look at is not who gets the job, but whether the job is there. The fact that some particular person in employment gets that extra work does not alter the aggregate position. The position is that more employment is being created, and these airy statements about an additional burden on the shoulders of the taxpayer and not an additional man being employed are pure rubbish, and are made with the idea of deceiving the people of this State.

Another remark of the hon. gentleman's to which I take exception is the statement that the Treasurer has said the cause of the world's depression was over-production. I have been closely associated with the Treasurer, and I know he would never make such a statement, for he understands the situation. The people who have had the notion that over-production was the cause of the world's trouble have been the captains of industry. Over-production or under-production are only terms unless they are used in relation to some definite quantity, such as the consuming power of the people. Six or seven years ago the captains of industry were preparing for a limitation of production. I remember reading of an instance where the various French, Dutch, and British tea producers decided that they would not pick tea in certain areas during the succeeding season.

Mr. MOORE: The sugar industry has been doing it all the time.

The HOME SECRETARY: The captains of industry, whom hon. members opposite are so fond of quoting—financial magnates in London—after having planted acres of tea, decided they would not pick it because there was a surplus in the world's market. Notwithstanding the fact that there were hundreds of thousands of people in the world who could not get tea they decided to allow the tea to dry on the bushes. The cost of producing the tea had already been incurred and in restricting the output immediately many hundreds of tea pickers and others employed on the curing side of the industry were thrown out of work. The notion that over-production was responsible for the ills of the world was a contributing factor in the creation of the very troubles that were then being experienced in the world. The same occurred in the rubber industry. Hon. members will remember that seven years ago

Hon. E. M. Hanlon.]

the rubber interests decided to have a holiday and produced no rubber for one month in each year, because there was an over-supply of rubber in the world. There were then people throughout the world who could make use of rubber but could not get the rubber to use. When they decided upon a month's holiday it meant that all employment in the industry immediately ceased for one month, and they deprived the world of the consuming power of the people in the industry for one month. The same action was taken in connection with the production of tin and other minerals. Practically every big industry in the world decided upon a limitation of production with a view to curbing what it called over-production. In the limitation of production in the sugar industry of Queensland we have planned production, and have definitely decided upon the quantity of sugar to be produced for the Australian market. The price paid for our sugar overseas is unprofitable and we cannot send too much sugar there.

Mr. MOORE: There is no difference.

The HOME SECRETARY: We have decided upon limitation for a very different purpose altogether. We have never subscribed to the view that we could cure the lack of demand for sugar in the world by producing less, but that is the view taken by the great captains of industry whom hon. members opposite are so fond of telling us about and urging us to follow. They held the view that over-production was one of the difficulties of the world, but their contention that there was over-production really accentuated the difficulties through which the world has been passing.

I could not allow the remarks of the hon. member for Wynnum to go unchallenged. I deemed it my duty to let the people of Queensland know the truth.

Mr. DEACON (*Cunningham*) [4.21 p.m.]: The Home Secretary has just said that the 44-hour week had caused the employment of many more men. So it has, but he forgets that other results follow. The imposition of the 44-hour week has increased the cost of government and naturally the cost will be passed on. The 44-hour week does not make for increased employment. If private people have been compelled to employ additional hands then they must pass on the cost to others. The Government must pass on the cost to those people who are not in the Government service, and this must mean an increased cost of production to the farmer, if only to a small extent. If the farmer cannot pass it on then he is so much worse off than before. If a butcher has to employ additional men he must increase the price of his meat. The same is done by the grocer and the storekeeper. The Government have increased the cost of production in the primary industries but the farmer has no opportunity to pass on the additional cost. The extra taxation to be imposed by the Government must be found by the people engaged in primary production. That is what we have been told and the Home Secretary boasts about it. It was what they expected and what they are aiming at. We can now tell those people engaged in primary production that it is the aim of the Government to load as much as possible on to their shoulders and take a little bit more from their income in taxation. The Home Secretary said that in Queensland we did not aim at keeping down

the production of sugar. That is what we have been doing all along. We have been limiting the acreage by not allowing additional acreage to be planted. A man is not free to grow sugar. He cannot market it and live on the price obtained unless he has a license to sell. Here we have a Minister of the Crown standing up and saying that we do not limit the production of sugar. We have never done anything else for years.

The HOME SECRETARY: I never said any thing of the kind.

Mr. DEACON: The hon. gentleman will see his remarks when he reads his proofs. I paid particular attention to what he said and if he looks at his proof he will see that I am right.

The TREASURER: Queensland has not adopted the practice of destroying what has been produced. Planned production is the aim of the Queensland Government.

Mr. DEACON: What is the difference between destroying the crop and not allowing it to be cultivated?

The TREASURER: Quite a lot of difference; all the difference between infanticide and other things.

Mr. DEACON: If the crop had been produced and then destroyed some work would have been provided, and men would have received wages for it. If a crop is not allowed to be cultivated no work is provided. We have prevented people getting work by not allowing sugar-cane to be grown in excess of a certain acreage. We, above all other countries, should not talk about other people raising their prices. We shall not get anywhere if the Government continue to increase the cost of living and production, and leave the producers to face the extra cost of production and taxation.

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

The House resumed.

The CHAIRMAN reported that the Committee had come to a resolution, and asked leave to sit again.

Resolution received, and agreed to.

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

WAYS AND MEANS.

COMMITTEE—VOTE ON ACCOUNT, £3,400,000.

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

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

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

"(b) That, towards making good the Supply granted to His Majesty, on account, for the service of the year 1933-34, a further sum not exceeding £1,200,000 be granted from the Trust and Special Funds.

"(c) That, towards making good the Supply granted to His Majesty, on account, for the service of the year 1933-34, a further sum not exceeding

[*Hon. E. M. Hanlon.*]

£600,000 be granted from the moneys standing to the credit of the Loan Fund Account."

Question put and passed.

The House resumed.

The CHAIRMAN reported that the Committee had come to certain resolutions, and asked leave to sit again.

Resolutions received, and agreed to.

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

APPROPRIATION BILL, No. 2.

FIRST READING.

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

SECOND READING.

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

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

Mr. MOORE (*Aubigny*) [4.31 p.m.]: I do not intend to say very much at this stage, and I certainly do not intend to follow the Treasurer through all the tortuous by-paths that he traversed in an endeavour to evade the results of the policy of the Government and amuse the people outside. The kernel of the position is that Parliament is being asked to pass a sum of £3,400,000, and Parliament is supposed to have a particular duty to see that the money contributed by the people is expended in such a way that the people will get value for it. All sorts of suggestions have been made from the Government benches that if the previous Government had done something else which was not done, the position would have been different, and criticism has been levelled at us because we have to pay a higher rate of interest by reason of the accumulated deficit of the late Government than would be the case if we had issued Treasury bills. That may sound very good; but we have to recognise that the Loan Council definitely allocated the amount of money that each State had to spend. If the amount is not allocated by agreement, then it is settled by a formula set out, and in any case regard is paid to the amount of money which the State has in hand, and a State is unable to get Treasury bills so long as it has certain money on hand. The Treasurer knows that during the period we were in office there was a cash balance, and that we were not able to get any Treasury bills. In any event, there would not have been any great advantage if we had been able to get Treasury bills, because at that time the rate of interest on Treasury bills was between 5 per cent. and 6 per cent., and since then the rate has been reduced. The States were allocated a certain amount of loan money. That was one of the reasons for bringing the Loan Council into existence—to stop the over-spending of the States and to prevent undue competition by the States for the amount of money available. To pretend that the late Government deliberately refused to take money allowed to them and deliberately incurred an expenditure is quite wrong. We do say, however, that the present Government are deliberately incurring an increased expenditure and asking Parliament to ratify that expenditure. The present Government are doing that, not

because it is unavoidable—not because the Loan Council did not allocate sufficient money to enable them to carry on, and not because insufficient money was left to the present Government. They are deliberately doing it by legislative action, and are not paying for it to-day, but are asking us to pass the bill on to the future. To pay for the concessions that are being given—to pay for the automatic increases that are being made—to pay for what the Home Secretary was talking about a little while ago as the increased employment that had been brought about in some of his departments through the 44-hour week—to pay for the overtime that is being distributed in the State services through the 44-hour week—to pay for all these things we are asked to pass money that will mean an increased deficit. Nor are we doing anything to assist the people who will follow us to foot the bill; we are not providing means by which greater revenue would accrue to the State. We are asked to pass a larger amount of money that the Treasurer says will be paid for by an increased deficit. We are giving someone an increase in his salary to-day, not out of earnings, and we say that the children who come after us must bear the burden of paying the increased salary from which they will get no possible benefit. Putting aside all other issues—all side issues which may baffle the people outside—we are asked to pass a sum of money that we cannot afford—a sum of money that the Treasurer himself has stated he did not at any time suggest would improve the unemployment position except as a palliative. We are asked to contribute to a policy of expenditure that the Treasurer himself recognises will not be of any permanent benefit, because the hon. gentleman has stated that 80 per cent. of the money available for employment is held by private individuals and has to be used for purposes of employment. Our argument has been that for the good of the country we cannot continue to administer palliatives so far as unemployment is concerned. Continually repeating the assertion that Federal unemployment figures show that there is a decrease in unemployment in Queensland does not do any good. We have to face the position we are in to-day. We are paying out more than we did before. If the Government like to pay double to the people who are out of work owing to increased numbers, they can deal with this matter in that way, but the main fact to consider is that this quarter we are paying £150,000 in unemployment relief more than we did in the corresponding quarter of last year.

I hope the Government will realise that we are not getting into an improved position, and that the money they ask for should be limited to the amount necessary to carry on the State without placing too heavy a burden upon the future. If we cannot do that, the position will grow gradually worse. Would it not be wise to retrace our steps when we find that we are having to spend a greater amount of money than we anticipated? If the extra amount of loan money expended is not bringing about the results we thought it would, if private industry in Queensland is not able to meet competition under the conditions we describe, if our policy is not operating in the way we thought it would, is it not advisable to take another course of action in the interests of the whole community and of the State? I

Mr. Moore.]

do not think anybody can justify the elected representatives of the people in deliberately passing an amount of money which the Treasurer has admitted is not going to do anything except place a bigger interest burden upon the people. It is not going to cure the unemployment position, which is so disturbing to every section of the community. I think that, irrespective of what our politics are, we ought to do something to make it possible for private industry to function better than it is functioning to-day. Then if private industry does not take the opportunity, and the course we have followed has failed to have any effect, there is a chance for the Government to put their own policy into operation and undertake for Government enterprises—socialisation of industry or whatever they like to call it. But first we ought to explore the possibilities of the present system by giving private industry a chance to operate successfully. To place restrictions upon private industry so that men are thrown out of work and it is unable to compete in an economic sense in business—to continue our method of palliatives by the larger expenditure of borrowed money which it is admitted is to a great extent unproductive, and will increase the burden in the future—is a method I cannot justify. I know that the idea is that Parliament controls the finances, and it is supposed to be the great privilege of democracy to say what money shall be spent, but we know that the Cabinet of the day decides what money is to be spent and that anything we, as an Opposition, may say will not have any effect. We see the position we are reaching. The prognostications of hon. members that the expenditure of larger sums of money would improve the position are not being fulfilled. Our expenditure on unemployment is continually increasing, and to ask us to deliberately pass a sum of money that will accentuate those figures—it may help temporarily, but it will accentuate them in the end—is something that calls for some protest. I am quite prepared to admit that the expenditure of loan money in a way that would give the greatest benefit would not necessarily give the greatest amount of employment. I recognise the difficulties of that policy. I also recognise the difficulty of having to spend so much money in Brisbane because of the fact that the men have their homes here and it is an expensive matter to send them any distance into the country.

The SECRETARY FOR LABOUR AND INDUSTRY: That is the reason.

Mr. MOORE: I do not think that justifies us in continuing that policy and asking for increased contributions from trust and loan funds, especially when we find after twelve months' experience that it is not having the results which the Government anticipated. The Government deliberately embarked on their policy, believing that the greater expenditure of loan money would lead to increased revenue and provide more employment. They thought it was going to have a snowballing effect and would give people more money to spend. We have had an opportunity of seeing what has happened in a State whose Government has adopted a different policy. The New South Wales Government have adopted the policy which is conducive to the encouragement of employment by private employers. We have the evidence of its success in the

[Mr. Moore.

decreased deficit and the decrease in the number of unemployed and the reduction in taxation.

The SECRETARY FOR LABOUR AND INDUSTRY: They pushed some of their responsibility on to us by way of a general exodus of men from New South Wales to Queensland.

Mr. MOORE: At the time the Labour Party was in power in New South Wales we had exactly the same exodus. The hon. gentleman will probably remember that out of seventy-eight men who applied for rations at either Gympie or Maryborough only two were Queenslanders.

The SECRETARY FOR LABOUR AND INDUSTRY: That continues every year, and is not an indication of increased prosperity in their own State.

Mr. MOORE: I am not sure that we have the same number coming in from New South Wales now that we had then. The Secretary for Labour and Industry has tried to combat that by a regulation to the effect that no man shall receive work unless he has been here for a certain period, and each man gets a ticket and rations with which he can go back to the State from which he came. The problem cannot be as great at present, according to the regulations issued.

The Treasurer said that he quite recognised that Governments could not employ everybody. He recognised that private industry outside had to absorb probably 80 per cent. of those employable, and our system was only a temporary method of trying to get through a difficult period when private industry was more or less stagnant. I say that when we recognise that such is the position we ought, as far as we can, to give private industry an opportunity to expand and absorb the unemployed, instead of placing further obstacles in its way. Our object in the legislation we pass should be to see if we can place Queensland in such a position that she will have the same opportunity to produce articles that we require as the other States. We cannot hope to conduct industry in Queensland within an arbitration wall that puts us at the mercy of the systems operating in the other States, especially when it is patent to us that our system operates to our detriment. If the arbitration system of this State lays down detrimental conditions that do not apply in the other States, how are we to compete? Why should we be wedded to an arbitration system that will have the effect of throwing workers out of employment? If the Government insist that the Queensland system shall continue and that industry here shall be called upon to bear a greater burden of cost compared with that in the other States, it is not much use discussing a remedy for the existing anomalous position. We are slipping back. The real common-sense thing to do, even if we disagree on details, is to place Queensland in such a position that employment can be provided on a proper basis.

The SECRETARY FOR LABOUR AND INDUSTRY: Does that mean the cancellation of the existing awards?

Mr. MOORE: No. The hon. gentleman knows that awards are made in Queensland on an entirely different basis from that which operates in the Federal sphere or in the other States.

The TREASURER: You mean that wages should be lower?

Mr. MOORE: I am not referring only to wages. Many conditions were granted during prosperous times. I do not blame the Industrial Court, because on many occasions they were granted by the employers who were prepared to give almost anything at the time but are unable to hold their own in these days of intense trade competition. There are conditions to say that one man shall not do this and that another man shall not do that. There are conditions which relate to the line of demarcation in the performance of duties, and there are conditions relating to the number of machines that can be supervised by each man. All these matters will have to be considered in the interests of a proper basis of competition. If the people of Australia believe in arbitration then it should be arbitration for the Commonwealth as a whole and not Queensland arbitration or New South Wales arbitration, or Federal arbitration. Arbitration must be adopted on a common sense, sensible, and recognised basis. Because certain people believe in the Federal Arbitration Court in Victoria and do not believe in the Queensland arbitration system it does not follow that arbitration is valueless. Arbitration must be guided by the ability of the industry to pay and not by any fictitious value created by legislation which lays it down that awards shall be granted or considered within a circumscribed area. It is by no means definitely settled that arbitration is successful, but if arbitration is to be adopted then it should apply throughout the whole of Australia.

The TREASURER: Your claim is that there should be one uniform system for the Commonwealth?

Mr. MOORE: I think there should be. One State will not then be placed at a disadvantage.

The TREASURER: The difficulty experienced in securing that arrangement in the past has been that the Commonwealth and the Southern States have desired too low a standard.

Mr. MOORE: It is not a question of what the States or the public desire; it is a question of the ability of industry to pay.

The SECRETARY FOR LABOUR AND INDUSTRY: That basis is followed by the State Court.

Mr. MOORE: The wage must be fixed by the State Court on the basis of a man, wife, and three children and not on the ability of industry to pay. The latter basis is an entirely different one.

Mr. O'KEEFE: The New South Wales Arbitration Court last week reduced the basic wage by 2s., but that did not meet with the approval of the employers.

Mr. MOORE: That may be so, but reductions in costs should be followed by reductions of prices so that the decreased wages will buy more. If the employers can pay the wage then they are at liberty to pay it, but if arbitration is to be successful it must be based on the ability of industry to pay. If industry is called upon to pay a wage that it cannot afford, then the people engaged in the industry are thrown out of work. You cannot compel an employer to keep them at work. Under the present system some States are placed at a disadvantage. Workers are thrown out of employment and the people in those States are compelled to buy products manu-

factured in another State where the same conditions do not obtain. There is no reason why a flat rate should be insisted upon. There can be variations for climatic or cost of living conditions, but we must insist that wages be governed by the cost of production and not by what certain people think they ought to consume.

Mr. W. T. KING: Is industry worth considering if it cannot pay a decent wage?

Mr. MOORE: If that test had been adopted, the wool industry, the farming industry, and the dairying industry would have gone out of existence. If the Government had decided that the dairying industry should pay a wage of £3 14s. a week or go out of existence, it would have gone out of existence. Nothing could have kept it alive.

Mr. W. T. KING: Would you say that of all industries?

Mr. MOORE: Why should the people engaged in the farming and dairying industries be treated any differently from those engaged in other industries? Are they inferior, are they not entitled to the same comfort and pay as the workers in other industries? Why should we say to those who are providing the only means of maintaining the standard of living in Australia that they are condemned to be placed on a different basis from the people engaged in other industries?

The SECRETARY FOR LABOUR AND INDUSTRY: A section of our Act gives the court wide discretionary powers in that direction.

Mr. MOORE: I know that, but I do not want to enter into a discussion of the Industrial Conciliation and Arbitration Acts. I could talk a good deal on it, but to-day we are asked to vote a certain sum of money. We must view the results of the spending of money in the past as a guide whether Parliament should pass a similar amount of money for expenditure in the future for the same purpose. We must see if the results of the expenditure of that money have given us what was intended, and whether the State has benefited as the Government anticipated. If we have not benefited we are justified in putting forward a suggestion as to what ought to be done to make the position better. I do not anticipate for one moment that this House will say that the amount should be reduced, but that fact will not prevent me from expressing an opinion on the results of the expenditure up to the present. The results anticipated have not been obtained; it has not placed us in a position of progress and prosperity; we have gone back rather than forward. It is infinitely better for the people to be employed in industry continuously even at a lower rate than the rate fixed to-day, rather than have them employed on relief work provided by the State. The basic wage to-day is only the nominal and not the real wage. Dwindling numbers of our workers are receiving it.

Mr. FOLEY: In view of the fact that productivity of the employee has increased year after year, do you not think that the trouble lies elsewhere?

Mr. MOORE: The productivity of the employee has increased all over the world as the result of improved conditions. As the productivity has increased prices have gone down, and more people have been able to purchase goods than before. Thousands and thousands of people to-day purchase things that fifty years ago they could not

Mr. Moore.]

dream of purchasing. Invention and reduction of costs have enabled the people to buy what fifty or sixty years ago were considered luxuries. There is an economic position and a rate cannot be fixed on an arbitrary basis. The rate fixed in an industry must be one which will enable it to produce, and the people engaged in it must have such a rate which will not limit what they can earn. Their capacity will determine that.

Mr. FOLEY: You are attacking the problem at the wrong point.

Mr. MOORE: That may be so, but we have tackled it quite a long time the other way, and it has not got us very far. It has brought us trouble and any amount of unemployment. The economic position is improving in most parts of the world, and the position in a country like Queensland should be improving also. I am not satisfied to take the figures of the Commonwealth Statistician on union employment as a criterion as to whether we are improving or otherwise. I recognise that the only basis which will tell whether we are improving or not is the amount of money we are paying out ourselves. I recognise that this is a State question, and that being so we should consider exactly where we are. Hon. members opposite cannot be satisfied with a continuation of the present policy.

The SECRETARY FOR LABOUR AND INDUSTRY: Do you think lower wages and longer hours will prove a panacea for labour's ills? You are at variance with President Roosevelt if you do.

Mr. MOORE: I am not arguing whether President Roosevelt is right or otherwise. His methods may be a mistake. He is only experimenting. We have experimented in Queensland and Australia for many years, but whether with success or not is another question. It is quite successful as long as things are going well.

The SECRETARY FOR LABOUR AND INDUSTRY: You and your party are evidently the only people in step.

Mr. MOORE: The majority is not always right. That fact was demonstrated when the majority did not take to the ark to escape the consequences of the flood. The minority were right on that occasion.

The TREASURER: That is where you get your ideas from.

Mr. MOORE: Unemployment in Queensland is increasing.

The TREASURER: It is not.

The SECRETARY FOR LABOUR AND INDUSTRY: Employment has increased and I can prove my statement.

Mr. MOORE: It is quite right for me to express my opinion. I may be wrong, but it is my privilege to say what I think.

The TREASURER: Bridgen's latest report shows that employment has increased in the last few months.

Mr. MOORE: The hon. gentleman knows that employment at this period of the year always increases in Queensland.

The TREASURER: But that is apart from the seasonal industries.

Mr. MOORE: This is always the best part of the year for employment, which tends to decline after November. We have paid out £130,000 more in the first three months of this year than last year. Recognising that, appreciating the difficult position, and

[Mr. Moore.

remembering the numbers of men that one knows are out of work—

The SECRETARY FOR LABOUR AND INDUSTRY: If unemployment had increased in the same ratio as it did in the last two years of your Government we would have had about 200,000 out of work to-day.

Mr. MOORE: The hon. gentleman thinks that quoting what happened when the other Government were in power is a justification for anything. The hon. gentleman has to recognise that at that particular time every Government in the world had continuous and increasing unemployment. No one will convince me that when Mr. Scullin was Prime Minister he made the economies that he did merely because he desired to do so. Mr. Scullin's Government could not help taking that action; and to say that because the Moore Government were in office in Queensland unemployment increased and the value of our exportable products declined is not helping this State. It might be good political propaganda and it might be possible to get some people to believe it, but we have to recognise that a world-wide condition of affairs existed. I admit that the Moore Government, who happened to be in power at the time, had to suffer the brunt of an extraordinarily difficult position. We are not through our difficulty, but the Government are proceeding in Queensland to-day as though we had "turned the corner." We are giving concessions and spending extra money, but we are doing that on an expectation that is not warranted by the Budget. Either that or we are doing it deliberately in order to pass the bill on to somebody else. In any event neither of these things is justified. The successful way is for the State to pay its way as it goes, just as the successful individual does. Here, however, we are asked to pass a sum of money that we know the revenue will not supply and we are meeting the position by saying, "We will sign an I.O.U.; somebody else can pay."

Mr. ROBERTS (*East Toowoomba*) [5.5 p.m.]: The Secretary for Labour and Industry remarked that "Our Arthur was out of step." I, too, may be out of step for making a few remarks at this stage. If I am, I apologise, but I intend to reply to the hon. member for Maree who with others put the question to the Leader of the Opposition as to whether it is advisable to continue an industry which cannot pay the living wage. When the late Mr. Justice Higgins made that statement he went a long way towards bringing about the position that Australia is in to-day. There were many occupations in industry—honourable occupations—which men were quite satisfied to take and from which they could live reasonably well. They have gone by the board. If the hon. member for Maree would give attention to some of the activities which do not now exist in the State and which previously provided employment for many people, he would be doing a service not only to himself but also to the State. The Treasurer may quote Mr. Bridgen, the Commonwealth Statistician, and others, but I challenge the hon. gentleman to indicate to me where in any definite secondary industry in Queensland employment has increased in the last three months. Occasionally certain work is done here which must be done in the State. You could not build a house in New South Wales and bring it over to Queensland—the work must be

done in Queensland—but I am speaking of manufactured articles that can be brought over the railway. Our men and women should be employed at reasonably good rates of wages in manufacturing them. If the workers can live in comfort in Victoria under the conditions there, then the workers in Queensland can live in comfort here under the same conditions, and they would be better employed in work of which they have acquired a knowledge in their youth than digging and chipping grass and waiting for something to turn up. So far as we are concerned the Bill gives this indication: "Go it, Bill; borrow, boom, and burst." (Opposition laughter.)

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [5.7 p.m.]: The hon. member is becoming quite combative this session in the manner in which he throws challenges about the various members of the House. I hope that it is an indication of improvement in health and general stamina and that it will continue, but I would advise the hon. member that to become too combative would be a disaster. (Government laughter.)

The speeches of the Leader of the Opposition and the hon. member for East Toowoomba indicate that they cling to the erroneous idea of a wages fund. They believe that there is a given amount that can be spent in wages—that amount and no more. They consequently argue that the lower the wage the greater number of men who can be employed. That is obviously absurd. It is a fallacy that no serious economist could admit at the present time. It is quite true that productivity determines value and that no one can distribute more than is produced. It all resolves itself into a question of how the value of productivity is to be distributed, what charges have to be made against it and by whom, how much is earned and how much unearned, how much in the form of interest, capital, and wages; and the method that has been adopted up to date is to allow the Industrial Court to apportion the amount that is earned. That is the policy of the Queensland Government. The Industrial Court, free and untrammelled as it is at the present time, is likely to be a better guide in regard to the question of productivity of the worker than leaving it to the arbitrary decision of men like the hon. member for East Toowoomba, or the hon. member for Toowoong, who so vociferously sometimes interjects.

The Leader of the Opposition deplored what he referred to as increased expenditure. He also said that when he was at the head of the Government the amount of loan expenditure was determined by the Loan Council. That is not stating the case fairly or truthfully. The fact is that the Leader of the Opposition, when head of the Government, deliberately curtailed loan expenditure. If his loan expenditure had been greater than it was he would have been entitled to his share of the funds that were made available by the Loan Council. The Loan Council's only arbitrary authority is in the direction of allocating the funds that are available to it. The Leader of the Opposition cannot complain of any arbitrary act of the Loan Council. The curtailment of loan expenditure when his Government were in power was part of the deliberate policy of that Government, and they curtailed before the Loan Council had

any say in the matter at all. The Leader of the Opposition cannot quote a case where his loan allocation was reduced by the Loan Council.

Mr. MOORE: Yes, I can—on three occasions.

The TREASURER: The hon. member did it of his own volition and of his own deliberate policy, and with what result? If that policy was a good policy, why did it result in a record deficit, greater unemployment, and record distress? We had three years of that policy of deflation with the result that everyone knows.

Then the hon. member goes on to quote, as the best example of his policy, the State of New South Wales. New South Wales has a loan expenditure allocated to it this year of £7,500,000, and, in addition to that, it has a Treasury bill allocation of £3,601,000; so that the Government there are borrowing to the extent of £11,000,000. The Leader of the Opposition leaves that out of his calculation. In addition to that, just recently they arranged to borrow £2,500,000 for the Metropolitan Water and Sewerage Board, which increases the loan expenditure by that amount. So it is apparent that the policy he is condemning under cover of this Bill is the loan policy of the New South Wales Government, which he claims to be the model Government of Australia. The facts are that in New South Wales there is greater distress than in any other part of the Commonwealth. One only needs to visit Sydney to be impressed by that fact. I know there are 90,000 families receiving State assistance in the Sydney area alone. That is a regrettable position. I am not dealing with the New South Wales Government, but I mention that fact in rebuttal of the case put forward by the Leader of the Opposition that in this State of New South Wales conditions are good and in marked contrast to the difficulties here.

The expenditure asked for under this Bill is in pursuance of the policy that was put forward by this Government and approved by the Loan Council. Our methods have achieved better results than those the Leader of the Opposition and his party are now advocating; and I am satisfied the test of time will prove that.

HONOURABLE MEMBERS: Hear, hear!

Question—"That the Bill be now read a second time" (*Mr. Smith's motion*)—put and passed.

COMMITTEE.

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

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

The House resumed.

The CHAIRMAN reported the Bill without amendment.

THIRD READING.

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

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

Question put and passed.

The House adjourned at 5.18 p.m.

Hon. W. Forgan Smith.]