

Queensland



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[Hansard]

Legislative Assembly

FRIDAY, 19 OCTOBER 1934

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

QUESTIONS.

FEDERAL GRANT TO NECESSITOUS
WHEATGROWERS.

Mr. DEACON (*Cunningham*) asked the Secretary for Agriculture—

“1. About what date does he anticipate that payments to necessitous wheat-growers from the Federal grant will be finalised?”

“2. How many growers planted wheat in the 1933 season?”

“3. How many growers have received assistance from the Federal grant to date this year?”

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

“1. A number of applications, concerning which essential information has not yet been furnished, are unfortunately holding up the finalisation of this matter, but it is hoped that the final distribution of cheques will be completed next month.

“2. 3,467.

“3. 2,607.”

TENDERS FOR MACKAY HARBOUR WORKS.

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

“1. In reference to the statement of the hon. member for Warrego on Tuesday last that a syndicate called the Brisbane Construction Company was a tenderer for the Mackay harbour works, that he (the hon. member for Warrego) had been approached with a view to getting the lowest tenderer to ‘pull his tender out’ in favour of this syndicate, and that he was told that the shareholders in the syndicate concerned with this ‘straight out attempt at pillage’ were Sir James Butters, Sir John Harrison, Mr. Harding Frew, and Mr. Mocatta, is he aware that this alleged syndicate was not a tenderer for the Mackay harbour works, and that the tenderer in question was ‘Queensland Contractors Proprietary Limited,’ of which the directors were the Hon. Alfred James

Jones, Clarence Askew Byrne, Abraham Boldery, and William Campbell, with George Houlton Mocatta a nominal shareholder as solicitor to the company?

"2. In view of the utterances of the hon. member for Warrego and the extraordinary statements that are being made outside as to the real nature and probable effect on the cost of these works of the variations in the contract which are now proposed, will he lay on the table of the House or make available to hon. members the whole of the papers relating to this matter?"

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

"1. The names of the tenderers were—G. A. Stronach; Telson Construction Proprietary Limited; V Construction Proprietary Limited; H. Cheetham; E. Carroll Proprietary Company, Ltd.; Queensland Contractors Proprietary, Limited. I am not aware who the directors or shareholders are in any of the companies who tendered.

"2. Yes, the hon. member may peruse the relevant papers at the office of the Under Secretary, Treasury."

SUPPLY.

RESUMPTION OF COMMITTEE.

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

ESTIMATES IN CHIEF, 1934-35.

AGRICULTURE AND STOCK.

CHIEF OFFICE.

Question stated—

"That £64,635 be granted for 'Department of Agriculture and Stock—Chief Office.'"

The PREMIER (Hon. W. Forgan Smith, *Mackay*) [10.33 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.

VOYE ON ACCOUNT—£3,850,000.

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

"That there be granted to His Majesty, on account, for the service of the year 1934-35, a further sum not exceeding £3,850,000 towards defraying the expenses of the various departments and services of the State."

Mr. BEDFORD (*Warrego*) [10.34 a.m.]: My reason for rising to speak at this early period in the day is that I am leaving for Charleville to-day and I consider it necessary to get in as early as possible with a reply to what practically amounted to charges against me of being an aimless slanderer. Certain people were mentioned by me the other day in association with a contracting company which I termed the Brisbane Construction Company, and now I find out that it is the Queensland Contractors Proprietary Limited, my error having arisen from the fact that Mr. Byrne on the telephone used the words "Constructions Limited." I made a search of the register

and discover that there was no such company, and only when Mr. Mocatta kindly pointed out my error was I enabled to make a search for Queensland Contractors Limited.

Sir John Butters, in a wire from Sydney the other day, stated—

"Neither Sir John Harrison nor myself was a member of any syndicate which tendered to construct Mackay harbour works, and the only Queensland company, of which either Sir John Harrison or myself is a member, is the goldmining company, of which we are directors. The only link which I had with Mackay Harbour works was when I accepted an invitation of a Queensland company for my firm to act as consulting engineers for them should they be successful in securing the work."

These contradictions by Mr. Mocatta and others amount to nothing. Mr. Mocatta corrects me, for which I am very thankful, on the question of the title of the company. On this information I was able to search for Queensland Contractors, and I did so yesterday. I got the name "Construction Company," from Mr. Byrne, as I stated, when he telephoned me on 25th July. This must have been in the mind of Mr. Byrne because in the typed document at the Registrar's office it is called "Queensland Constructors Proprietary Limited" and the typed word "Constructions" is scored through and the word "Contractors" written in ink.

Mr. Mocatta said he has no financial interest in Queensland Contractors Proprietary, Limited, nor did he ever have any. That can scarcely be true, as he is a director and cannot be a director without being a shareholder. The directors, as published yesterday, are A. J. Jones, Abraham Boldery, C. A. Byrne, G. H. Mocatta, and W. Campbell. The company was incorporated on 15th June, 1934, with a capital of £1,000 in twenty shares of £50. Of these, six shares were issued to C. A. Byrne in the terms of the agreement of 15th June; £700 was to be provided in money by the sale of fourteen contributory shares. Who holds those fourteen shares? It is not disclosed, but it may yet have to be, including the tracing of the money paid and the real or dummy names of the shareholders, and any possible transfers that have taken place since the formation of the company known as the Queensland Contractors Proprietary Limited, and which does not now seem as healthy as at one time it seemed profitable. I draw attention to the half truths made in rebuttal. I have no time for random slanderers. These people who deny my statements will get into a more serious position with every statement they make. Sir John Butters states for himself and Sir John Harrison that he is not a member of Queensland Contractors Limited but that he and Sir John Harrison are directors of a Queensland goldmining company. That company is the Mount Shamrock Gold Mining Company, its office is the office of Jones and Byrne, and the man who told me that Butters and Harrison were in the tendering company was C. A. Byrne. It must be remembered that on 28th June I wrote from Sydney to Mr. Stronach telling him of a conversation I had had with a friend which related an interview with Gray, Mocatta, and Byrne, in which a tremendous profit on extras above the actual work tendered for was to be made

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on the alleged faulty specifications of the harbour board. The New South Wales silo contract was mentioned, Gray stating that extras were more than the tender. Mr. Mocatta challenges me to produce this man. He is no myth; he is an honourable gentleman, whose instincts revolted at the trick proposed to be played. The Treasurer has met him in my presence, and knows that my statement is true—he does exist. It is a question of saving him and others the embarrassment of publicity, and I will refrain from that unless I am forced into the position by circumstances. On 25th July Mr. C. A. Byrne telephoned me between 9.30 and 10 a.m., and after seeing Gordon Stronach, Mr. G. A. Stronach being absent in Mackay, at half-past 10 I sent for Mr. Gordon Stronach to come to my house, and told him of the conversation. I told him he was there in place of his father, and to be careful of what he was doing. He said he would see Byrne if he called at the office. Byrne telephoned Stronach's office and said he would call, but did not. Now, at noon on the 25th July, 1934, I made certain notes. They would not have been made; the circumstances would have been carelessly tossed aside except for the fact of the preceding letter of 23 June. In view of that incident, I made them, and hon. members will note that they were made at noon on 25th July, 1934:—

“ Between 9.30 and 10 a.m. this day I had a telephone call from Byrne, or Jones and Byrne. The following conversation was made:—

‘ Byrne: Geo. Stronach has got that Mackay contract.

‘ R.B.: I read that in the ‘*Courier*’ just now.

‘ Byrne: We are the next lowest contract—Brisbane Constructions, Ltd. We are £160,000 higher than Stronach.

‘ R.B.: Who are Brisbane Constructions, Ltd.

‘ Byrne: Sir John Butters, Sir John Harrison, Boldery, and others.

‘ R.B.: Alf. Jones is in it, too.

‘ Byrne: Yes. Now, if you can get Stronach to withdraw his tender, we would come in with ours, and there would be £160,000 to cut up. Stronach could do the job all the same.

‘ R.B.: Is Gray in it?

‘ Byrne: Yes.

‘ R.B.: I am told he is a nice man. But what can I do in this?

‘ Byrne: You're a close friend of Stronach's, and you could talk to him. Harding Frew would be in it.

‘ R.B.: I can't say anything about it, except that I can tell Mr. Stronach's son, who is in Brisbane.’ ”

A week or so later Mr. Stronach, two well-known lawyers, and myself were lunching at Tattersall's Club. One of the lawyers congratulated George Stronach on the successful tender, and said, “ That fellow Gray asked me to get Stronach to withdraw his tender, and there would be a lot of money to cut up. I told him that if I proposed such a thing to George Stronach I should expect a punch on the nose, and I should deserve it.” Mr. Mocatta says Constructions Proprietary, Limited, has no connection with Queensland Contractors Proprietary, Limited. If it has not, what are the 5,000 £1 shares

[*Mr. Bedford.*

agreed to be transferred to Mocatta, except to pay out the twenty shares of £50 each in Queensland Contractors Proprietary, Limited, and if there is no connection, what is this company about to do with its £2 of capital? Is not this Constructions Proprietary, Limited, trying for the Cairns sewerage work with Gray and Frew representing it, or are they still representing the earlier syndicate, with its six free shares of £50 each, and its fourteen shares of £50 each, issued for capital?

Mr. Mocatta makes the indignant inquiry—

“ What could be more utterly ridiculous and misleading when the Mackay Harbour tender had been closed and a tender accepted approximately three months previously? ”

The tender was accepted on 24th July. Constructions Limited was registered on 24th September, which is two months to the day, not approximately three months. If anybody is hanged for the difference of thirty days he will find that it is so approximate to strangling as to be uncomfortably close. If these people had been content to drop their agitation against Stronach immediately after they failed in their attempt to pull the contract out nothing further at all would have been said by me, but the facts are that they pursued Stronach with whispering, hurting his credit by saying it was impossible for him to carry out the contract at the price. I think it was as late as early October that the hon. member for Oxley asked questions in this Chamber, which again must have hurt Mr. Stronach's credit. The hon. member for Oxley said that a constituent of his asked him to ask the question. Both Frew and Mocatta are electors of Oxley, and so his statement is probably quite true, though not quite so disingenuous as if he had said that one of them had made the request.

It must be understood that I know none of these people. I have no animus against them. I do not know them—Sir John Butters, Sir John Harrison, Gray, Boldery, Mocatta, or Frew—even by sight. The other two I knew, and I was on friendly terms with them until this thing was put up to me on 25th July by Byrne, since when I have not seen them. It is no use Mocatta talking of cowardice and saying that a man takes the advantage of the privilege of Parliament. This is the place where I am privileged to talk, this is the place where I should talk, and this is the place where I should be privileged in the performance of a public duty. I consider that I have done the right thing and only part of my duty in making public this attempt to extend private enterprise into public theft.

Mr. R. M. KING: And the jury said that your reputation had been damaged to the extent of 1s.

Mr. BEDFORD: A jury set up under an Act specially ordered by your Government to get a favourable Mungana verdict.

Mr. FADDEN (*Kerneddy*) [10.45 a.m.]: This motion, which deals with Governmental expenditure and administration, has a direct relationship to the productivity of the State, upon which the Government perforce depend for their revenue. It gives hon. members an opportunity to comment upon the ever-increasing cost of Governments throughout Australia, and being guided as I am by the

economic truism that production is called upon to meet the whole of the cost of government I am impelled to say that the increasing cost is rather startling. These figures show the wealth production of this State for the years mentioned:—

	Total.	Per Head.
	£	£ s. d.
1914-15 ...	38,342,000	56 4 9
1924-25 ...	67,189,000	80 9 7
1932-33 ...	46,666,000	49 12 0

It will be noted that the wealth production which is required to meet all activities, including the cost of government, maintenance, and extension of industry, and provide for all contingencies decreased from £56 4s. 9d. a head in 1914 to £49 12s. in 1932-33.

What is the cost of government? On a comparative basis taxation for Commonwealth, State, and local government absorbed only £6 4s. 4d. a head in 1914-15. This figure moved in 1924-25 to £16 14s. 2d., and in 1932-33 to £17 16s. 3d. By taking into consideration all revenue available to the Government, because that revenue must come from the community, and the community in turn can only get it from production, we find that the figures are as follows:—

	£	s.	d.
1914-15 ...	15	14	6
1924-25 ...	32	4	4
1932-33 ...	32	5	7

An analysis of these figures shows that on a percentage basis the proportion of taxation—that is, the cost of government, of all Government activities in Queensland—to the wealth production of Queensland was:—

	Per cent.
1914-15 ...	10.9
1924-25 ...	20.8
1932-33 ...	35.8

All Government revenue, including, of course, taxation absorbed the following percentages of wealth production:—

	Per cent.
1914-15 ...	27.8
1924-25 ...	40.0
1932-33 ...	64.9

Accordingly, the percentages of wealth production left for other than Governmental activities were—

	Per cent.
1914-15 ...	72.2
1924-25 ...	60.0
1932-33 ...	35.1

Put it in another way. The value of Queensland's wealth production in the periods concerned, per head of population, was—

	£	s.	d.
1914-15 ...	56	4	9
1932-33 ...	49	12	0

All Governments—that is, State, Federal, and local governments—took for the purposes of their activities the following amounts per head of population:—

	£	s.	d.
1914-15 ...	15	14	6
1932-33 ...	32	5	7

Consequently, while there was £40 10s. 3d. left in 1914-15 for activities other than government in the State of Queensland, only £17 6s. 5d. was left for the same purposes

in 1932-33. Another significant comparison is that the aggregate of taxation in this State increased from £4,210,723 in 1914-15 to £16,718,170 in 1932-33. It will be agreed that when Governments take 64.9 per cent. of the productivity of the State we are fast getting to a condition that is more effective even than communism in achieving the objective of confiscation of private enterprise. I say "more effective" because under communism the authorities, the powers that be, who administer the communistic state are required to accept responsibility and to finance their own losses, and are required to carry out the State's activities directly. The figures, insofar as they relate to Queensland, emphasise in no uncertain way that under our present system private enterprise is working for government to too great an extent. Private enterprise has to accept the whole of the responsibility of losses, and the whole of the responsibility of expansion and maintenance, and has less than 36 per cent. of its production left in order to discharge those responsibilities, preserve itself, and carry out all its activities and do what is demanded of it so far as the solution of the unemployment problem is concerned.

It has been said that the capitalist system has broken down, but these figures conclusively prove that the capitalist system is compelled to carry too heavy a burden and too great a strain, and that too much is required of it. It all points irresistibly to the conclusion of Sir Josiah Stamp in his "Theory of Taxation"—

"It should always be made clear in justification of any tax, that the public good secured by the tax over balances the hardships of the individuals who pay it. 'If taxation requires restriction of the necessary expenditure of the citizen, and a lowering of his standard of living, it is certain that the money had best be left in his hands. When aggregate enjoyment is secured at the expense of the industrial efficiency of the unit, it needs no argument to show that such taxation is unwise.'"

Quite recently Professor L. F. Giblin made a survey of the taxable capacity of the various States and of the severity of State taxation, and his conclusions, which appear in the following index figures for 1932-33, strikingly illustrate the progressive effect of taxation in Queensland, and will give hon. members some idea of its effect upon industry and the capacity of industry to absorb the unemployed:—

	Taxable Capacity.	Severity of State Taxation.
New South Wales ...	108	120
Victoria ...	116	67
Queensland ...	79	132
South Australia ...	76	100
Western Australia ...	82	74
Tasmania ...	74	86
Six States ...	100	100

To put it on a comparable basis of an equality of taxable capacity, the per capita levy in other States would be—

New South Wales ...	88
Victoria ...	46
South Australia ...	104
Western Australia ...	71
Tasmania ...	91
as compared with Queensland	132

Mr. Fadden.]

Those figures, which have been compiled by a Professor of Economics of the University of Melbourne, tell their own story. They indicate conclusively that taxation, having regard to the financial capacity to pay, is far too severe in Queensland. South Australia is the next worst off at 104, but all States are more favourably situated than Queensland.

During the debate on the Budget, several hon. members on the Government side referred to the actions of the Moore Government in regard to taxation, and the opportunity is now afforded to ventilate a certain aspect of their contentions. It was argued that the Moore Government had brought into the taxable arena a class of persons who were previously exempt—by reducing the exemption certain individuals had to assume a responsibility for taxation from which they were previously exempt.

The Queensland statutory exemption was diminished by the Smith Government in December, 1932, as to taxpayers receiving between £250 and £1,000 net income, and was applicable from the income year 1931-32 (financial year 1932-33). The respective scales were—

Moore Government Scale—

Up to £250 net income—£150 flat.

Over £250—£150, less £1 in £5 of excess over £250.

Disappears at £1,000.

Smith Government Scale—

Up to £250 net income—£150 flat (no change).

Over £250 net income—£150 less £1 in £4 of excess over £250.

Disappears at £850.

A practical example of the effect is emphasised in the following figures:—

	STATUTORY EXEMPTION.	
	Moore Government.	Smith Government.
Net income, £258 ..	£ 149	£ 148
Net Income, £850 ..	30	Nil

It is estimated that 17,500 taxpayers were affected by the alteration in the exemption, and it will be apparent that hon. members on the Government side argue along wrong lines when they contend that the whole responsibility rests upon the shoulders of the Moore Government. Not only did the present Government retain the reduced exemption, but further aggravated the position in the direction I have mentioned.

The most important feature of our condition to-day, and one that concerns every member in this Chamber, is unemployment. We all recognise that it is a very disturbing factor. Not only is it a hardship on those who are unemployed; those who are in employment have to bear some of the burden by way of an unemployment tax. Nobody begrudges any sacrifice in that direction, but I am of the opinion that that form of taxation can be reduced without hardship to the unemployed and with advantage to those who are called upon to pay it. This form of tax-

tion is oppressive, especially so far as the worker is concerned, because even though the employer pays the tax as well, in the final analysis it must be thrown on the shoulders of the worker.

Let us analyse the position of unemployment administration on the basis of the figures that are available. I am compelled to accept the Estimates because they are the only comparative figures available to me just now. The following table, taken from the Estimates of the Department of Labour and Industry for three years, shows the trend—

	Estimates 1932-33.	Estimates 1933-34.	Estimates 1934-35.
Number of employees ..	87	110	115
Expenditure Appropriations for Salaries, including Income Tax Office ..	£42,824	£64,548	£75,486

From that table it will be seen that the salaries cost, as far as the administration is concerned, has risen from £42,824 in 1932-33, to £64,548 in 1933-34, and to £75,486 for the current year. The following figures are also interesting:—

	Estimates 1932-33.	Estimates 1933-34.	Estimates 1934-35.
Appropriation for Salaries wholly or partially paid for these purposes, but included in the Land and Income Office and included in above ..	£23,800	£33,000	£39,064

The increase in 1933-34, as compared with 1932-33, was 50.73, and in 1934-35, as compared with 1933-34, was 17 per cent., and the figures in 1934-35, as compared with 1932-33, show an increase of no less than 76 per cent.

Now let us look at the administration costs on a percentage basis. Taking salaries, travelling expenses, printing, and contingencies into consideration, on the one hand, and the payment of sustenance on the other, the Estimates for the years stated show the following results:—

UNEMPLOYMENT INSURANCE.			
	Salaries, &c.	Sustenance.	Per Cent.
	£	£	
1932-33 ..	23,795	385,000	6.1
1933-34 ..	25,056	360,000	6.9
1934-35 ..	25,303	360,000	7.0
UNEMPLOYMENT RELIEF.			
1932-33 ..	49,829	1,650,171	3.0
1933-34 ..	68,826	1,611,174	4.2
1934-35 ..	84,373	1,865,627	4.5

[Mr. Fadden.

If employment has declined, why has the cost of administration so consistently increased? Why has the cost of administering the Unemployment Relief Fund increased from £49,829 in 1932-33 to £84,000 in 1934-35? There must be a reason for that. The rights and conditions of the recipients of unemployment relief are the same. The costs of administration have so consistently increased that one is doubtful as to what the unemployment position really is, and as to how long it will be before anything like an alleviation can be achieved, much less a solution. These figures also must be considered in parallel with these results—

MONEY FOR UNEMPLOYMENT RELIEF.

Moore Government.	Loan.	Unemployment Relief Tax Fund.	Total.
	£	£	£
1929-30 ..	2,811,967	35,612	2,847,579
1930-31 ..	1,852,921	664,500	2,517,421
1931-32 ..	1,102,910	1,200,674	2,363,584
			£7,728,584

The loan expenditure was limited in those years by decisions of the Loan Council and the impossibility of borrowing, all funds having to be provided by the banks by the issue of Treasury bills as follows:—

Labour Government.	Loan.	Unemployment Relief Tax Fund.	Total.
	£	£	£
1932-33 ..	2,188,022	1,771,111	3,959,133
1933-34 ..	3,166,481	1,903,888	5,070,369
1934-35 .. (estimated)	4,400,000	1,950,000	6,350,000
			£15,379,502

As I said previously, one has to take that increased expenditure—it has doubled—into consideration in parallel with the ever increasing cost of administration. Nevertheless we are told that the unemployment position is better, that we are nearer a solution, that we are round the corner!

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

Mr. LARCOMBE (*Rockhampton*) [11.10 a.m.]: The hon. member for Kennedy has raised an important point relative to the cost of government. I desire to point out to him that the party with which he is associated has done nothing to alleviate this evil. On the other hand, the Labour Government has done something.

Mr. FADDEN: We are doing our best to help you out.

Mr. LARCOMBE: The hon. member's party should have got themselves out of the real bog into which they stumbled before they commenced attempting to get the Labour Government out of an imaginary bog. As a matter of fact, the Labour Party and the Labour Government have made a splendid gesture in respect of the cost of

government. It was the Labour Party and the Labour Government that abolished the Legislative Council of Queensland. That House was costing the taxpayers of this State thousands of pounds per annum.

Mr. FADDEN: It was a tragedy.

The CHAIRMAN: Order!

Mr. LARCOMBE: It was the Labour Party that brought about that economy, and also at the same time took an important step in constitutional reform in Queensland. The Legislative Council was costing thousands of pounds yearly and was an absurd and obsolete adjunct of government. Hon. members opposite who talk glibly about reducing the cost of government have never done anything to bring about that desirable objective, but Labour Governments have done so. They have reduced the cost of government in this State by thousands of pounds by abolishing the Legislative Council. Why, the policy of hon. members opposite is diametrically opposed to a reduction in the cost of government! They stand for the continuance of the Senate, and they stand for the existence of Legislative Councils.

Mr. MAXWELL: Of course we do.

Mr. LARCOMBE: Which increases the cost of government. If the Legislative Council were re-established in Queensland the cost of government would go up by thousands of pounds per annum. Hon. members opposite who speak about the burden of the cost of government stand for the continuance of the Senate, for the re-establishment of the Legislative Council, and a continuance of the present costly system of State Governors.

Where is the effectiveness of the speech of the hon. member for Kennedy? It was very interesting in its way. He made some very interesting comparisons, but the philosophy and the logic of his argument—where is it? And where does it lead us? The party with which he is associated is always opposed to any move for a reduction in the cost of government. They have shown that consistently in this State.

Mr. FADDEN: We reduced the number of legislators in this Parliament by ten for a start.

Mr. LARCOMBE: So as to cut out six Labour seats. They were not concerned about economising in the cost of government. They were concerned about economy in Labour representation. They hoped to be able effectively to destroy Labour Governments in this State for the next ten years, but the political miracle occurred and we came back to power. The Legislative Council has not been re-established, and is not likely to be. Nor is the life of Parliament likely to be extended to a period of five years, as hon. members opposite proposed to do if they were returned to power. Nor are wages likely to be reduced by a further 10 per cent. in this State. All that has been prevented by the political miracle that occurred.

Mr. ANNAND: We could not reduce 27s. 6d. per week.

Mr. LARCOMBE: Hon. members opposite paid less than that amount when they were in power, but the Labour Government have substantially increased to intermittent relief workers what hon. members opposite call a miserable pittance. We

have improved the position of these workers in this State by at least £500,000 per annum. Hon. members opposite will not face true economy in the cost of government. They epitomise all their suggestions for economy in the term "lower wages, and lower salaries." That is why I object to the policy they promulgate. It is no use talking in vague general terms about the need for a reduction in the cost of government; let us know how it is to be accomplished. That is where the hon. member for Kennedy has failed. He did not say how we were to economise in the form of government we have in Queensland to-day, but the inference is plain. According to a speech delivered in this Chamber by the hon. member for Wynnum a few days ago economy in the cost of government is to be effected by a further reduction in wages and salaries, by a further economy in the purchasing power of the worker, his wife and family, side by side with the continuance of lavish and spectacular expenditure in certain directions, which as far as hon. members opposite are concerned, may continue until doomsday. That is not a proper way to economise in the cost of government. Let us abolish the costly Senate. Queensland is paying its proportion of the cost of maintaining that absurd duplication of government. Why should we continue to maintain the Senate as well as the House of Representatives, and why should we continue to pay more than we need in maintaining the present system of State Governors.

Mr. MAXWELL: It is part of the Constitution.

Mr. LARCOMBE: There is a way of altering the Constitution, but hon. members opposite will not face it. We know quite well that they are not favourable to a reduction in the cost of government in that way.

The hon. member for Kennedy also dealt with the eternal question of taxation. It is not a new subject, but it is important, and it obtrudes into every financial discussion in this Chamber. He expressed the pious hope that taxation would be reduced. Is not every hon. member favourably disposed to a reduction in taxation if it is possible? The hon. member for Kennedy knows as well as I do that it is not possible to reduce taxation to any material extent under present circumstances, which brings to my mind the opinion of the editor of the "Courier-Mail" that it could not be done at the present time whether the Premier be Mr. Moore or Mr. Forgan Smith. I think every hon. member must admit that we cannot expect a substantial reduction in taxation at the present time. The hon. member for Kennedy quoted the opinion of Professor Giblin on the result of taxation on Queensland compared with that in the other States, but I submit that his argument was based upon fallacious reasoning. First of all, let us compare the area of New South Wales with the area of Queensland; the area of Victoria with the area of Queensland; the population of Queensland with the population of New South Wales; and the population of Victoria with the population of this State. Then we find the fallacy underlying the comparisons made by the hon. member for Kennedy. Victoria has an area of 88,000 square miles, as compared with an area of Queensland of 670,500 square miles. Yet the hon. member for Kennedy expects Queensland to be governed as cheaply as Victoria!

[Mr. Larcombe.

It is like the difference between controlling a cultivated cabbage patch and an enormous selection. It is impossible to govern a young growing State like Queensland, 670,500 square miles in extent, as cheaply as Victoria, with an area of but 88,000 square miles.

Mr. FADDEN: Deal with South Australia and Western Australia.

Mr. LARCOMBE: I will deal with South Australia and Western Australia shortly, but I desire to point out the absurdity of expecting Queensland to be governed as cheaply as Victoria when we consider the difference in area and population. In Victoria, with a small area and compact population, it is easy and cheap to govern as compared with the inevitable cost in Queensland, a young State, with an enormous area, vast spaces, and the undeveloped regions. The comparison with New South Wales is similar from the viewpoint of Queensland. The population of New South Wales is much greater, but its area is not as small as that of Victoria. Nevertheless, it is only half the area of Queensland.

The hon. member for Kennedy interjected, "What about South Australia and Western Australia?" That hon. member has overlooked the fact that South Australia and Western Australia are supplied by the Federal Government yearly with substantial grants—millions of pounds. Those special grants enable both South Australia and Western Australia to keep taxation much lower than if they were placed in the same position as Queensland. He has overlooked that important reason why the severity of taxation in South Australia and Western Australia is not as great as in Queensland. Those States are subsidised and fed to the extent of millions of pounds per annum by the Federal Government. Therefore, his comparisons were not as convincing against Queensland as he would have hon. members believe.

The TREASURER: South Australia receives from the Federal Government grants of £1,400,000 this financial year.

Mr. LARCOMBE: That explains the favourable position of that State.

Again, it is a fact that the administration of this State is still suffering from the effects of the Moore regime. That factor is keeping up taxation in Queensland. Hon. members opposite are fond of giving advice, but they never followed their own advice when they were in control of the Government.

Mr. FADDEN: I was not a member of that Government.

Mr. LARCOMBE: I know that many of the sins of the Opposition cannot be fastened to the hon. member. The Opposition remind me of the advice the schoolmaster gave to his class when he said, "Never use a preposition to end a sentence with." (Laughter.) That is the difference between precept and practice. Like the schoolmaster the Opposition advise the Government never to increase taxation, yet they increased taxation by millions of pounds when they were in power. Hon. members opposite talk about taxable capacity. Why, was not the taxable capacity of the people reduced enormously by the Moore Administration? Was not the gross income of the tax-return makers reduced by £16,000,000 by the party opposite when they were in power? Yet hon.

members opposite talk about taxable capacity! In the last few years that Labour were in power, between 1924 and 1929, the gross income of such tax-return makers increased by £24,000,000, but when hon. members opposite came into power there was a reduction in the gross income of the State to the extent which I have mentioned. To-day the electors of Queensland and members of this Committee must bear in mind that the Opposition were responsible for many of the very obvious sins of government for which they seek to criticise us. They were responsible for an alarming panic, and the sending of our funds to other States when they should have been retained in Queensland for revitalising trade and industry, and to provide advances for the man on the land and home building. The sending of that money out of the State increased and intensified the difficulties of the day.

We cannot magically escape from the appalling consequences of the maladministration of the Moore Government. The position of Queensland is similar to that of a pedestrian who has been knocked down by a motorist, injured, and then handed over to a medical practitioner who is expected by some magical means to restore him at once to health. The State, metaphorically speaking, has been knocked down by the political motor hogs of Queensland, and now the political doctors are criticised because they cannot effect an immediate and magical cure. Time, effort, and wise government will be required to restore Queensland to normal health. Under the present Administration we are building up the vitality, health, and strength of Queensland as quickly as can reasonably be expected.

The hon. member for Kennedy quoted Sir Josiah Stamp on the question of taxation to prove that deductions for taxation meant disastrous effects on the producers and the State. That opinion is not shared by all economists. It is not shared by Mr. Lloyd George, ex-Prime Minister of Great Britain, who in a powerful speech dealing with taxation ridiculed and attacked those critics who said that taxation meant pouring money down the sink. He asked was it not a fact that the money raised by taxation led to increased employment, led to the increased circulation of currency, and had many favourable, as well as unfavourable, reactions?

Mr. MAXWELL: You can go too far with it.

Mr. LARCOMBE: I admit that you can go too far with taxation, and the present Government are honestly endeavouring to keep down taxation to the lowest possible point; but I think hon. members opposite overstrain their argument by asserting that all taxation revenue is an absolute waste.

Mr. PLUNKETT: You admit we have gone too far now?

Mr. LARCOMBE: I say that at present we cannot go back any faster than we are doing. Yesterday a measure was introduced that reduced interest rates in respect of citizens under the State housing legislation. Is not that a reduction of taxation? Of course it is. It is a substantial reduction and an appropriate gesture of the good faith of the Government, and an earnest of the fulfilment of the promise made by the Premier to the people of Queensland.

If higher taxation intensifies unemployment, how is it that in Victoria and New South Wales, where, according to the hon.

member for Kennedy, taxation is lower than in Queensland, the percentage of unemployment is substantially greater than in Queensland?

Mr. RUSSELL: It always has been.

Mr. LARCOMBE: That is no answer; that is begging the question. If lower taxation is the solution of the problem, how is it that lower taxation in Victoria and New South Wales have not produced the reduction in unemployment in those States that one would believe should exist, according to the contentions of hon. members opposite?

Mr. MAXWELL: You know what McCormack said about increased taxation?

Mr. LARCOMBE: Let us deal with one point at a time. I want to know from hon. members opposite how it is that lower taxation in Victoria and New South Wales has not led to lower unemployment in those States.

The SECRETARY FOR PUBLIC INSTRUCTION: Why strike the Opposition dumb! (Government laughter.)

Mr. LARCOMBE: They are not only dumb; they are blind and deaf to the real effects of taxation. They robbed the public servants of £5,000,000 in three years by way of reduction of wages and salaries and by retrenchment. Was not that increased taxation? Have hon. members opposite ever advocated in this Chamber the restoration of the wage reductions? No. They say, "Let us reduce the super land tax and the income tax of wealthy shareholders," but never for the moment does it occur to their minds that they robbed the public servants and other workers of this State to the extent of millions of pounds. Let us restore the wages standard, let us reduce interest as the Government are doing, let us reduce the income unemployment relief tax—let us do all these things before we reduce the super land tax in the State.

I submit, therefore, that the argument of hon. members opposite is carried too far when they assert that lower taxation would inevitably mean less unemployment, especially when we have the indisputable fact staring us in the face that in the States where taxation is lower, unemployment is enormously greater. Perhaps one reason for that is mentioned in the report that appeared in the "Daily Telegraph" recently to the effect that taxation remissions have not been passed on. Farmers in Victoria and New South Wales have complained bitterly that reductions in taxation brought about by the Commonwealth and State Governments have not been passed on by wealthy institutions in those States and in the Federal sphere. That is one of the reasons why taxation reductions in other States have not been as beneficial as they should be. The great wealthy companies which pour thousands of pounds into the election funds of hon. members opposite secure reductions of taxation, but do not pass on the benefit to the working farmer, the business community, or the industrial worker and his family.

Passing to another phase of taxation and unemployment, it is interesting to listen to the hon. member for Kennedy and his colleagues dilating upon the great evil of the increased cost of unemployment in this State.

Mr. Larcombe.]

Does that logically suggest that if hon. members opposite were returned as the Government of the country they would withdraw that help and assistance, that they would starve the unemployed, and that they would increase industrial slavery in Australia? That is what they have done in other parts of the world, and what they would probably do in Queensland; but when the ex-Home Secretary in the Moore Government was challenged on the eve of the last election with increasing taxation upon the producers and the people of Queensland generally, he said, "It is taxation or revolution." "Taxation or revolution; which are you going to have?"—that was the position in Queensland, according to him. We know that in other parts of the world where the people are persecuted, enslaved, and starved, Communism and violence, and all the unfortunate features of civilisation are evident in an intensified form. We want to avoid that condition of affairs in Queensland. It is not only humanitarianism but true economy that determines the policy of the Government. We do not desire to set up in Australia, particularly in Queensland, those lawless elements that hon. members know exist in other parts of the world where the people are driven to desperation because they are denied the wherewithal to live.

To my mind the party opposite advances a very sinister argument when it consistently asks that the cost of unemployment should be reduced. The first consideration of a Government is to see that the people do not starve. Taxation is certainly odious, but is not starvation worse? Hon. members opposite fill me with indignation when they speak on behalf of those who are living in wealth and luxury, and complain of the small deductions taken from their incomes in order that men and women may be provided with food. I say it is a shame and a scandal to find a political party in Queensland which would allow the unfortunate unemployed to suffer from the want of the necessities of life in order that these wealthy magnates may receive the benefits of reduced taxation and allow them more to spend in luxury and idleness. It is coming to a very sorry pass when we find that the policy of some people, if given effect to, would seriously endanger the health and lives of the people in this State.

Hon. members opposite are dumb about the true cause of taxation, as they are in regard to other problems. They never say a word in this Chamber about the increase in taxation caused by the amount of money this country spent on the war. I am not discussing the merits or demerits of the war, but it cost this country over £800,000,000 in war and post-war expenditure, and Queensland has paid her share. Is not taxation high because of our war indebtedness? Of course, it is. Hon. members opposite rave about Labour Governments. They will not face the real issues that confront the nation. They will not admit that £400,000,000 was borrowed to fight the war.

Mr. GODFREY MORGAN: We are not paying our war debts now.

Mr. LARCOMBE: I am pointing out we have actually paid over £800,000,000 from consolidated revenue and loan funds in Australia on war indebtedness. It is not a question of what we are paying, it is a question of what

[*Mr. Larcombe.*

we have paid. Hon. members opposite are associated with a party which advocated conscription; if the conscription referendum had been carried by the people taxation and the public debt would have been double what it is to-day. Yet they complain about borrowing and loan expenditure.

The hon. member for Kennedy spoke of loan expenditure, and what he termed the waste of it. The hon. member knows quite well that there is a table in the Treasurer's Budget Speech that shows that notwithstanding the increase in loan expenditure in Queensland, the percentage of cost of public debt on Consolidated Revenue Fund, the revenue has been reduced from 18 per cent. to 15 per cent. in three years. If we increase loan expenditure and reduce the expenditure charge of our debt on Consolidated Revenue Fund, surely that is a sound policy! After all, the question is relative. It is not a question of whether we increase loan expenditure, but whether increasing loan expenditure increases assets or destroys them. We find that as a result of the policy of the present Government in regard to finance, the deficit has been reduced, whilst owing to the policy of the hon. member for Kennedy and his party, £3,600,000 in aggregate deficits were incurred, and not a blade of grass to show for it, because of their bungling and meddling!

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

Mr. MAHER (*West Moreton*) [11.35 a.m.]: I make a plea to the Government to increase the amount of endowment to the ambulance brigades throughout the State, and I particularly refer to the country branches. It is hardly necessary, in this Chamber, where there are so many members representing country districts, to speak of the great work that is being done by the ambulance throughout the State. The officers associated with it are men of splendid calibre, and carry out the honourable work they are performing in a most efficient manner. In the country districts particularly, on account of the long distances which the motor vehicles used by the brigades have to travel and the bad roads, depreciation on account of wear and tear is very high. I feel this vote could be increased with great advantage to the ambulance brigades in the country districts. The vote for the whole of the brigades of the State is £24,000, and I consider this amount should be increased to at least £50,000.

Mr. LLEWELYN: In 1932 only £10,000 was granted for the whole of Queensland by the Moore Government.

Mr. MAHER: The hon. member knows the emergency conditions which prevailed at that time, and both he and the party to which he belongs claim that in consequence of their term of power in this State the conditions have greatly improved. Taking them at their own word, why is a less sum voted for the endowment of the ambulance brigades of the State? The Ipswich brigade receives £735, the brigade at Laidley, in my electorate, £109, and that at Lowood, on the fringe of my electorate, £103. These brigades are operating over developed country which has been particularly hard hit by the depressed conditions. Extremely low prices rule for dairy products, and the Ipswich coal mining industry

has been very hard hit. Persons who have previously been in the habit of making substantial contributions for the maintenance of the ambulance have had to curtail them. A very fine organisation such as the ambulance should, especially in country centres, be entitled to a little higher endowment from the Government than £100. Apart from political issues I want to make that appeal on behalf of the ambulance organisation of country districts.

The TREASURER: The brigades are doing very good work.

Mr. MAHER: I am very glad to hear the interjection of the Treasurer. That being the case, I commend my request to his earnest and sympathetic consideration.

The TREASURER: I have been a member of the executive for nearly twenty years.

Mr. MAHER: In view of that, I hope that the Treasurer will take into consideration the suggestion which I am making for an increased endowment. In the Budget Speech the Treasurer made this statement—

"I maintain, however, that the policy of the Government in encouraging expenditure by local authorities and other semi-governmental bodies on public works, and by spending funds on Government works, has materially contributed to the betterment which has taken place in business conditions generally during the last twelve months. By these means the volume of money in circulation has been increased and the velocity of circulation has been accelerated."

The Treasurer supported this claim by saying that the savings bank deposits in Queensland increased from £22,951,000 at 30th June, 1932, to £23,453,000 at 30th June, 1933, and the upward trend was indicated by the rise to £24,834,000 at June, 1934. The Treasurer argued that this was a sign that the effects of the depression were commencing to disappear. In the brief time allowed me this morning I shall endeavour to show the falsity of his argument in this respect. In the first place, the increase of deposits in the Government savings bank, whilst necessarily a pleasing evidence that the savings of the people are on the upward trend—

The TREASURER: The savings bank deposits for the last three months were increased by no less than £500,000.

Mr. MAHER: Again, I say it is always pleasing to observe such an upward trend in the deposits of the people. Nevertheless I argue that that is not due to the betterment which the Treasurer claims. On the contrary, it is part of the movement which has manifested itself in all the trading banks, the associated banks not only of Queensland, but also of Australia. The rise is due to the fact that on account of the lower prices ruling to-day many industries require less capital, and they, therefore, have had to place their surpluses on fixed deposit in the trading and savings banks. Another factor is that many people who ordinarily would invest their savings in industry each year do not do so on account of the prevailing conditions. There is no outlet for that money because of high taxation and other restrictive conditions, and so the money must find its way to the banks. That is why bank deposits have increased

in both trading banks and savings bank accounts. I know of a number of people operating in a comparatively small way who could find no immediate outlet for the investment of their funds at a reasonable return, and they have been forced to place their money at fixed deposit in trading banks. I know of at least one man who wished to place his money at fixed deposit for the short term of three months and was informed by the trading bank by letter that it did not require his money for such a short period. He then took it to the savings bank. I have no doubt that similar action has been taken by many other traders who cannot find an immediate use for their money. What I say in this respect is supported by the press. This statement from Melbourne appeared in the "Telegraph" on 27th April last—

"Deposits with the Australian trading banks now are larger than at any time since the boom years that preceded the depression.

"Fixed deposits for the quarter ended 31st March, at £188,929,794 have reached their highest level since June, 1932, notwithstanding that deposit rates have been cut drastically during that period."

The "Courier-Mail" published this paragraph—

"INACTIVITY IN ENTERPRISE.

"Deposits Grow Faster than Advances.

"Present inactivity in enterprise which renders it difficult for banks to find remunerative employment of a suitable character for the money in their hands is reflected in the quarterly average banking returns to 30th June, 1934, which are made available in 'The Australasian Insurance and Banking Record' for July."

The fact that such an abundance of loan money is available to the present Government is also proof that there is no immediate outlet for investment in industrial channels. If there were such an outlet and conditions were favourable for expansion industry could proceed on a sounder basis and give a greater measure of relief to the unemployed in this State. The claim of the Treasurer that the increase in savings bank deposits is an indication of the betterment of conditions arising from the activities of a Labour Government in this State cannot be logically and reasonably sustained.

The claim of the Government that conditions have improved is offset by these facts—

1. A drop of £550,000 in income tax receipts for last year.
2. A drop of 1,003 in the number of taxpayers compared with the previous year.
3. Conditions were so difficult throughout the State of Queensland during last winter that the Government were obliged to introduce a winter relief scheme at a cost of £50,000.
4. Conditions are still so bad that the Government are obliged to introduce a Christmas relief scheme costing £50,000.

In a period of six months £100,000 has to be specially allocated for the relief of people

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who are in distress and misery at the present time.

Mr. O'KEEFE: Do you object to that?

Mr. MAHER: I do not object at all. I consider that the Government should have made an advance for Christmas relief in 1933, but they failed to do so. The claim by the Government that there has been a general betterment of conditions in Queensland because of the acceleration of loan expenditure on public works is offset by the fact that £100,000 had to be specially earmarked in a period of six months for the relief of distress and misery in our midst. The claim by the Government is also offset by—

“5. The unemployment figures as recorded by ‘Economic News’ were higher in June, 1934, than in June, 1932, the comparison being 32,344 in 1932, the last year of the Moore Government, and 35,893 in 1934, after the present Labour Government had been in power for the period of two years.”

It is also offset by—

“6. The factories of the State are employing 15,000 fewer hands to-day than was the case eight years ago.”

This reduction in the employment of a number of factory hands is not a special factor arising out of the depression. There has been a gradual decrease in the number of hands employed in our secondary industries in Queensland every year since 1928-29. That tendency began to manifest itself before the depression ever commenced. It is a factor arising out of the cumulative effect of Labour rule in this State over a period of approximately seventeen years.

Mr. FOLEY: That applies the world over.

Mr. MAHER: That is not so. Every State in Australia except Queensland shows an improvement in the number of hands employed in secondary industries. As a matter of fact, Victoria and New South Wales have made phenomenal expansion in that respect during the same period, the simple reason being that the conditions in those States are more attractive to men who engage in industrial activities.

It is also offset by—

“7. Low prices still rule for our primary produce. Wool is averaging round about 9d. a lb. On the latest quotations from the South the price of wheat is round about 2s. 9d. a bushel, whilst the average price for butter paid by the factories last year was 8.80d. per lb. Cattle prices remain very low. In fact, in every direction where primary production is concerned extremely low prices prevail. Some of those prices are lower than the pre-war level.”

If this betterment of trade and industry referred to by the Treasurer prevails, surely it would have manifested itself in the basic conditions, namely, better prices for our products! Whilst we continue to receive low prices for our primary products there can be no real improvement in conditions in this State.

It is also offset by—

“8. Despite the betterment which the Treasurer claims in his Budget Speech, we find it was necessary last year to disburse from the unemployment relief

fund £1,904,000, against £1,771,000 for the previous year, or an increase of £132,777.”

That is a most excellent index as to the conditions of the State economically. Considering that in the previous financial year over £3,000,000 was spent from loan funds in creating this betterment referred to by the Treasurer, surely it is an extraordinary factor that it was necessary to increase the disbursements from the unemployment relief fund by £132,777! A further indication that this betterment is not showing in the way that the Treasurer claims—and I regret that it is necessary to make such a criticism because, in common with everybody else, I wish to see the State expand and prosperity exist on all sides, irrespective of what Government may be in power—is to be found in the following extract taken from the “Laidley Herald,” which refers to the annual report of the Church of England's M.C.N.'s Society published a little earlier in the present year—

“During the year this society has furnished 44,465 beds and 136,885 meals. Three meals and a bed for 44,456 persons in one year makes one realise the amount of distribution in our midst to-day. The smaller hostel in Leichhardt street run by the same society is maintained for those not eligible for relief work or rations. This hostel furnished 6,218 beds and 19,498 meals. This society has also provided a quantity of clothes for poor people.”

Mr. O'KEEFE: That refers to people travelling from other States.

Mr. MAHER: It may include a proportion of travellers from other States, but if the hon. member consults with those connected with the Church of England Young Men's Society he will find that a great majority of those persons who receive succour are natives and residents of our State.

Mr. MAHER: It is not only the Church of England Men's Society that is engaged in this charitable work; hostels are maintained also by the Roman Catholic Church, the Methodist Church, and the Presbyterian Church; in fact, every denomination is engaged in humanitarian work of this kind. Moreover, the activities of the Social Service League mitigate distress and poverty in our midst. I submit that the claim of the Treasurer will not stand investigation; far from there being an improvement in consequence of the injection of over £5,000,000 of loan expenditure into the State during the past two years, we really have conditions equally as bad as they were during the critical times of three years ago.

It is interesting to consider the following comments from the latest report of the Auditor-General:—

“As compared with the year 1928-29—

Total receipts of 1933-34 decreased by £2,876,803, or 17.19 per cent.

Taxation receipts of 1933-34 decreased by £1,409,651, or 30.17 per cent.

Railway receipts of 1933-34 decreased by £1,463,400, or 19.34 per cent.

Lands receipts of 1933-34 decreased by £137,660, or 9.52 per cent.

Other receipts of 1933-34 increased by £133,908, or 4.39 per cent.”

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On the receipts side these figures speak for themselves—

	1928-29.	1933-34.	Percentage Decrease 1933-34, as compared with 1928-29.
	£	£	£
Income Tax ..	2,758,514	1,677,374	39-19
All Receipts ..	4,671,652	3,262,001	30-17

Those figures must make every thinking man seriously consider the position of the State.

We have just heard a speech delivered by the hon. member for Rockhampton that for political hypocrisy and bunkum would be hard to beat. The hon. member made wild charges against the Moore Government, and spoke of the millions of pounds that we had taken from the public servants. If a thinking man ponders over the affairs of the State he can have no other than misgivings when he finds that in the short period that has elapsed from 1928-29 the receipts from all sources in the State have dropped from £4,671,652 to £3,262,001.

At 12 noon,

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

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

Mr. LLEWELYN (*Toowoomba*) [12 noon]: I listened to the remarks of the hon. members for West Moreton in connection with the subsidy paid to the ambulance brigade, but I am unable to recall any protest made by that hon. gentleman when he sat behind the Moore Government against the elimination of the old rate of subsidy and the measure of support substituted for it which that Government considered the exigencies of the time permitted them to give. The subsidy which was paid to the ambulance brigades prior to the defeat of the Labour Government in 1929 was 10s. The Moore Government removed the principle of subsidy altogether and made a grant of £10,000, which had to be rationed out to those centres whose finances demanded that they should receive some support. On the return of a Labour Government to power in 1932 one of its first administrative acts was to restore the principle of subsidy and make it 7s. 6d. in the £1, which represented an increase of 50 per cent. I had occasion to rise in this Chamber and express the thanks of the Executive of the ambulance brigade to the Government for their consideration.

Mr. GODFREY MORGAN: Is it your money you are giving away or the people's money?

Mr. LLEWELYN: It is the people's service, and I venture to say that there is no institution that renders more valuable service to the community at large than the Queensland Ambulance Transport Brigade does.

Mr. GODFREY MORGAN: If you give a donation of £10 you are giving the people's money away.

Mr. LLEWELYN: I cannot follow the reasoning of the hon. member. The attitude

of the Moore Government towards the ambulance was unsympathetic not only in this respect, for by pinpricking regulations they prevented the various centres from exploring various avenues to obtain funds. My experiences in this connection have been bitter ones. However, the people of Queensland recognise that when the present Secretary for Mines was Home Secretary, and with the hon. member for Ithaca as Home Secretary, they had and still have the sympathy of the Government, and I am confident that the ambulance brigades have nothing to fear while Labour remains in office.

GOVERNMENT MEMBERS: Hear, hear!

Mr. LLEWELYN: It is pleasing to me to be in position to say that the Toowoomba City Council has at last decided to engage on a project which will be of tremendous value to the city of Toowoomba. We have to depend for our water on a subterranean system. The difficulties have been recognised, but in the past they could not be rectified because of insufficiency of money. Under the subsidy scheme adopted by the Government the Toowoomba City Council has decided to obtain a loan of £105,000. This amount, plus a subsidy of a like sum, will enable the council to expend £210,000. This will create a utility of tremendous value to the community. I submit, with all due respect, that the Toowoomba City Council should have considered the advisability of taking advantage of the offer of the Government as soon as it became known that the Government were prepared to subsidise loans spent on public schemes having for their primary object the finding of employment. I submit in this connection that the City Council at Toowoomba have not in the past been alive to its obligations. It has been imbued with the desire to keep property valuations and rates low, and to that end adopted a policy of deflation. It dismissed employees who had been in its service for some considerable time, and exploited the relief system of labour.

Mr. ANNAND: You know you are wrong.

Mr. LLEWELYN: I have here an official statement from the Toowoomba City Council which shows the following change:—

Amount paid in wages, and average number of men employed by the Council in the years 1929, 1930, 1932, and 1933, exclusive of Intermittent Relief Workers.

	Amount.	Number of Men.
	£	
1929—		
Ordinary ..	23,649 11 5	101
Loan	11,710 10 4	49
1930—		
Ordinary ..	23,915 4 4	102
Loan	7,179 1 0	31
1932—		
Ordinary ..	18,877 12 1	89
Loan	Nil	..
	£18,877 12 1	89
1933—		
Ordinary ..	16,325 1 11	80
Loan	1,824 17 10	10
	£18,149 19 9	90

Mr. NIMMO: A number of ratepayers did not pay their rates in 1932.

Mr. Llewellyn.]

Mr. LLEWELYN: I am criticising the policy of the Toowoomba City Council of deflating its permanent staff and substituting relief workers.

Mr. ANNAND: The hon. member forgets it cost £2,000 to keep even relief men employed.

Mr. LLEWELYN: The number of men employed decreased from 150 in 1929 to ninety in 1933. The hon. member for East Toowoomba knows that one day men on lorry work were dismissed and the next day the same lorries were re-employed to do the same work, but under the relief scheme. It was a direct exploitation of the relief system. What is the reason for it? As I previously stated, to lower the valuations of first-class city property and bring about a consequent lowering of the amount to be paid in rates.

Mr. ANNAND: They still cannot pay their rates.

Mr. LLEWELYN: I submit that is only an instance of the general attitude adopted by anti-Labour councils throughout the State. One need only mention the late Brisbane City Council. That body adopted a similar attitude to the Toowoomba council. It indiscriminately sacked its men. Now that there is a Labour mayor in control, the Brisbane City Council has done much to rehabilitate the position that existed prior to the introduction of the pernicious system of intermittent relief labour in local authority affairs.

Mr. RUSSELL: What about the rates?

Mr. LLEWELYN: I am not in a position to discuss arrears of rates in connection with the Brisbane City Council, but what I have said about the Toowoomba local authority is true. The system is wrong, and it behoves every hon. member to enter an emphatic protest against it.

Mr. GODFREY MORGAN (*Murilla*) [12.13 p.m.]: Last Wednesday the hon. member for Warrego made reference in this Chamber to certain matters in connection with the construction of the proposed outer harbour at Mackay. I believe that he brought up that matter in the hope that he would implicate certain gentlemen who he alleged were the supporters of hon. members on this side, but unfortunately for him his speech has had a boomerang effect, and this morning he has given us one of the best illustrations of "dog eat dog" that I have ever heard a member of Parliament deliver against his own party. He has definitely proved that the head of the company under consideration, Queensland Construction Proprietary, Limited, was one of the most prominent leaders of the Labour Party in this State. He referred to the present Lord Mayor of Brisbane, the Hon. Alfred Jones and his party. They are the heads of this particular company. Judging from his statement about the attempt of that company to try to persuade Mr. Stronach to forfeit his tender so that they could whack between them—to use his own words—£160,000, one would conclude that if that had been accomplished the whacking up would have been distributed amongst the supporters of that party and evidently amongst the supporters and prominent members of the party sitting on the Treasury benches to-day.

The SECRETARY FOR PUBLIC LANDS: That is not true. Your party is a party of graft always.

[*Mr. Llewelyn.*]

The TEMPORARY CHAIRMAN: Order!

Mr. GODFREY MORGAN: We have only to take the speech of the hon. member for Warrego, where he made that statement, and the Treasurer, in not denying it when he answered the questions asked by the hon. member for Oxley, practically insinuated that there was some attempt on the part of some company to try to induce Mr. Stronach to withdraw his tender so that the Mackay Harbour Board would lose approximately £160,000, and that it would be whacked up between Mr. Stronach and those connected with this company. As it turns out, the head of this company was one of the most prominent Labourites, a man who occupies a high and important position in the Brisbane City Council. I am not concerned about Mr. Jones belonging to any particular company, but the point that I want to make is that a prominent Labourite endeavoured to cast aspersions in regard to a certain company, but the names of the people he mentioned were not connected with that company in any shape or form, except Mr. Mocatta, who is the solicitor to the company and is definitely interested in it. We do know definitely that the head of the company and those connected with it are very prominent Labourites.

The SECRETARY FOR PUBLIC LANDS: That is not true. That is your usual untrue statement.

Mr. GODFREY MORGAN: Mr. Jones has admitted that he is in the company, and his son-in-law is the secretary.

The SECRETARY FOR PUBLIC LANDS: His son-in-law is not a member of the Labour Party.

Mr. GODFREY MORGAN: Mr. Jones is not?

The SECRETARY FOR PUBLIC LANDS: His son-in-law.

Mr. GODFREY MORGAN: The head of the company, Mr. Jones, is a prominent Labour man. He is the Labour Lord Mayor of Brisbane. Hon. members can see what effect the speech of the hon. member for Warrego has had. It is interesting to know that Mr. Stronach recently gave evidence in the case of Bedford versus the "Telegraph," and that the hon. member for Warrego called him along to give evidence as to the character of that hon. member. The man about whom the hon. member has spoken so well was the same gentleman whom he considered it advisable to bring into court in order to give evidence in his favour as to character.

Mr. NIMMO: That was at the second trial?

Mr. GODFREY MORGAN: Yes. The hon. member for Warrego in some peculiar way has done the taxpayers of this State a good turn. Why, his speech in this Chamber has enabled us to go further into the matter. Now we have discovered from the Treasurer's reply in the press that there are conditions attached to this contract that we did not know of previously, and that we certainly did not know when the hon. member for Warrego delivered his speech in this Chamber. Those conditions are that if an increase in wages occurs during the currency of the contract, allowance will be made for it. Therefore, if there is an increase in wages during the construction of the harbour works, it will not react beneficially on the Mackay Harbour Board. We know

perfectly well that there it not likely to be a decrease in wages during the period of construction, but we do know that there is likely to be a considerable increase. What we should like to know is why no such provision was made in the original specifications of contract. The Treasurer must admit that had such a condition appeared in the original specification every tenderer would have been aware of the fact that any increase in the price of wages or material during the currency of the contract would have been allowed for, and that fact would have affected the tenders considerably. Generally speaking, every contractor submitting a tender for works extending over a long period is compelled to make some provision for such an eventuality. If conditions improve during the next twelve months, or even later, the workers will go to the Industrial Court and ask for an increase in the basic wage and wages generally.

The TREASURER: Do you say that there is any provision in the contract for an increase in the price if the prices of materials increase?

Mr. GODFREY MORGAN: I am given to understand that if the cost of material increases that cost will be borne by the Mackay Harbour Board.

The TREASURER: Who told you that?

Mr. GODFREY MORGAN: I am given to understand that is the case.

The TREASURER: You are wrong.

Mr. GODFREY MORGAN: If I am wrong I am pleased to have that denial, but the Treasurer has not denied that if wages increase an allowance is to be made to the contractor to the extent of the increase. That in itself is evidence that practically no contract has been entered into between Mr. Stronach and the Mackay Harbour Board. Mr. Stronach is purely and simply carrying out the work on a commission basis. He is to receive a commission of 5 per cent. on certain conditions, and 2½ per cent. on others. Therefore, Mr. Stronach will be merely a supervisor of the work. There is really no contract at all. Mr. Stronach will practically construct the Mackay harbour by day labour. He will not in any way be the loser if wages increase or working conditions are improved.

The TREASURER: That is not true.

Mr. GODFREY MORGAN: If wages increase the Treasurer has definitely stated that Mr. Stronach is not to suffer because there is a proviso in the contract to that effect.

The TREASURER: That is a different thing to what you have just said.

Mr. GODFREY MORGAN: We find that things are altogether different from what we anticipated. I claim that under all the circumstances it would have been much better had the Treasurer decided to call for fresh tenders and embody in the specifications the terms of the agreement which has now been entered into with Mr. Stronach. We are dealing with public funds, and we must be very careful how we expend those funds. It is the important duty of every hon. member, irrespective of what electorate he represents, to see that such funds are spent in the very best possible manner.

As I indicated when the Treasurer was not in his seat, the speech by the hon. member for Warrego has had a boomerang effect.

Instead of proving, as he endeavoured to do, that certain men connected with the movement to get Mr. Stronach to withdraw his tender were supporters of this party, it has been proved that they were supporters of the Government Party. I do not believe that anyone approached him; I think it is purely a bogey. The Lord Mayor of Brisbane, Mr. Jones, said he did not approach him. Fortunately, or unfortunately, the chairman of this company upon whose behalf Mr. Stronach was allegedly approached, is one of the leaders of the Labour Party in this State.

The hon. member for Rockhampton stated that we had incurred huge war debts. That is correct. We incurred those debts in protecting Australia from our enemies, and we succeeded in retaining Australia for the Australians by its expenditure. The hon. member referred to the fact that the war had cost Australia £800,000,000, but the hon. member did not tell the Committee that during those years we received extraordinarily high prices for our exportable products. We received millions of pounds more than we would otherwise have obtained for our primary products. We all regret that war, in which 60,000 of our best men made the supreme sacrifice. Nothing can compensate us for the loss of those gallant men, but if we are discussing the question solely from the financial aspect, we must admit that during the war period Australia received enormous financial benefit. In that period commenced Australia's prosperity, or alleged prosperity, according to the viewpoint one adopts. Just before the war unemployment was increasing rapidly, but in the war period the prices received for our primary products increased considerably and Australia benefited to that extent, so that on the purely financial side we really gained and did not lose by the war.

The Treasurer and his colleagues claim that Queensland has turned the financial corner and that conditions are on the up grade; but that is not borne out by the following figures extracted from the Auditor-General's report—

“As compared with the year 1928-29—

Total receipts of 1933-34 decreased by £2,876,803, or 17.19 per cent.

Taxation receipts of 1933-34 decreased by £1,409,651, or 30.17 per cent.

Railway receipts of 1933-34 decreased by £1,463,400, or 19.34 per cent.

Lands receipts of 1933-34 decreased by £137,660, or 9.52 per cent.

Other receipts of 1933-34 increased by £133,908, or 4.39 per cent.”

It will be seen, therefore, that we have not yet reached financial equilibrium. A slight improvement may have taken place, but that improvement has been brought about because the Treasurer has had an enormous amount of borrowed money to spend. The hon. gentleman has been fortunate, or unfortunate, according to one's viewpoint. Some people think that extensive borrowing and spending of public money is wrong, more particularly as in that way greater difficulties are created for posterity.

Mr. W. T. KING: You are not taking into consideration the fact that the country is increasing its assets.

Mr. GODFREY MORGAN: That factor is taken into consideration, but I would

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point out this fact to the hon. member: In the first fifty years of responsible government, Queensland borrowed approximately £50,000,000, but with the advent of Labour Governments approximately £56,000,000 was borrowed in fourteen years, and no greater progress has been made during the years when the annual loan expenditure has been £4,000,000 than when only £1,000,000 was spent annually. Owing to the spendthrift policy of Labour our public debt and our interest bill have increased enormously, and the present generation are suffering as a result. That state of affairs has been brought about by reason of the fact that 50 per cent. of the money was expended on ventures which were not productive. I believe in providing money for reproductive works which will pay interest and redemption. When Governments borrow they always say the money will be expended on works of a reproductive nature; but, generally, about 50 per cent. of the money borrowed by Governments—and I do not refer to any particular Government—is spent on works that are not reproductive in any way, with the result that the reproductive ventures have to carry an extra burden of interest, and the people have to make up the balance in taxation. If money is borrowed at 4 per cent., and 50 per cent. of it only is spent on reproductive works, it means that they will have to pay 8 per cent. on the amount spent on the non-reproductive works.

The Government are spending large sums of money on works in Brisbane and other large towns in the State with the object of giving employment to those people who are out of work; but I would point out that the expenditure in those centres of population will have the effect of encouraging people to leave the country and come to the larger centres of population. We are thus creating an enormous head with little or no body to support it. The building up of Brisbane is not going to increase production in Queensland. A sum of £2,000,000 is to be spent on the construction of the Kangaroo Point Bridge; and I am sure the hon. member for Maranoa could indicate to the Treasurer works of a reproductive nature, such as water supply and ringbarking, etc., that could be carried out in his own electorate, and would provide work for 200 or 300 per cent. more men than the building of the Kangaroo Point Bridge will. Furthermore, that reproductive work would create permanent employment for a considerable number of people, whereas, when the Kangaroo Point Bridge is completed, only a few men will be needed to attend to it. We should endeavour to stimulate our national production and increase our exports as much as possible. Nobody knows better than the Treasurer that the only solution of our difficulties is to export—even at a loss—as much of our primary products as we can. And anything the Government can do to stimulate production and increase our primary products will be helpful to the State. The Kangaroo Point Bridge will allegedly benefit a certain business community on this side of the river, and by doing so it will take away trade from a business community on the other side of the river. Trade will merely flow from one section to the other. It cannot be claimed that the construction of the bridge will increase our production of wheat, meat, butter, or wool. Is it going

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to assist in increasing the production of primary products to the extent of one shilling? It is regrettable that an amount of £2,000,000 should be spent on the construction of a bridge which will probably turn out to be a white elephant, when there is work of a reproductive nature waiting to be done. If the Treasurer were to undertake the locking of our rivers, the ringbarking of our country, and other similar works which would increase primary production, he would be benefiting the State, and such works would stand as monuments to the period which he occupied on the Treasury bench. Instead, the Kangaroo Point Bridge will be always known as "Smith's White Elephant"—it cannot be described as anything else—and, as I have already explained, it is going to be a "bull elephant" at that. It is shameful that money is to be expended on such an object. I sit in this Committee as a country representative, but I live at Kangaroo Point, in the Maree electorate. If the bridge did not meet with the approval of the Treasurer to the same degree as it does, I should ask him to take a vote of the Maree electors in relation to its construction. The hon. gentleman would find the majority of electors in that area would turn the proposal down. Were the vote of the people of Brisbane taken, it would be turned down by a greater majority, and if the vote were of the people of Queensland, the project would be turned down by such an enormous majority that the Government would not dare to proceed with it.

The TREASURER: The hon. member took a vote of the railway men, and there was a majority of two to one against him.

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

Mr. DEACON (*Cunningham*) [12.38 p.m.]: To my mind the policy of the Treasurer in relation to expenditure is outrageous, and at some time in the future the State will suffer for it. His idea of overcoming a difficult position created by the depression is to spend as much as he can borrow. If such a policy were pursued in periods of depression only, there may be something to be said in its favour, but it has ever been the policy of the party represented by the Treasurer to spend all the money they can obtain, whether the times be good or bad.

At 12.39 p.m.,

The CHAIRMAN resumed the chair.

Mr. DEACON: The Government aim at expending as much as possible without any regard to whether there will be any benefit to the State, even whether there will be a return of interest on the loan. Two large projects are about to be undertaken—the Kangaroo Point Bridge and the outer harbour at Mackay. Since the bridge is the nearer, I will comment first on that. Two bridges already span the Brisbane River—Victoria Bridge and the Grey Street Bridge. At the peak period I have gone on to both structures and observed the traffic. The whole of the traffic could be accommodated by one of them, and even then that would not be overloaded.

Mr. W. T. KING: That is not correct.

Mr. DEACON: The hon. member can visit the bridges at the peak period in the morning and in the afternoon. I have been

on the bridges and have seen the space between vehicles. Never at any time was either of these bridges crowded. Never at any time is there not enough room on one bridge for all the traffic. My contention is easily proved. Hon. members have only to visit the bridges and see for themselves. All traffic to the south side of the metropolis must pass over one or other of these bridges. The best that can be hoped for is that the Kangaroo Point Bridge will carry one-fourth part of this traffic. The bulk of the traffic will not go that way. The biggest part of South Brisbane is nearer the other two bridges, and nearer the centre of Brisbane. The business part of the city is nearer the existing bridges, and that will always be the case. The Government are prepared to spend £2,000,000 on a central bridge in the hope that the small share of traffic that will pass over it will pay sufficient to meet the interest on the expenditure involved. It is a sheer waste of money.

Mr. FOLEY: You are assuming that Brisbane will stand still.

Mr. DEACON: I am speaking the truth, but if the hon. member doubts me, then let him come with me and watch the traffic on the bridges. That is the test. Let us go at the peak period. I am satisfied that hon. members opposite are convinced that the revenue that will be secured after the £2,000,000 has been expended on this structure will not be sufficient to pay interest, but they are determined to spend the money to provide employment. What will happen after the bridge has been built? There will not be a sufficient return, and the structure will be a burden on the country. There are many projects in the country that could be profitably developed. Brisbane cannot live on itself alone; it can become a great city only by the wealth of the country. It is the wealth of the country behind this city that will make it a great port and a great city, and provide work for the people who live here, and business for the people who trade here. That is the only way in which we shall restore prosperity in Brisbane, but the country behind Brisbane—the country for which Brisbane is the natural port—is not being developed. It would be far better in the interests of Brisbane to spend the £2,000,000 in developing the country than spend one cent on the bridge. The money that has already been spent is money wasted, and the more that is spent the more is wasted.

Mr. G. C. TAYLOR: The people could swim over at night and back in the morning!

Mr. DEACON: When I hear an hon. member make a stupid interjection like that, I sometimes wish that he would try to swim the Brisbane River and meet a shark; but I only feel like that sometimes. If we are going to overcome the depression, we must invest our money wisely, in projects that will give a profitable return, not in wild cat schemes like the Kangaroo Point Bridge and the Mackay outer harbour. Let us assume that the Mackay outer harbour is built, and that it pays its way. The income that will be secured will be income diverted from the Railway Department. There will be the same amount of traffic, part of which the railways carry to-day, so if the Government divert the revenue from the Railway Department to the Mackay Harbour Board, it does not necessarily follow that the

country will benefit or that any more people will be employed.

Mr. O'KEEFE: The people of Mackay will pay for it.

Mr. DEACON: They are paying for the railways to-day.

Mr. FADDEN: And for the lighterage.

Mr. DEACON: The railways are not over-loaded, either north or south of Mackay. It could carry more traffic, and it could adequately cope with any development that may take place in that district in the future.

Mr. O'KEEFE: Deal with something that you know something about.

Mr. DEACON: I know this subject. Does the hon. member claim that the railways are over-loaded? Does he claim that the goods will be removed by water when they can be removed by land just as well? The railways could cope with the traffic and provide employment for the railway employees. Nothing is to be gained by the construction of the outer harbour; the people will not be any better served. The policy of the Treasurer is described by the hon. member for Rockhampton as "a splendid gesture," but it is pretty well on the same lines as the "splendid gesture" of the old-timer out West who came into the public house with his cheque and said, "Fill them up, boys." He said that he spent his money for the good of the trade; that he let it go round, but where did that lead the old-timer to? What became of him? He had no money. The people of this State, especially the people on the land, are in that position. The old-timer spent his money, but he did not have any burden to carry. The Government are now spending money in the same lavish fashion as the old-timer, letting it go round, but who will have to bear the burden of their action? It is the people, as I said, who will have to bear the whole brunt of it. That is what I am speaking of here. I do not want to see the people I represent overburdened and sweated. They are overburdened and sweated now. They get no help from the Government. They never did receive any help that was any good from a Labour Government. Everybody on the land now has to work hard for long hours.

Mr. G. C. TAYLOR: They had to work hard twenty-five years ago.

Mr. DEACON: The hon. member has never worked hard.

Mr. G. C. TAYLOR: Yes, he did.

Mr. DEACON: Never in his life. He would not carry the present brand on his face if he had worked hard. That is how you can tell whether a man has been a worker.

Mr. G. C. TAYLOR: I should like to work alongside you for twelve months.

Mr. FADDEN: You would then be skinnier than the hon. member for Cunningham is now.

Mr. DEACON: The hon. member for Enoggera would certainly be leaner than I am. In fact, if the hon. member worked alongside me for twelve months he would be fit for his coffin.

The CHAIRMAN Order!

Mr. DEACON: That has nothing to do with the question before the Committee. The hon. member's capabilities for work

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might be believed in by himself. I hope some day that he will put them to the test.

There is one point connected with the unemployment question I wish to deal with. We have got room for workers on the land. There are farmers who want farm hands.

A GOVERNMENT MEMBER: How much per week?

Mr. DEACON: I can place boys at 10s. a week and their tucker. The hon. member needs to remember that it is his Government who are sweating the farming industry, and that industry cannot pay any higher wage for boy learners. Remember, too, that these boys are wasting their time in the city learning nothing and being paid the dole. The policy of the Government is not to encourage the boys to go out into the country. They discourage them because, as they say, the wages are only 10s. a week and their keep.

Mr. G. C. TAYLOR: You have reduced the wage by 50 per cent. on what the hon. member for Dalby offered—£1 a week.

The CHAIRMAN: Order!

Mr. DEACON: I am speaking of the beginner—the boy. He can get that and his keep. He is better off working on a farm than on the dole, but he is not encouraged to go on the farm. The Government pay him just as much if he stops at home and refuses work. There is no reduction in the dole in that case. It is disgraceful that we should have boys of that class who will not take work. They should be encouraged to do so, but hon. members opposite discourage them from going out. They prefer that they should remain in the city and get the dole.

The TREASURER: That is not true. Who encourages them?

Mr. DEACON: The Treasurer himself must have heard Government members speak just now. He must have heard them interjecting, "What wages?" That is the cry all the time—"What wages?"

The TREASURER: As a matter of fact, the chief trouble is the parents.

Mr. DEACON: The parents cannot be the chief trouble.

The TREASURER: Of course it is.

Mr. DEACON: It cannot be. The Government allow the parents the same dole. If it is the fault of the parents, why allow them the same dole if they won't allow their boys to go to work when they can get it? That is the position. The Government are paying the dole to some persons who do not want employment, and will not take it.

Mr. O'KEEFE: Why do the farmers' boys leave their homes?

Mr. DEACON: If the farmers' boys have any sense, they do not leave their homes. Some of them are being forced off the land. How is it possible for some people to continue on the land when their costs of production are greater than their returns? Life on the land is uncertain at any time, but if the farmer has undeveloped land and cannot secure finance to develop it, then his position is more uncertain. Many farmers have the land and the labour, but lack finance for necessary improvements. Without improvements, without fencing, without clearing and cultivation—without these essentials a farm cannot be productive. You cannot put a man on a block

of land and tell him to work it unless you provide facilities for working it. Far better than the spending of money on the Kangaroo Point Bridge, on the Mackay harbour works, and on works of that kind would be the lending of money to people to enable them to develop their land, and the insistence on the point that if a man wants to stop at home he shall not get the dole if work is available for him. It is time the Government grappled with the position and stopped this business of people getting the dole and refusing to work. I realise that in times like the present a large amount of money must be spent on relief, but we are wasting part of the money and not doing all the good we could with it. We can do more by developing the country. Some of the railways could be extended; money spent in that direction would be preferable to wasting it on the Kangaroo Point Bridge. An extension could be made of the railway line from Charleville to connect with the Central Railway. Further, agricultural railways could be built. Under present conditions cultivation beyond twenty miles from a railway is unpayable, because the cost of motor transport under such circumstances is prohibitive. Dairying may be carried on a further distance out, but beyond a certain point it ceases to pay, so that, if agricultural railways were built, cultivation would increase, more employment would be created, and better and more permanent advantages would accrue to the State. I could give a list of such railways, which, if constructed, would open up first-class agricultural land that is at present wholly or partly used for grazing.

The TREASURER: Where?

Mr. DEACON: If the hon. gentleman is prepared to consider anything, I can show him districts where these railways would make for development and for increased traffic on the main railways. I can show him half a dozen in my own electorate, and others elsewhere.

Mr. ANNAND (*East Toowoomba*) [2 p.m.]: During the course of his speech this morning the hon. member for Toowoomba saw fit to castigate members of the Toowoomba City Council and myself, as mayor, for some alleged wrong regarding the employment of relief men to the detriment of the employment of permanent men. I am not in possession of the exact figures in regard to the number of men employed, and as the hon. member for Toowoomba has gone home I am not able to obtain the figures quoted by him. The council of the city of Toowoomba stands for a principle, which is similar to the principle adopted by the party to which I belong. It does not feel disposed to borrow money and create excessive overdrafts at a time of depression. The hon. member for Toowoomba, I believe, deplored the fact that fewer permanent men were engaged at present by the council than was the case a few years ago. During that time there was a considerable amount of sewerage work on which a number of men were employed, some of whom were on the permanent staff. The council also utilised the services of an increased number of intermittent workers—at times that number increased to 800—and it was found necessary to buy large amounts of material. Besides the necessary tools of trade, the amount paid for the cartage of material was considerable, because it must be remembered

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that intermittent relief men were chiefly engaged on making gravel roads and foot-paths. Roughly, the carting costs of the city of Toowoomba is £2,000 per annum, which is equivalent to the pay of ten permanent employees. Insurance costs the council £350 per annum, which is equivalent to the wage of two permanent employees. Taking those two items it will be seen that the wages of twelve permanent employees have been absorbed by reason of the employment of intermittent relief workers. It may be said that difficulty could be overcome by borrowing. I desire to remind hon. members that the city of Toowoomba has kept itself out of debt, and particularly since I have had the honour of being mayor of that city; £1,000 a year has been paid into a fund for the purpose of liquidating old debts contracted by bad councils, and in eight years' time the city of Toowoomba will have about £4,000 to £5,000 more yearly by way of income to spend, and they will thus be enabled to provide permanent employment for many additional men. Nobody will be more pleased than myself when the city of Toowoomba is relieved of that debt.

The policy of the Toowoomba City Council has been endorsed by the citizens of Toowoomba. Strenuous efforts are being made by the party opposed to me in an endeavour to secure a Labour council in Toowoomba, but up to the present it has not been able to secure the election of one Labour alderman, although men of excellent calibre have often sought election in the interests of Labour, who, I am satisfied, would have carried out the duties of aldermen very successfully. It has failed because the citizens of Toowoomba endorse the financial policy of its present council. I regret that during the present strenuous time it is a difficult matter to secure the payment of rates in full, and I am not speaking boastfully when I say that our city has about one-third the amount of arrears in rates of any other city of a similar size in Queensland. That, again, speaks volumes for the handling of the finances of the city of Toowoomba. I make these remarks in the hope that anybody interested enough to read the remarks of the hon. member for Toowoomba will not come to the conclusion that Toowoomba is a city that cannot afford to function properly in the interests of the people. It has all the amenities that a city should have—sewerage, excellent light, a gas service, and many beautiful streets lined with trees. Toowoomba is embarking on a very big water conservation scheme, and, as I am reminded, we are free from mosquitoes. There is not a home in Toowoomba that needs a mosquito net. In fact, there has not been a mosquito in my own home for the last eight years. We are very proud of Toowoomba, and I do not want any misconception to arise from the remarks of the hon. member for Toowoomba.

I sincerely trust the Committee will pardon me for introducing domestic politics into this debate.

Mr. MAXWELL (*Toowong*) [2.3 p.m.]: I was rather struck by the remarks of the hon. member for Rockhampton in reply to the very excellent speech made by the hon. member for Kennedy. The hon. member for Rockhampton said, in effect, that the Labour Government never did anything bordering on the extravagant, so far as the cost of government was concerned—in other words, Labour did its best to keep expendi-

ture within limits. He gave two instances which to my mind were ridiculous. He claimed that the abolition of the Legislative Council was a saving. Such was not the case. I should be sorry to be associated with a party which, though always advocating referenda to test the wishes of the people, was not prepared to abide by the result of one. I should be ashamed to mention anything connected with the removal of the Queensland Legislative Council. It is absolutely necessary that we should have the second House. The reason for such a necessity is shown by the speed at which legislation is rushed through this Chamber by the Labour Government. The method adopted for the removal of the Upper House in Queensland was an insult to the intelligence of the people of the State. It was also most unjust and unfair. By a majority of over 60,000 the people of Queensland decided in favour of the retention of the Legislative Council. The Government decided that they would "stack" the Council with their own supporters, with whom, of course, there was an understanding. Any one who takes the trouble to read the reports in the Labour papers will come to the conclusion that the supporters of the Labour Party were appointed to the Legislative Council on the distinct understanding that when they took their seats in that august body they would vote for its abolition. Only the other day, when the debate concerned the appointment of Governors from overseas, I mentioned the fact that the late Sir Hamilton John Gool-Adams refused to agree to the wishes of a Labour Government. A Lieutenant-Governor was then appointed, and he signed the necessary documents that made it possible as the first opportunity arose to push the Upper House out of existence. I also believe there was an understanding that members of the Legislative Council would be given all the privileges of Parliament House, such as the use of the billiard and refreshment rooms, and would retain their railway passes. The hon. member for Rockhampton would lead the people to believe that a great saving was effected. The only saving was the salaries of the President of the Legislative Council and two or three of the officers associated with that body. It has been asked, "What did the Moore Government do in connection with savings?" They did a wonderfully good work from the point of view of economy.

Mr. GLEDSON: They deprived the ex-members of the Legislative Council of their railway passes.

Mr. MAXWELL: The hon. member anticipated what I was about to say. So soon as the Moore Government were returned to power, they cancelled the arrangement and cut out the railway passes. These men had been appointed for a specific purpose, and in cancelling their railway passes economy was effected. The hon. member for Rockhampton has asked where this party has effected a saving in the cost of government. When the Labour Government were returned on a former occasion they increased the salaries of hon. members to £750 per annum, but this salary was reduced to £500 per annum by the Moore Government. Did not the Moore Government decide that the travelling allowance of two guineas a day that had been paid to former Ministers was no longer to be paid? Was there not a big saving in that direction? It is all very well to claim that the people have benefited by the abolition of the Upper House. Events

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have proved that its abolition was more costly than its maintenance. The second Chamber protected the people. Have not Bills been introduced and rushed through this Chamber without adequate time being devoted to their consideration, and have not mistakes occurred that would not have occurred had there been a revising Chamber? Hon. members opposite ask why there should be a revising Chamber, but surely they realise that hon. members are elected by the people to do certain things! Hon. members have the necessary brain power to discharge that duty, but we are not all given the opportunity. Bills are rushed through in a disgraceful manner. Time and time again Labour Ministers have emphatically refused to accept any amendments emanating from this side of the Chamber. Had there been a second Chamber, the amendments would have been considered, and it would not have been necessary in subsequent sessions of Parliament to introduce amending Bills embodying the principles contained in the amendments that were so flagrantly brushed aside by the Government in an earlier session.

Two weeks after the Moore Government were returned to power they were told by the then Labour Prime Minister, Mr. Scullin, that Australia was in a serious condition. A conference of the Premiers and Treasurers of Australia was convened for the purpose of considering the position. Mr. Scullin advised them that unless some drastic action were taken Australia would default, and they were reminded that at that time the £1 was worth only 12s. The suggestion emanated from a Labour Prime Minister, yet we are told by hon. members opposite that the Moore Government reduced salaries and wages, and did other things. I do not blame Mr. Scullin. I appreciate the fact that he was faced with an impending danger, and he was left with no alternative. The Conference of Premiers and Treasurers agreed that only one course was open, and that was to adopt the plan that had been submitted for their consideration, but hon. members opposite persist here, there, and everywhere, merely for the purpose of buying political support, in telling the people that the Moore Government did certain things, forgetting that they were done to save Australia from default. What action is usually taken by a business that finds itself in financial difficulties? Must we not cut our coat according to our cloth? It is all very well to advocate that we should give something away that does not belong to us in order to buy political support, so that we may retain our positions on the Treasury benches. Thank goodness the Leader of the Opposition and his supporters told the people the truth. We are not ashamed of what we did on that occasion, and I resent the statement by hon. members opposite that the Moore Government deliberately injured the people.

The financial expert of the present Government, the hon. member for Rockhampton, delivered a lecture in this Chamber on taxation and borrowing. He undoubtedly wanted to make black white, or black no colour at all. The hon. member for Rockhampton quoted certain statements made by Mr. Lloyd George when Prime Minister of Great Britain, and it would be just as well if I were to quote some statements made in this Chamber by some of his own party. I have heard hon. members opposite say

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that a Labour Minister who holds certain views is bound to give effect to them. That being the case, I desire to bring under the notice of hon. members opposite the following remarks made in this Chamber in 1923 by Hon. W. McCormack, which are to be found in "Hansard," vol. cii., page 746:—

"Everybody knows that there is depression in Australia; but I do not think that depression can be cured by the lavish expenditure of borrowed money. I certainly will not be forced into that position."

The hon. member for Rockhampton took up the position that it was wise at this time to carry on this policy of borrow, boom, and burst.

The Treasurer is a canny Scotsman and he knows that there is only one ending to this policy of borrowing. I have heard him say that when he was sitting in opposition, but, of course, that was an entirely different position from that occupied by him to-day. I heard Mr. McCormack dealing with this question of taxation in this Chamber in 1924, and I remember him saying, as reported in "Hansard," volume cxliii., page 215—

"It is easy enough to say that we should increase taxation. It is a very popular thing to get up and say, 'Tax the other fellow,' but there is a point at which taxation becomes so heavy that instead of bettering the position it actually makes it worse for the very men you wish to benefit."

Mr. Theodore, who at the time was Premier of this State, in addressing a meeting of the Trades and Labour Council on the 44-hour week in 1923, was reported in the "Standard" as having said—

"It might be said, 'Raise enough revenue to cover the expenditure.' I would remind people who say that, that we have imposed taxation practically to the limit in Queensland at the present time."

These are opinions expressed by men who occupied distinguished positions in this Assembly. They told the people that there could only be one end to this policy of borrowing and over-taxation. We have been told repeatedly that taxation limits have been reached. Even the Treasurer admitted the other day that he was quite satisfied that the limits of taxation had been reached, but his Government persist in carrying on a policy of excessive taxation.

Hon. members opposite appear to have only one theme, and that is "Tax the other fellow." We had experience of that during the discussion on the super land tax. Hon. members opposite told us that we were only taking up the case for the big man in Queen street. That is not so. We were speaking on behalf of the people. Hon. members opposite forget that this community is dependent upon the expenditure of public money in a legitimate fashion. Business men in Queen street employ workers according to the demands of their businesses, and if they are taxed out of existence these workers are thrown out of employment. Hon. members opposite continually make the ridiculous statement that they represent the working class, but at the same time by their policy of high taxation they not only increase the cost

of living but also create more unemployment. It has been argued that the consumer bears the whole of the taxation that is imposed. There is only one answer to that argument, and that is that the commodities offered in our business houses are purchased by the people, but if that purchasing power is restricted by taxation, or wholly eliminated the people cannot buy. Excessive taxation must inevitably lead to a point when the man who has commodities to sell will go out of business and his employees, the workers, will be thrown on the industrial scrap heap. We as legislators should view the question not only from a class point of view but also from the point of view of all sections. That is what we on this side of the Committee endeavour to do. We realise that legislation which hon. members opposite say is not beneficial to the capitalist, as they term him, must eventually kill industry.

Where do the Government expect to secure the revenue necessary to carry on the affairs of State? We know how much money it is anticipated will be collected by way of taxation, and we have been told that we cannot expect too much. We are also told that prosperity is just around the corner. It is a long lane that has no turning. This must be a very long lane. I am afraid it has no turning. No one more than I wishes to get to that corner. I want to get to the stage when all those who want work will get it under a good standard of living. But that cannot be done under such conditions as are being created by the present Government.

The Bureau of Industry has constituted itself a constructing authority, and proposes to call tenders for the work associated with the water supply and flood prevention scheme. I object to that. Hon. members opposite have in the past repeatedly said that the Brisbane City Council should manage its own affairs, but here is an instance where the Government will not permit it to do so.

We remember the talk that was indulged in when the construction of a cross-river bridge at Kangaroo Point was first discussed. Members of the then Opposition, who are now on the Government side, said that the Moore Government were cowardly and unmanly to attempt to carry out such a scheme without giving the Brisbane City Council an opportunity to do so. We remember, too, that frequent references were made to the iniquity of tolls. One hon. member now sitting on the Government benches said it was a reversion to bygone days, and in unprosaic language pictured a recurrence of an incident in the life of Dick Turpin, whose memorable ride to York was somewhat impeded by a conscientious toll-keeper who insisted on the payment of a toll. But all that talk indulged in by hon. members opposite was merely for the purpose of throwing dust into the eyes of the people, as was the suggestion that the Moore Government had decided to enter into a contract with Messrs. Dorman, Long, and Company, and that the papers on the matter were ready for signature. No one knows better than the Treasurer that such a suggestion was untrue.

The TREASURER: What you say now is untrue.

Mr. MAXWELL: The hon. gentleman knows perfectly well that "The Industries Assistance Act of 1929" was passed for the

purpose of considering any proposal that came before the Bureau of Economics in an advisory capacity and not in a constitutional capacity. Now its successor is not even responsible to the representatives of the people.

Let me quote what the present Minister for Transport had to say at pages 500 and 501 of "Hansard" for 1931, when sitting in this Parliament as a member of the Opposition—

"Mr. DASH: The Bill gives the power to the owner of the undertaking to levy tolls in respect of it, which means that every working man who finds it necessary to cross the facility must pay a toll—

"Mr. Brand: Do you think this Bill will create any work?

"Mr. DASH: That is only a 'stall' with the object of getting the Bill through without opposition. No loss can come to the owner of a toll facility . . . It may happen that on one side of the river you have a town and on the other side some industrial undertaking. Workmen travelling to and from work will be required to pay a toll. That will be most expensive to workers, who in the circumstances are probably receiving only a miserable wage.

"Mr. Duffy: But they have to pay to-day.

"Mr. DASH: No; the highways and ferries are free.

"Mr. Duffy: But the tramways and ferries are not.

"Mr. DASH: We have to safeguard the position of the worker in this particular instance. . . . I do not think there is much in the claim that the income will create employment, because I do not think that much will be done under it."

I also refer hon. members opposite to the remarks of Mr. McCormack, at page 1422 of "Hansard" for 1927—

"Great undertakings like the North Shore Bridge in Sydney, the underground railway there, electric works, and things like that may provide the community with conveniences, but they do not add one iota to the wealth production of Australia."

Let me now refer to the remarks of the present Treasurer at an election meeting held in Toowoomba on the eve of the last by-election there—

"One of the most cowardly things the Moore Government had done was to reduce the allowance to State orphans by 1s. per week.

"This had been done on the plea of economy, yet the Government has established the costly and useless Bureau of Economics, and paid Mr. J. B. Brigden £2,000 a year. It has also allowed exemptions from taxation to the extent of £142,000 to wealthy landholders in the West. Labour would rectify all this if returned to power. Labour stood for the prosperity of the people. Moore stood for poverty and misery."

Did you ever hear such rubbish in all your life, Mr. Hanson? Why was Mr. Brigden removed from the Industrial Court? I will

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tell hon. members why? Because he was not wanted by the Labour Government, and I will prove the accuracy of that statement by referring to the report of an interview with the Premier, which appeared in the "Daily Standard" of 25th February, 1932, and read as follows:—

"NOT STRENGTHEN COURT.

"BRIGDEN'S APPOINTMENT DEPRECATED.

"*Forgan Smith's Comment.*

"Discussing the appointment of Mr. J. B. Brigden, Director of the Bureau of Economics and Statistics, as Conciliation Commissioner, the Leader of the Opposition (Mr. W. Forgan Smith) said that the appointment was a very doubtful one. It would not strengthen the court in any way.

"Mr. Brigden was appointed early in the Government's reign as an economist, and his advent was greeted with a great flourish of trumpets, but up to the present the bureau had apparently not been of any public benefit.

"Its activities were very largely devoted to obtaining returns from business firms which often cost them a great deal, and generally were of little or no value for public purposes when obtained."

"Mr. Brigden's association with the Government had been in the direction of finding a case for low wages, and an extension of the deflation policy which had brought about such disastrous results."

That was the reason why Mr. Brigden was removed from the Industrial Court, and the man who was campaign director for the Labour Party was appointed to fill the position at £2,000 a year. I wonder how long the people in this State will stand that kind of thing? In spite of that the hon. member for Rockhampton has temerity to talk about the savings effected by the Labour Government. Some of these days the people will wake up to the methods of hon. members opposite, and they will realise that a lot of Dr. Jekylls and Mr. Hydes are sitting on the Government benches, and that all their promises to bring sunshine and happiness into the homes of the people are not to be relied on. They promised that every man would be paid according to award rates and would not get less than the basic wage. What is the position to-day? Relief workers are in receipt of the basic wage rate for a certain number of days in the week. I cannot understand how the people fall for the promises that Labour makes to them. I cannot understand how an intelligent community can swallow the piffle that is "put over" by hon. members on the Government side.

Mr. GLEDSON (*Ipswich*) [2.33 p.m.]: Although we have been listening to speeches from hon. members opposite since early this morning no effective criticism has been offered against the methods adopted by the Government. The hon. member for Kennedy added up certain sets of figures in order to show how much had been spent by the Moore Government during their term of office out of loan money for relief purposes. He pointed out that £7,000,000 had been spent by the Moore Government during their term of office for that purpose. He then

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went on to indicate that in their three years the Labour Government would spend £15,000,000 from loan and trust funds on relief work during their term of office. That is not a discredit to the Government. It demonstrates this Government have carried out the work which they were elected to do by the people.

Certain criticism has been offered as to the methods adopted by the Government in carrying out the work of relieving unemployment; but no hon. member opposite, nor any individual outside this Chamber, can justly criticise this Government, because they have tackled every problem with which they have been faced in a statesmanlike manner, and their actions have been done publicly. The hon. member for Kennedy quoted the percentage of taxation imposed by the Labour Government, as compared with that of the Moore Government. A perusal of the report of the Auditor-General will disclose that the Moore Government brought within the ambit of direct taxation a greater number of persons than ever before in the history of Queensland.

AN OPPOSITION MEMBER: If we had double the number of taxpayers to-day the State would be better off.

Mr. GLEDSON: Not if the hon. member means doubling the number by the reduction of the exemption, but perhaps by increasing the wages and salaries of the people, and thus increasing the amount collected for revenue. The present Government are endeavouring to increase wages or at the least stabilise them to some extent, which will have the effect that people will have sufficient income out of which to pay their taxes.

The Government have also been criticised for their expenditure of loan money, and a warning is issued against its continuance. We find, however, the paradox that one member of the Opposition advocates the expenditure of additional moneys and another member of the same party deprecates such an action. The hon. member for Cunningham advocated the building of a series of railways. He wanted a line connecting Charleville with Blackall and a number of agricultural branch lines.

Mr. RUSSELL: Where was that money to come from?

Mr. GLEDSON: That is what the Government want to know. Let me remind hon. members opposite that the Nationalist Government in power prior to the advent of the first Labour Party had a policy similar to that advocated by the hon. member for Cunningham. When the Labour Government first occupied the Treasury benches they found that their predecessors had made legislative provision for the construction of railways estimated to cost £19,000,000. If the hon. member for Cunningham desires a railway built in his electorate on the same conditions as the Kangaroo Point Bridge let him tell his people and this Committee about it. If his electors want a railway constructed on those conditions they will be in a position similar to that which existed in the electorate of the hon. member for West Moreton. That hon. member is the representative of an area in which a railway line was built in order that farmers could transport their produce to market. The Moore Government, however, placed a surcharge of 3s. 6d. a ton on the produce carried over the line, and the hon.

member is concerned because the present Labour Government removed that charge in the interests of the people of the district. The Labour Government considered that the farmers served by that line should be on an equal footing with other users of our railway system.

My primary object in addressing the Committee, however, was to refer to the interest payable on our public debt, which to my mind is a most important matter to the people of Queensland. This year an amount of £4,997,000 is required to meet our interest commitments. In other words, out of every £1 raised in revenue by any means whatever, approximately 6s. 8d. has to be paid to meet our interest bill.

Mr. MOORE: You supported the borrowing of that money.

Mr. GLEDSON: I am concerned about the rate of interest and the cost of converting the loans. I am endeavouring to find out to what extent Queensland has benefited by the conversion, and just what effect it has had upon the financial position of the State. I have discovered that the cost of exchange and the cost of converting short-dated loans has practically eaten up the benefit received by way of a reduction of interest. I should like the Treasurer to see if something cannot be done to reduce the cost of conversion and exchange on these loans, or at least to minimise the detrimental effect of this cost upon our saving in interest. The saving in interest to this State following the conversion of two loans amounts to £144,976. The first loan was converted during the time of the Moore Government, in 1930, whilst the second loan was converted during the regime of the present Government. In connection with the first loan, converted in 1930, discount amounted to £113,451 and expenses to £63,709, or a total cost of £177,160. In connection with the second loan, converted on 1st June, 1934, discount amounted to £113,451 and expenses to £58,805, or a total of £172,256. The latter loan was converted in 1930 and reconverted in 1934 and the total cost of discount and expenses was £349,416, whereas the saving in interest amounted to only £144,976.

Mr. RUSSELL: Per annum.

Mr. GLEDSON: That is the position in respect of the present Budget. I realise that we shall enjoy this reduction in interest during the coming years, but I think the Treasurer could very well go into the question of the big cost of the conversion and reconversion of these loans to see if something could not be done to prevent conversion and reconversion for short periods. Queensland is in this unfortunate position, that whilst she has to continue as a sovereign State she has not complete control over the credit of the country. That is vested in the Commonwealth Government and the Loan Council, which is constituted by representatives from the States and the Commonwealth. If the Commonwealth Government were prepared to utilise the Commonwealth Bank to its fullest extent and use our credit resources for the benefit of the country many of the expenses mentioned above might be saved.

Mr. NIMMO: The people turned down that proposal emphatically at the last Federal election.

Mr. GLEDSON: I do not know what the hon. member for Oxley is talking about. I am trying to get to the bottom of something that is of very grave concern to the State. The New Zealand Government were faced with practically the same position that exists in Australia. They have tackled the subject. This year they have established what is known as the New Zealand Reserve Bank. They have utilised the bank for the raising of funds to carry on the functions of government. We are told by the Treasurer of the New Zealand Government that the establishment of this reserve bank and the utilisation of its credit have enabled interest rates on the public debt to be considerably reduced. That is one of the questions which we must tackle. The interest on our public debt absorbs a big proportion of our revenue. I trust that something will be done in the near future to reduce the rates of interest on our borrowings to rates approximating those that rule in other countries—2 and 2½ per cent. That rate is quite sufficient for the use of such money for public developmental purposes. That would in a large measure enable the Government to overcome their troubles and permit industry to function more usefully than it is to-day.

Mr. TOZER (*Gympie*) [2.50 p.m.]: Have the financial advisers of the Government ever considered for what period we can continue the present borrowing policy of the Government, and at the same time pay interest on our borrowings? Before the Labour Government assumed power in 1915 they were against a borrowing policy. They said that if the people realised the amount of interest they had to pay, they would rise en masse and oust the politicians responsible for their financial predicament. Immediately Labour assumed power, and during the whole of its fourteen years' reign, it borrowed and continued to borrow, and in this manner increased our public debt from £56,000,000 to £112,000,000. Our interest bill was growing all the time. During that period, however, the revenue was rising, too. When Labour was first returned to power in 1915, the revenue of the State was approximately £9,000,000 a year. In 1928-29, the last year that the continuous Labour Ministry held office, that revenue had increased to £16,736,188. Notwithstanding a buoyant and ever-increasing revenue, Labour did not balance its Budgets. Each year it had a deficit. When the Moore Government came into power in 1929, a severe economic depression existed throughout the financial world, and the revenue of the State fell from £16,738,188 in 1928-29 to £12,994,113 in 1931-32. The peculiar thing is that conditions then commenced to improve—not only in Queensland, but also throughout Australia. This resulted in the revenue figures increasing. During the time the present Government have been in office the revenue has increased from £13,396,644 in 1932-33 to £13,859,385 in 1933-34. The Treasurer estimates that the revenue for 1934-35 will be £14,348,335—a further increase. It will therefore be seen that the present Government have the benefit of a constantly rising revenue. Hon. members opposite have repeatedly told us about the awful deficits which existed when the Moore Government were in power. Most certainly there were deficits. There were deficits when the previous Labour Government held office, notwithstanding that the revenue increased year

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by year. A comparison of the deficits of the Moore Government and the present Government reveals the following position:—

	Moore Government.		Smith Government.
	£		£
1929-30 ..	723,184	1932-33 ..	1,554,443
1930-31 ..	842,044	1933-34 ..	1,128,530
1932-33 ..	2,075,180	1934-35 ..	1,050,000
	£3,640,408		(Estimated)
			£3,732,973

Thus, the present Government will have accumulated deficits £92,565 greater than the accumulated deficits of the Moore Government. Moreover, the estimated deficit this financial year of £1,050,000 would be considerably greater but for the following items which have assisted the Government:—

	£
Commonwealth grant	286,000
Transfer from Main Roads Fund	250,000
Additional taxation	700,000
Reduction in expenditure, interest, and exchange	400,000
	£1,636,000

But for those items the anticipated deficit of the present Government this financial year would be £2,686,000, which is in excess of the deficit of the Government that hon. members opposite were pleased to term the Phar Lap or Bradman of deficits.

How far can the Government persist in borrowing with safety? At the 30th June last the public debt of the State was £118,060,352, which was an increase for the twelve months of £3,286,497. We are nearly approaching again the same point at which the people of Queensland decided that a Labour Government should no longer continue in office and when it was essential for the Moore Government to be returned, for prior to the return of the Moore Government borrowing was proceeding at the rate of £4,000,000 per annum. The Treasurer claims that in a time of depression the right policy is to borrow and utilise money so that work may be created, because benefit will accrue from it. That sounds very nice in theory, but unfortunately many theories do not work out in practice. Will we be able to pay this huge debt of £118,060,352?

The TREASURER: Don't you realise that sinking fund provision is being made for repayment?

Mr. TOZER: But, again, that is worked out on paper.

The TREASURER: You are trying to get people to believe that no provision for repayment is being made.

Mr. TOZER: Will we be able to repay that money?

The TREASURER: Under the Financial Agreement of 1927 the debt which was then existing would be wiped out in fifty-two years, and since that time a sinking fund has been created in respect of each new loan.

Mr. TOZER: The majority of us will not be alive at that time.

The TREASURER: You are endeavouring to show that no provision is being made.

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Mr. TOZER: I am aware there is a sinking fund, but I do not think it will work out in the way the hon. gentleman thinks it will. The people who follow us in fifty years' time will find they are saddled with a tremendous public debt and they will probably blame the people of to-day for creating that debt. If the whole of the money borrowed were utilised for reproductive works it would be good business; but although the works may be considered to be reproductive at the time they are undertaken, in many cases they do not develop as was anticipated. The service charges on the Queensland public debt amount to £6,433,523, and receipts from loan works and services amount to £2,640,503. That represents an amount of taxation to be met by the taxpayer of £3,793,000. The debt, therefore, is 59 per cent. unremunerative, which means a loss of 12s. in the £1. Queensland with a population under 1,000,000 has to pay practically £1 per head for her non-interest paying debt. Are we doing the right thing in continually borrowing money?

The hon. member for Ipswich complained bitterly about the interest rate. Interest rates have been much higher, and at the present time we have the benefit of a decreased rate. According to the Auditor-General's report, the amount of interest we are paying is £4,997,637 a year. According to the remarks of hon. members opposite the Government should be in a position to borrow money for nothing and lend that money out at a certain rate of interest. How can the Government get money for nothing? If the Government adopted a policy of inflation, it would react to the detriment of the whole of the people in the State. So long as we go on borrowing money we must impose taxation to meet our added liabilities. The exchange rates have added to the cost of borrowing money overseas. Our liabilities have to be met either by borrowing more money or raising taxation. I think that at times money has been borrowed to pay the interest, and that is not of advantage to the State. And if we raise the money by way of direct taxation that is also a burden on the people.

In 1928-29 the per capita taxation was £5 4s. 9d., and at that time there was no unemployment relief tax. In 1930-31 something had to be done in order to provide for the unemployed. Judging by the remarks of hon. members opposite, particularly the hon. member for Rockhampton, one would think there were no unemployed in Queensland till the Moore Government assumed office. In 1915, the amount required for the relief of unemployment was somewhere in the vicinity of £5,000 a year.

In 1929 the expenditure had increased to £460,000 a year. If there were then no unemployed, as some hon. members would lead the Committee to believe, was the expenditure of that sum necessary? It was paid for the benefit of a certain number of unemployed, and the Moore Government inherited that number from the previous Labour Administration, in the same manner as the present Government inherited a certain number of unemployed from the Moore Government. In 1933 taxation per capita had fallen to £3 8s. 8d. The average person would say this reduction must mean an improvement. However, the decrease was not brought about by improved conditions, but owing to the diminished earnings of the

taxpayer. As compared with 1928-29 income taxation had decreased by 39.10 per cent., but unemployment relief taxation had imposed a burden of a further £2 ls. per capita on the people. The per capita taxation at 30th June of the current year was £5 9s. 8d., or 4s. 11d. more than in 1928-29. The Auditor-General's report discloses a percentage decrease in 1933-34 as compared with 1928-29—

	Per cent.
Income tax (decrease)	39.19
Land tax (decrease)	23.82
Totalisator investment tax (decrease)	13.89
Stamp duties (decrease)	17.64
Licenses (decrease)	29.76

It can be seen that taxation from all these sources showed a decrease in taxation. Transport fees are the only form of taxation which did not, and the reason is apparent. Nevertheless we are told that the financial position of the State is improving, that we have turned the corner and are now on the road to prosperity. Any hon. member who believes it is very sanguine. Certainly there may be some reduction in the number of unemployed, but a visit to the country districts will convince hon. members that the people are in no better position than in 1929-30 and 1930-31.

Prior to the last election, according to hon. members of the party opposite, Labour government and good times were synonymous terms. It was said that were the Labour Party returned to power there would be an increase in the prices of butter and all other primary products. But what has been the result? Butter is at a lower price than previously, and none of the primary products has increased in price as a result of Labour Administration. A considerable amount of money is being expended on relief work, and unfortunately some of the work is not of a reproductive nature. Let me give as an instance the Beerburum tobacco farm—

	£
Expenditure to date	28,328
Thirty-seven settlers remain out of 102	
Total leaf produced and sold ...	444

That settlement more or less falls within the category of a State enterprise. The financial return was so poor that had a private individual or a company endeavoured to carry on in similar circumstances they would have been declared bankrupt, and they would have been faced with serious trouble before a bankruptcy judge, who would have dealt with them for trading at a time when they were making such tremendous losses.

The St. Lucia training farm for boys, a good idea on paper, and perhaps a first-class venture, has already cost £5,966, and a further sum of £1,000 has been placed on the Estimates this year to carry on its work. In all 114 boys have been placed in employment from that school. One would naturally expect a training farm of this description to be a paying proposition, instead of having to be conducted at a loss all the time.

Hon. members opposite have pointed out that these large sums of money are being expended to provide employment, and thereby increase the purchasing power of the people, but I feel that the money could

have been expended on more profitable undertakings. As an investor I suggest that it would have been preferable to expend some of the money on dewatering the Gympie goldfield. This field could then give employment to a larger body of men than will be employed on the Mackay harbour project or on the construction of the Kangaroo Point Bridge, and, what is more, the returns would come in more quickly, and they would be more certain. A certain amount of gold is left throughout the field, but the mines are full of water, and they cannot be worked until they have been dewatered. Presumably the Bureau of Industry has considered various schemes on behalf of the Government, but whether it has considered a scheme for dewatering the Gympie field I am unable to say. If the field were dewatered revenue would be available to the Government in the form of rent, and treatment plants that are available fairly cheaply could be installed. However, that has not been done, although private enterprise, which is not approved of by the Government, and is disparaged by hon. members opposite at every opportunity, is doing a certain amount of work there at the present time. The northern end of the field will prove successful.

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

Mr. G. C. TAYLOR (*Enoggera*) [3.15 p.m.]: The Government have submitted a very democratic measure, indeed, in moving this vote to provide funds to carry on the essential services of government and to make provision for the unfortunate workers who are unable to obtain employment from private enterprise. The proposed measure is so democratic that hon. members opposite have again found it necessary to belabour their own joss—private enterprise. They have made heavy weather in this debate, and without exception have gone aground on the same shoals on which they have been wrecked whenever they have attempted to debate a matter of this kind. The hon. member for West Moreton endeavoured to make a comparison between the Labour-governed State of Queensland and that of New South Wales, which is controlled by the leading genius of Nationalism, Mr. Stevens. He claimed that New South Wales was making a wonderful recovery without the aid of borrowed money, and that the number of unemployed in that State had been reduced to an infinitesimal number, whilst Queensland was compelled to carry a large number of unfortunate individuals who could get neither work nor wages. I have gone to the trouble to look up an industrial gazette for June this year, wherein it is set out that up to 31st May last the New South Wales Government had 60,644 workers employed on their wonderful emergency relief schemes, schemes that cannot be compared with the relief schemes in this State with credit to the neighbouring State.

Mr. NIMMO: They are being absorbed by private enterprise in New South Wales.

Mr. G. C. TAYLOR: When a man is engaged for three weeks on the emergency relief schemes in New South Wales, he is considered as being off the unemployment market and he is refused the right to continue as a registered unemployed. In Queensland a man engaged on relief work is allowed

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to register every week and continue to be regarded as unemployed. That is the difference. That shows that New South Wales, in the true sense of the term, has 60,644 men unemployed, to whom the State is giving emergency relief, and in addition the number registered as unemployed not engaged on relief or any other class of work on the 31st May was 11,490, making the total of acknowledged registrations in that State 72,134. If we add to those figures the number of unemployed females who do not have any opportunity in New South Wales of getting relief by registering, the total would be considerably over 100,000. That is a wonderful achievement of a Tory-governed State, which the hon. member for West Moreton tried to compare with this State. To-day Queensland has something like 26,000 unemployed—just a shade under half the number existing on 30th June, 1932.

This resolution discloses increased expenditure in governmental activities, and is to be commended because it has for its object the creation of humane work at a time when a Government should spend to the utmost capacity of its power. It is useless for members of the Opposition to decry the Government because they have increased expenditure by their loan programme. The hon. member for Cunningham, that Shakespearean Cassius, outlined to the Treasurer his ideal of increasing land settlement in certain areas that he knew so well. He said he would build railways to them and put the unemployed on the land, but he did not tell us what he would do with the produce obtained from the land, whether the new settlers would simply eat what they could and then destroy the surplus or not. I have heard the same hon. member declare that the price levels of primary produce were low and the markets were glutted. To-day he is endeavouring to flood the market still further by asking the Government to accept his suggestions. The party which governs in Victoria to-day, which represent the Nationalist interests to which the hon. member for Cunningham owes allegiance, has introduced legislation which will interfere with the building of butter factories because of the present chaotic condition of production. It is a well-known fact that a system of planned economy is being forced upon the most ardent supporters of private enterprise and free competition. In spite of the fact that the Government have endeavoured from the inception of their office to make that one of the main factors of their legislation, they have been severely criticised by members of the Opposition. Land settlement must be proceeded with to-day along lines of a sound economy that will show individuals settled on the land how to obtain the desired results of maintaining themselves and their families, and then getting rid of the surplus production at a price that will not in any way deteriorate present price levels. Everybody must recognise that price levels for primary produce must rise if an impetus is to be given to private industry.

Mr. MOORE: Don't you think the prices to-day are normal?

Mr. G. C. TAYLOR: No.

Mr. MOORE: We had them for twenty years before the war.

Mr. G. C. TAYLOR: The Leader of the Opposition talks about twenty years before the war. Naturally the hon. gentleman still lives in that old psychology that is not only

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twenty years before the war but probably fifty years before his time. It has been handed down to him from his progenitors and is part and parcel of his make up. Price levels to-day cannot be compared with those that operated before the war, when the wages question is considered.

Mr. MOORE: Of course they can't, but that does not say that prices are going to rise?

Mr. G. C. TAYLOR: The only solution of the present position, from the primary producers' point of view, is to get an increased price—that is, if the arguments of the Opposition are to be taken into account that we are to settle a large number of people on the land in order to clear the cities of the people who hon. members opposite say are a menace to the country. The only way to get the price level at anything like a decent point is to increase the wage of the industrial class employed in secondary industries.

Mr. MOORE: You put the cart before the horse.

Mr. G. C. TAYLOR: I am not putting the cart before the horse, because, unless employment can be given at a decent wage level, it cannot be expected that there will be purchasing power commensurate with the supply of primary products.

On the question of loan money, the hon. member for Gympie endeavoured to draw the proverbial red herring across the trail by insinuating that Government after Government, and particularly the Labour Government, persist in borrowing money without ever thinking of making provision for repayment. It was only when an interjection from the Treasurer brought him to his senses that the hon. member for Gympie realised that the debt funded on 1st July, 1927, carries with it a sinking fund repayment of 7s. 6d. per cent. per annum that will liquidate it in fifty-eight years, 5s. of that being paid by the State and 2s. 6d. by the Commonwealth. In addition, the debts incurred since that date carry a sinking fund provision of 10s. per cent. per annum, partly contributed by the State and partly by the Commonwealth.

Mr. MOORE: We are paying the sinking fund out of deficits.

Mr. G. C. TAYLOR: Hon. members opposite endeavour to make out that Labour Governments borrow money without any regard as to repayment. To listen to these hon. members one would think that we took the money and poured it down the proverbial sink and did not put it into circulation. Surely they realise that every £1 that any Government spend in payment to public servants, to assist the man on the land, or to assist those unfortunately out of employment, goes into circulation and helps to assist in the wealth production that makes payments to the sinking fund possible. After all, there is not a country in the world that has not adopted a system of borrowing money in order to tide itself over a period of depression. The Government of the United States of America had to lend to the people of the United States no less a sum than 200,000,000 dollars. The Government in that country have had to come to their assistance by means of the Reconstruction Finance Corporation, which is a form of bank backed by the Government to assist farmers who were walking off their farms in thousands. Because we in this country are giving men

on the land rations where necessary, and because we are providing local authorities with money to carry on road construction and other improvement works, we are criticised by hon. members opposite. Undoubtedly Parliaments to-day are coming to a pretty pass.

That brings me to the statement of the hon. member for Toowong, who moaned and groaned for ten minutes because the Upper House had not been left alone to put a brake, as he termed it, upon the legislation of this Chamber. The hon. member believes in duplication of the political machine, and he believes also that at all costs the representatives of the people in this Parliament shall have a brake put upon their legislative activities. Why does he believe in that? Because he believes that under the system by which Legislative Councils are constituted they would in nine cases out of ten represent the views of his party.

The hon. member for Gympie introduced the St. Lucia training farm for boys. I visited that institution, and in spite of the insinuations by the hon. member for Cunningham—

Mr. MOORE: You visited Beerburum too.

Mr. G. C. TAYLOR: I have visited practically every farming institution in the State. If the St. Lucia training farm succeeded in equipping only 100 boys with primary knowledge of land requirements and placing them on farms, it would have justified itself. The hon. member for Cunningham made a great noise about the fact that there were no boys to go on the land. Another hon. member opposite criticised the Government because St. Lucia training farm has provided only 110 boys with sufficient knowledge to take up farm work. It would be better for this and for every other community in Australia if more boys could be placed on the land even at the rates quoted by the hon. member for Cunningham of 10s. a week for a start. Unfortunately, there are a few instances of farmers who have not dealt fairly with the boys in regard to conditions and payment, and the result of those unfortunate occurrences is that other boys are reluctant to go on farms. Since I have been a member of this Chamber I have placed three or four lads on farms, and they are quite satisfied and are doing well. They started on a wage of 10s. a week, and are now receiving £1.

Another matter I desire to refer to is the question of the betting tax. I consider that tax is an infliction on the sporting public of this State and should be abolished. The racing game—or shall we call it an industry, because, after all, hundreds of thousands of pounds have been sunk in it—is in a parlous condition owing to the fact that there exists in this and every other State an infamous system of shop betting. By this means people make bets who would otherwise go to the racecourse to do so, and by going to the racecourse they would be helping to provide the amount of money necessary to enable the racing clubs to provide good stakes, which would be of advantage to the owners and trainers of horses. By this means the business would expand, and the farmer would derive a benefit by reason of the greater demand for his fodder products. In my opinion, the Government will sooner or later have to make every

endeavour to eradicate the system of shop betting. It is also necessary to make an alteration in the law relating to the betting tax. I consider that a tax at the outer gate, paid by each individual who enters the course, would compensate the Government for any loss caused by the abolition of the present iniquitous form of betting taxation. The system of shop betting is a menace to the community, and the sooner it is abolished the better.

Mr. NIMMO (*Oxley*) [3.35 p.m.]: After listening to the hon. member who has just resumed his seat, one can quite understand why boys are not eager to go on the land. He speaks of the St. Lucia training farm as being a wonderful place for the training of boys; and I notice a publicity officer from the department has been sent up to Maryborough and other country centres in order to endeavour to induce boys to become students there. I have always contended, and I still contend, that it is not wise to attempt to train boys for country work in proximity to the city. There have been instances where boys have gone from the St. Lucia training farm to the country and returned shortly afterwards because they could not stand the country life. In spite of that experience the Government still attempt to bring boys from the country to a place where they will be introduced to the ways of city life. Hon. members on the Government side have always criticised the farmers, and they have always ridiculed the idea of a boy going out to a farm where he would only get 10s. a week for a start. Hon. members opposite have always given the impression that farmers treated boys badly. I say definitely that Government members are responsible for that dearth of city boys going to the country.

At 3.36 p.m.,

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

Mr. NIMMO: This morning the hon. member for Warrego, in referring to that much discussed matter, the Mackay harbour, referred to certain questions which I had asked in the House. They were asked in the ordinary course of parliamentary procedure, and were not given to me by Mr. Harding Frew or Mr. Mocatta, the gentlemen whose names the hon. member brought into the discussion. Both live in my electorate, and are very honourable men, although, apparently, the hon. member is trying to drag them into an association with this company. I understand, even from the hon. member's own remarks, that one is acting as solicitor and the other as consulting engineer, and that Jones and Byrne, who apparently are the prime movers in the company, asked these gentlemen simply to help in the formation of the company. I suppose Mr. Mocatta was employed in a professional capacity. At any rate, I honestly say that these gentlemen never approached me with regard to the questions I asked. Mr. Harding Frew is held in very high esteem in the professional world of Queensland. He is a man whose works have been carried out faithfully and well. I deprecate names of that kind being associated with underhand practices. As to my questions having harassed Mr. Stronach in getting his finance or being a stumbling block to

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him, I can say emphatically that any such statement is an untruth. According to the papers which were tabled in connection with this matter, the report given by Mr. Bridgen to the Premier is dated 3rd October. My questions were asked on 27th September, Mr. Bridgen would not telegraph for information and have everything ready in two or three days subsequent to the date of the asking of the questions. The report of Mr. Bridgen took some time to prepare, and I say definitely it was prepared before I asked my questions in the House.

The TREASURER: There is an interval of seven days.

Mr. NIMMO: 27th September to 3rd October, that is only six days. However, I will give the hon. gentleman the other day in. In seven days it would be utterly impossible for a person to prepare a statement of that kind. From information I have I understand the matter of finance had been gone into some considerable time previously. The incident is only an attempt to make capital really out of nothing. I consider the less said about the contract the better from the Government's point of view. As a matter of fact, I asked the questions in order to secure information. To-day the hon. member for Warrego is making a big noise about it. The possibility is that he has been left out for some reason or other. He is not in the swim!

Mr. GAIR: Why didn't you say that while he was here?

The CHAIRMAN: Order!

The TREASURER: Who do you say is in the swim?

Mr. NIMMO: I am saying that the Mackay project is a matter which has been discussed very fully in this Chamber. I personally think that the hon. member for Warrego has made a great noise for some reason which it is very hard for this Chamber to understand.

To return to the discussion on the vote before the Committee. A sum of £3,850,000 has been asked for. I am not at all satisfied with the way in which Queensland's affairs are drifting. I appeal to the Government to do more for boys leaving school and starting out in life. Up to the present practically nothing has been done for them. I am sorry to say that only certain relief work has been provided, but that relief work is only of a temporary nature. No industries are being built up in the State. Those that exist are gradually dwindling. The Government are carrying out their ever-vigorous policy of borrowing and increasing taxation. The boot and shoe industry of the State is gradually vanishing.

A few years ago it was the practice of the retailers to buy woollen piece goods to be manufactured into garments in this State, but that policy has changed and the retailers in this city now purchase ready-made garments from the South. This means that materials have to be purchased in this State, forwarded to Southern manufacturers, and the ready-made garments returned to Queensland. This change in policy on the part of the retailers is due to the fact that sufficient encouragement has not been given to secondary industries in this State, and this in turn means that there are insufficient opportunities for boys to learn a trade. The boys in this State must remain labourers, and when prosperity returns once

again it will be found necessary to import tradesmen to carry on the work of factories, and our native-born boys will be without a trade. If the Government are not prepared to assist these boys to qualify as tradesmen it will become the duty of every citizen to actively associate himself with a movement for the registration of the boys with a view to evolving a well-ordered scheme under which they can secure employment. An agitation should undoubtedly be set afoot in this direction.

The Government who are now asking for the huge sum of £3,850,000 are prepared to embark upon wild cat projects like the Kangaroo Point Bridge and the Mackay outer harbour. The Kangaroo Point Bridge will be conveniently used to provide labouring work in the construction of the foundations of the bridge immediately before the elections, but so soon as the elections are over it will be necessary to import experts from the South to swing in the heavy girders and generally carry out the more skilful parts of the work. The Government are doing a very great wrong in spending this money when it is well known that the whole of the work will not be done by our own workers. A considerable amount of money has been expended up to date in preparing plans and specifications, and a gentleman has been appointed at £60 a week to supervise the work. The whole thing is an absolute waste of money. The bridge is not needed and no one has asked for it. The existing bridges are not taxed to their full capacity. Another bridge will be opened towards the end of this year, and so the Kangaroo Point Bridge is definitely not required. I cannot see why the Government are determined to push on with the central bridge. If money is available it would be far better to spend it on the construction of a railway line from Charleville to Blackall. It may not be a payable proposition, but it would be infinitely better than a wild cat scheme like the Kangaroo Point Bridge.

I read with astonishment in the report of the Auditor-General that a very small amount of money has been expended by the Irrigation and Water Supply Department. The Government are prepared to embark upon huge undertakings involving millions of pounds, but they are content to spend very small sums of money through the Irrigation and Water Supply Department. The city people do not require the bridge. Go into any suburb of the city of Brisbane, discuss the matter, and you will learn that the people agree that the bridge is not required. It distinctly shows that the bridge is being forced upon the people. It is also proposed to spend a huge sum of money in construction of an artificial harbour despite the fact that Providence has endowed this country with a number of natural harbours. One of the serious drawbacks of this country is that our rivers do not carry an adequate depth of water for any length of time. The coastal country is blessed with a bounteous rainfall, but most of it falls during a few months of the year.

Any Government who financially starve an irrigation department are pursuing a wrong policy. We should embark on a policy of locking our rivers and creeks to provide a well-watered country. Many men engage in farming projects who eventually have to desert them through lack of water facilities. According to the report of the Auditor-General we have a department with highly

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paid officials, but the amount of money appropriated for it to spend is very small. The amount expended on irrigation from loan funds in 1933-34 was only £21,439, and from consolidated revenue £15,882, making a total of £37,321. This should be the most vigorous department in the whole State. I lodge my personal protest against a large expenditure from loan funds on wild-cat schemes at a time when genuine projects, such as water conservation, which would add to the wealth and productivity of the country are crying out for attention.

The report of the Auditor-General discloses also that the stores at certain soldier settlements, which were sold by the Government some two years ago and discussed last year (when it was disclosed that £10,000 worth of goods and buildings were sold for £4,000 on a 5 per cent. deposit) are only credited with the payment of £176 on the purchase price, and that £3,623 is still owing on the deal. It is safe to conjecture that most of the groceries have already been sold, and that the security has greatly diminished. The fact remains that there is still a debit on that transaction of £3,623.

I also notice in the report of the Auditor-General that workers' homes operations show arrears amounting to £102,582, and that the reserve fund against the general expenditure on these homes is only £10,973. The small amount of reserve shows the wonderful financing of the Government in this connection. Greater provision should be made for losses in expenditure of such magnitude.

The hon. member for Enoggera made some very startling statements in connection with unemployment. He endeavoured to ridicule the relief scheme adopted by the New South Wales Government by stating that only 60,000 men were employed under it. That Government have gone in for a policy of encouraging and building up industry; consequently all men being absorbed from the ranks of the registered unemployed are being permanently employed. The Government in this State cannot say that they have absorbed one man permanently. It is true that they have placed a number of men on relief work, but the men engaged on loan projects know that as soon as the loan money is exhausted their job is finished, and unless the Government can secure further loan money they will be without work. These men, who have wives and families to support, have no security of employment. The hon. member for Enoggera said that there were about 26,000 unemployed in Queensland. He appeared to brush this serious matter aside quite lightly, and endeavoured to console himself by saying that during the regime of the Moore Government the number was just double. These statements are exaggerations, because, according to the official figures, at no time during the regime of the Moore Government was there a greater number of unemployed than 38,000.

Mr. G. C. TAYLOR: You did not have them all registered.

Mr. NIMMO: These figures are doubtful figures, because the source of information from which they were compiled show that this number was arrived at by mere guesswork. Now, 26,000 is a very large number of unemployed for the Government to admit, no hon. member should obtain any pleasure by glorying in that fact, and at the same time declare that his Government have ended the depression and that we are

now emerging into a period of prosperity. I consider that the present Government's handling of the unemployed problem has been cruel in the extreme, for they have actually mortgaged the homes of the people in order to try to provide temporary work for the unemployed, not worrying as to what the future may bring forth.

We have hon. members opposite saying that they are anxious to benefit the working men, but when one gets the opinions of men in all walks of life one wonders to what extent these hon. members are sincere, especially in view of the decline in wool prices and the high level of borrowing. The Auditor-General tells us that the gross public debt of the State at the 30th June last amounted to £118,060,352, and that in addition the State has incurred a contingent liability of £11,473,782 on account of loans and bank overdrafts which local authorities and other local bodies were authorised to arrange under the Treasurer's guarantee given under the authority of "The Local Bodies Loans Guarantee Act of 1923," also guarantees given for private companies and individuals. We are on the danger line; we cannot go further. Some members on the Government side say that if the price of wool does not improve Queensland will not be able to pay her way. Dangers and rocks are ahead, and when the crisis comes it is the working people who will suffer. For that reason I consider that the Government's handling of the unemployed position in this State is wrong.

The Moore Government held office at a time when world-wide conditions were bad. As a matter of fact, present occupants of the Treasury benches said they were glad that the Moore Government held office during that period, as Labour would have had to do the same thing if in power. (Government dissent.) I have discussed the matter with a number of members of the Government Party, and I have been told, "Your people were unlucky to get in during that period."

THE SECRETARY FOR PUBLIC LANDS: Rubbish!

Mr. NIMMO: The Secretary for Public Lands knows that is so, just as he knows that every action of the Moore Government was dictated by the necessity to do the best thing possible in the interests of this State. The Treasurer has taken advantage of every saving effected by the Moore Government. One or two little items have been altered for political window dressing purposes, but the majority of the savings effected under necessity by the Moore Government are still being practised. Now the public servants are being told that, instead of getting back their salary reductions, they may go to the Industrial Court and get whatever the court likes to give them. Members of the Government have had a fairly good time out of it because of their huge borrowing, but the working men and public servants of the State have had no advantage from the change of Government.

Another point with which I wish to deal is this cursed preference to unionists, which is being forced down the throats of every wage-earner. A poll tax has been placed on every wage-earner in the State. No one is allowed to work in Queensland unless he pays a poll tax. If the workers are prepared to put up with that sort of thing, then I can only say they have a very poor spirit

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After talking to many people I know they are not going to tolerate the slavery that is being forced upon them by the present Government. The Treasurer may shelter behind the fact that the court makes certain awards; but the Government appointed that court, and the court is well and truly temperamentally fitted to grant all those privileges which the Government want it to grant. We know the latest appointment on the court was that of the Labour campaign director at the last election. His appointment was some reward. Moreover, he was prepared to carry out everything which the Government required him to do.

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

The SECRETARY FOR PUBLIC INSTRUCTION: I rise to a point of order. The hon. member for Oxley made statements which were a reflection on the judges of the Industrial Court. It is against the Standing Orders to do so.

The TEMPORARY CHAIRMAN: The hon. member for Oxley is not entitled to reflect upon the members of the Industrial Court.

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [4.1 p.m.]: I have listened to hon. members who have spoken in this debate. They dealt with a variety of subjects, relevant and irrelevant—taxation, preference to unionists, bimetalism, and quite a number of other things—according to the point of view of the respective speaker. The hon. member for Kennedy led the debate for his side, and dealt with taxation, the incidence of taxation, and the average of taxation to national income. When dealing with taxation the hon. member omitted to put forward any constructive suggestion. It is perfectly easy for the hon. member to gloat over millions and grovel over three-penny bits; but, at the same time, when he argues in favour of reduced taxation, it is relevant to ask what form of expenditure he would wipe out in order that this might be done? It is quite obvious that if taxation is to be reduced it can be reduced only by omitting certain expenditure that is in the Budget to-day. Does he propose that education should be wiped out? We know that £1,250,000 is charged against the revenue for this service.

Mr. MOORE: Why didn't you say "State Children"?

The TREASURER: We know that his Government reduced both educational conditions and the allowance given to wards of the State. Be that as it is, the fact remains that taxation cannot be reduced unless costs are reduced, and that involves either a reduction of wages and salaries or a reduction of some form of Government services. Hon. members desire to obtain advantage from a debate of this kind; but I say very definitely that, regarding the State as an economic unit, the methods adopted in the Budget are the best that can be adopted under the circumstances. If wages were reduced spending power would become less, and the alleged benefits of a reduced wage would be applied only to one section of the community in the form of reduced taxation. I do not believe that that would be an equitable thing to do. If we followed the example of the New South Wales Government that has been quoted, then taxa-

tion could be reduced by means of a percentage reduction in the general wages paid to Crown employees. That obviously would only be a transfer of the incidence of taxation. It would be merely imposing a charge on one section of the community with a view to giving relief to another section. If that is not the proposal of hon. members, one cannot assume that anything else is in their minds. Taxation is not levied, as I have said on former occasions, merely for the fun of the thing. Taxation is levied in order to meet the varied public charges that rest on the Government, and the method that has been adopted is, in my opinion, the method that gives the best result to the greatest number of people in the State.

The taxation to which hon. members have referred, it must be remembered, was increased by the Moore Government. We know that the Government of which the hon. member for Kennedy was a supporter reduced the taxation exemption to £150, and thereby brought approximately 18,000 people within the ambit of taxation who were not taxed before. It is true that we increased taxation, but that increase did not apply to anyone whose income was £250 a year or less.

At 4.5 p.m.,

The CHAIRMAN resumed the chair.

The TREASURER: The following table will disclose the position relating to a man with a wife and three children, often referred to as the basic wage family:—

Income.		Taxation.	
£		£	s. d.
403	... ..	1	0 0
500	... ..	2	13 9
600	... ..	6	15 7
700	... ..	16	3 4
800	... ..	29	1 5
900	... ..	51	13 10
1,000	... ..	76	10 0

Taxation is paid on the basis of income and capacity to pay. Having regard to the figures I have given one sees how much the individual has to live upon after he has been taxed. No one can gainsay and no amount of special pleading can obliterate from the public mind the fact that the Moore Government gathered into the arena of taxation for the first time 18,000 to 20,000 people who were receiving a very low income.

Mr. RUSSELL: That still exists.

The TREASURER: In addition they imposed unemployed relief tax without any exemption at all. That taxation bears most severely on the people at the present time. I said during the course of the Budget debate, and I repeat now, that the first remission of taxation should be in the form of relief to people with low incomes, and that the unemployment relief taxation is the taxation that should be first reduced. And that will be done. The hon. member for Hamilton has interjected that the same statutory income tax exemption still exists. Of course it does. We all know that it is easier to destroy than to construct. The State has not yet completely recovered from the destructive policy of the Moore Government, but it is recovering very rapidly. The time is not far distant when reduction in taxation, particularly on the lower incomes, will be a possibility.

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Hon. members opposite persist in stating that conditions are not improving. Were any one to give credence to the speeches made by men like the hon. member for Oxley he would never invest money in Queensland, and anyone who had any liquid assets in the State would speedily remove them. What are the facts? One needs only to quote from the reports of the annual meetings of certain companies. Take, for example, McWhirters Limited, as reported in the "Courier-Mail" of the 8th instant—

"At the annual meeting the chairman drew attention to statistical reports compiled by the Bureau of Industry showing that for the past twelve months twelve reporting retail firms' sales were 103.5 per cent. of those for the preceding year, and 82.1 per cent. of sales for the base period, which was the average of the years 1927-28 and 1928-29. . . ."

The report continues—

"Owing to an improvement in the spending power of the public, trading conditions were much less strenuous than for some years past, and with the promise in the near future of a considerable reduction in the number of unemployed, and the maintenance of reasonable prices for Queensland primary products, the directors hope that the company will continue the upward trend during the current year. . . ."

Again, let me quote from the "Courier-Mail," but of the 6th instant, reporting the 29th annual meeting of the shareholders of Pike Brothers, Limited. Mr. E. D. Pike, governing director, said—

"He thought it was particularly gratifying that the turnover had shown such a considerable increase. . . ."

He also expressed the view that—

"Although times were still difficult, and the problems and difficulties had not disappeared, he thought that the future could be regarded with greater optimism. . . ."

Mr. G. H. Cowdry, managing director of Pike Brothers, referred to the fact that—

"... at the moment we were employing a considerably larger number of hands now than we were twelve months ago. . . ."

One could quote from the balance-sheets of numerous companies to show the general upward trend that is taking place. We are not completely out of the wood, but there can be no doubt that all the evidence points to an increase in employment, an increased spending power, and greater turnover in general business than has been the case for many years past.

We need only take the business index as recorded by the Bureau of Industry. The Queensland business index for the three months ended August, 1934, showed the figure of 91.8 compared with 88.6 in 1930, and 83.6 in 1932, when the Government took office. There is, therefore, a considerable improvement in the position.

With regard to employment and unemployment, the same report shows the following figures:—

For the three months ended August, 1934—85.8 employed and 14.2 unemployed.

Compared with August, 1932—77.8 employed and 22.2 unemployed.

There is the further fact that there are more people employed in Queensland to-day than at any previous period in the history of the State.

Further evidence is contained in the Savings Bank returns for Queensland. The Savings Bank is controlled by the Commonwealth banking authorities, and under an agreement the Queensland Government participate in the profits of that institution, and also in any surplus available for investment by the bank. For the last three months the net increase in deposits over withdrawals has been no less a sum than £500,000, showing a greater recovery in this State than in any other State, and showing a greater increase in deposits for a quarter of the year than at any period during the past ten years. That of itself indicates that money is being earned, and in order that more money may be earned increased employment must be available. All the evidence that I have quoted in that direction indicates that the policy of the Government is entirely justified, and that we are aiding the industrial and business sections of the community to improve their general conditions.

Reference has been made by certain hon. members opposite, particularly the hon. member for Murilla and the hon. member for Oxley to the Mackay harbour scheme. It is not necessary for me to enter into the merits or demerits of that scheme at the present time, because the arguments in favour of the scheme were presented during the second reading stage of the Bill and they can withstand any criticism either inside or outside this Chamber. The facts of the position were given without reserve. The case was presented not only by the Government but also by the hon. member for Kennedy, who thoroughly understands the position, because he has had an opportunity to investigate it, the industry to do it, and the intelligence to understand the results of his investigation. I desire to refer more particularly to the contract that has been let by the Mackay Harbour Board. The Government have at all times been perfectly frank in this matter. We have nothing to hide in regard to a contract let by the Mackay Harbour Board, or by any other institution, nor is any member of the Government interested in any of the companies concerned. Full details concerning that contract were given in this Chamber during the second reading and Committee stages of the Bill. They have been published and the people concerned know the facts. Nothing that can be said by hon. members opposite or by anybody else can alter the facts as they stand. I merely wish to draw attention to the misconceptions that exist on the part of certain individuals as an illustration of how the facts are at present being misconstrued. I do not associate myself with any statements that may be made in regard to graft or anything else in reference thereto other than to say that if evidence of a conspiracy to defraud is forthcoming, the Government will set the law in motion and deal with it. The main safeguard in regard to this matter is that no Treasurer with any capacity could agree—where one tender had been withdrawn—to accept the next highest tender where such a large sum of money was involved. Had the lowest tender been withdrawn either fresh tenders would have been called or the

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contract would have been divided into three sections. I am satisfied that in consenting to a variation of the conditions the board has done the right thing, and probably the best thing in the interests of the ratepayers. I wish to quote from a letter from Mr. Mocatta in reference to this variation of contract. The letter, which appeared in the "Courier-Mail" yesterday, was written to the Government on behalf of one of the tenderers, and I understand that it was also published in the "Telegraph." The relevant portions of that letter state—

"The position with regard to wages on this contract is that at present there is no award in existence governing this work."

Further on it states—

"The board, however, we are given to understand, has provisionally agreed to pay the lowest tenderer all increases in wages which he might have to pay over and above the present basic wage ruling in Mackay."

That statement is entirely wrong. The tender of the successful contractor is based on existing awards. Awards of the Queensland Industrial Court cover all classes of work that may be done on this job. As a matter of fact, I can give the titles of the awards that obviously apply. They are: The Bridge, Pier, and Wharf Construction award; the Quarrymen's award; the Shore Engine Drivers' award; Buildings Trades award; Railway Construction Workers' award, Electrical Engineers' Award; Mechanical Engineers' award, and the Carters' award. That disposes of the argument that is used that a variation has been made in the conditions which may increase the cost very considerably. Mr. Mocatta is entirely wrong in assuming that the successful tender was based on the existing basic wage, and he was also entirely wrong in assuming that existing awards did not apply. The contractor is bound by existing awards, such as those I have just quoted. There is nothing to be gained by pursuing that matter further. The conditions surrounding the whole matter have been such that the Mackay Harbour Board was justified in varying the contract, and the Government were also justified in agreeing to that variation. Under ordinary circumstances, it would not have been done, but I am satisfied that the circumstances were such as to indicate that the board's judgment in this matter was sound and was dictated entirely in the public interests, and in the interests of its ratepayers. The Government have been entirely frank with the general public in this matter, because all details have been disclosed. So soon as the matter was raised yesterday the relevant papers were made available to the Leader of the Opposition, or any member of his party who cared to look into them.

The hon. member for Ipswich made reference to the reduction in interest rates. The savings in interest to this State during the present financial year amount to £136,000. The figures the hon. member quoted included exchange. The smallness of that amount is due to the fact that Queensland has not participated in the reduced rates of interest to the extent the other States have done. You will remember, Mr. Hanson, that during the period of the Moore Government, when deficits were greater than they are to-day, the method of financing deficits by Treasury bills was resorted to by the Governments

of States other than Queensland. Since then the interest charges on Treasury bills have been considerably reduced; consequently the revenue deficits of that period are costing those States less to-day than the revenue deficits of the Moore Government, which were carried by the Loan Fund Account. The interest rate on those Treasury bills has been reduced from over 4 per cent. to 2 per cent. I, personally, am urging a further reduction, Queensland and the Loan Council generally have been active in a policy reducing interest rates, and everything should be done in order to secure that desirable end. In addition to Treasury bills, Queensland has participated only in those loans where the public debt was affected. New South Wales, Victoria, and South Australia have received the chief advantage, simply because of the fact that they had maturities during the period, and Queensland did not. We have no early maturities involved, and consequently cannot go on the market at anything like an early date. Where we have secured a reduction of interest we are passing it on in what we consider to be the most equitable way. We have reduced the interest burdens on individual debtors of the State to the extent of 1 per cent. The interest rate charged by the Agricultural Bank and the State Advances Corporation on soldier settlement loans, and all other individual debts to the Government under various statutes has been reduced by 1 per cent. In this way we are passing on the benefit of the reduced charges, and that policy will be continued.

During this debate comparisons of the position in Queensland with that in other States has been made, but when hon. members opposite consider the financial position in that way they should remember that certain States obtain direct grants from the Commonwealth Government. For example, last financial year grants were made to South Australia, Western Australia, and Tasmania of £1,150,000, £600,000 and £380,000, respectively, which obviously helps the budgetary position of these States. So that to effect an equitable comparison between Queensland, and New South Wales and Victoria, the amount of the grant in each case should be added to the deficit of the State concerned, seeing that it is neither internal revenue nor provided by the people of that State. Furthermore, as was pointed out by the hon. member for Rockhampton, it has the advantage of enabling the State that receives it to give advantages in regard to taxation that are not available elsewhere.

Little more need be said at this juncture other than to emphasise the fact that the Government policy is directed to securing to the people of this State remunerative employment under normal conditions, and a form of employment and general development will add considerably to the wealth of this country.

Mr. SWAYNE (*Mirani*) [4.25 p.m.]: We are asked to-day to sanction the expenditure of nearly £4,000,000, I take it partly from loan and partly from revenue. When asked to vote such large sums of money Parliament must consider the position of the primary industries, for on them depends our ability to repay what we borrow. One matter affecting one of our principal industries—the sugar industry—to which I desire to draw attention is the constant recurrence of direct action on the part of the employees.

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The fourth hold-up this season in that industry is now occurring at Mourilyan—and that at a time when the sugar industry has to face greater difficulties by way of a reduced selling price overseas than ever before. Organisations which suffer none of these losses, and whose members continue to receive the same rate of wages, whether the sugar is being sold at the home market price of £23 a ton or the export price of £8 a ton, are doing all they can to hamper the industry. It must be apparent that this system of giving the sole right of employment to certain organised bodies is ridden to death and is becoming a serious menace to the public welfare.

Furthermore, some assurance should be forthcoming from the Government that the industrial law of this State will be carried out by both parties to an award. At present it is carried out only so far as it affects one side. If the employer transgresses, he is punished, but, on the other hand, although provision is made that before direct action can be resorted to, certain processes must be gone through, that provision is never enforced on the employees. We cannot expect people to invest their money in a country where such a differentiation is made. The law should apply to both parties, and the transgressor, no matter who he may be, should be punished. It behoves the Government to take some action to avoid the hold-ups which occur every few weeks in this important industry. In my opinion, the law should be amended to provide that the sole right of employment will not be given to these organisations unless they can give some assurance that, so long as the award is being observed by the employers, there will be no hold-up, and further, that they are not political bodies. As a matter of fact, I think some such provision already exists, but no doubt, like other sections of that legislation, it is not applied to the offending party. This year the sugar industry will have to sell 40 per cent. of its output at a great loss, and to have a further unnecessary loss inflicted by industrial hold-ups cannot be too strongly deprecated. Every one of them handicaps the producer, and adds to his cost of production at a time when it is not necessary, if we are to hold our own in the markets of the world, that such costs should be reduced.

It is interesting to note the manner in which the Treasurer shifts his ground. During a previous debate in this Chamber, when he was in Opposition, he wanted to know, when loan expenditure had been reduced, whether the Government were starving the education service; and when he is Treasurer, and a member of the Opposition suggests a reduction of taxation, he says the same thing: "Do you want to starve the education service?" The Treasurer cannot have it both ways. Hon. members know that the cost of the education service, except buildings, is not paid out of loan money, but is paid out of revenue; and the policy adopted by previous Governments was to pay for the erection of schools out of taxation also. I think if the Treasurer examined the multiplicity of taxes which are imposed on the people to-day, he would discover ways in which that taxation could be reduced without reducing the amount expended on the education service.

The construction of the Mackay harbour has occupied a prominent position in the

debates in this Chamber during the present session. One of the phases of the question dealt with has been the permanency of the sugar industry in the Mackay district, or the district I have the honour to represent, because the Mirani supplies the raw material for the manufacture of the sugar which will be shipped. I feel confident there is no district in Queensland where the permanency of the sugar industry is more assured than in that district. During the last four or five years our production has increased by leaps and bounds; we are placing increasing quantities on the markets of the world. There is not the slightest indication of any decrease in sugar production. The Mackay district is noted for its drought-resisting character. I have some figures showing the proportion of comparatively large growers and small growers in the Mackay district, and in the more northerly districts of Queensland. In my opinion, the permanency of the industry in the Mackay district is assured largely because it is in that district a family industry to a large extent. Many of its growers are men on small or moderate holdings, and work their own farms to such an extent that industrial upheavals do not occur there to the same extent as elsewhere. At the last election there were voters who were grandsons of men who voted for me when I first stood for Parliament, and they are still holding the family farms. It is alleged that the production in the North is greatly in excess of the Mackay district per acre. One reason for that is that they are still working on virgin soils in the North, whereas the Mackay district has been cultivated for very many years, and the first flush of growth has gone out of it. Nevertheless, that district is not losing ground. By the use of fertilizers and sound farming methods production has been stimulated, and there is no cause for apprehension as to the future. On the other hand, the porous scrub soils of the North must be affected by the heavy rainfall in that area. A friend of mine from the North told me to-day that there had been scarcely a dry day in Innisfail during the last two years. Such an extraordinary rainfall must result in much of the elements of plant food being leached out of the soil and washed into the sea.

In the Mackay district the deficiency that may be the result of long cultivation is made up by the heavy application of manure. The constant rains in the Northern districts also cause excessive growth of weeds, which necessitates the ground being constantly worked and kept clean, and therefore adds to the cost of production, and, as time goes on and the ground gets older this difficulty will increase. However, I do not wish in any way to detract from the prospects of the sugar industry in the North. I desire to say most emphatically—and I speak from long experience—there is not the slightest chance of the productivity of the Mackay district diminishing. As a matter of fact, given a fair price for our sugar, there is every likelihood of an increase. For some forty years I have been growing cane. Periodically in that period a scare has arisen that the sugar industry will be wiped out. One hears that this will happen and that that will happen. We hear the cry, "Wolf"—but unlike the wolf in the fable the wolf does not come. Nowadays the majority of people do not take much heed of such talk.

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Previously there was a certain amount of apprehension. We are still carrying on. From the figures we have been at some pains to collate we have shown most conclusively that the industry in the Mackay district is progressing by leaps and bounds, notwithstanding the handicap of the present low price. That may be our misfortune, but it is fortunate for Queensland. Hon. members who appear to be rather apprehensive as to the permanency of the industry in that area and its ability to meet its liabilities can rest assured on that point. It has been conclusively shown that the annual payments on account of the harbour can be met by a much smaller output of sugar than the district is producing at the present time. In my opinion, Mackay is well able to finance the scheme, and there is not the slightest doubt that the indebtedness will be met. A great point to be remembered is that, when the harbour indebtedness is paid off we shall have a free port and our production costs will be so much cheaper that we shall be in a still better position in the future to hold our own with our rivals, either on the Australian market or export, than we are now. At present a heavy charge has to be borne by the sugar industry by reason of the cost of lighterage. For a number of years, of course, we shall have to meet interest and redemption on the cost of the harbour, but when we are relieved of that we shall be in a better position than ever before.

Mr. RUSSELL (*Hamilton*) [4.40 p.m.]: The Treasurer endeavoured to make a good case for his financial policy, and, as on previous occasions has asked us: what taxation would we reduce? Moreover, he stated that taxation could not be reduced without reducing costs. We quite admit that. There is, however, one factor of which we must never lose sight—that is, that the national income, which amounted to £780,000,000 in round figures in 1929, dropped to £580,000,000 in 1931. We should resist every attempt to increase taxation, because the taxation of this country has risen to such an extent that it is strangling enterprise. Members on the opposite side glibly exclaim that private enterprise has failed, and the Government should now step in and provide work for the people. The Treasurer declared that in years of depression our policy should be for the Government to institute public works to give employment, and that in good years we should husband our resources so as to have funds available for the bad years. I ask the Treasurer: have Labour Governments ever carried out that policy in by-gone years?

The TREASURER: Yes.

Mr. RUSSELL: They have not. In the heyday of their prosperity, in the golden age of Labour, from 1921 to 1929, they borrowed £45,000,000, which is an average of £5,000,000 per annum. They were the most prosperous years in the history of this State, and during those years they expended money lavishly, and at the end of their regime in 1929 unemployment was growing apace, and a legacy of trouble was left to the Moore Government. It has already been pointed out that £478,000 was expended by the Labour Government in one year on unemployment, and the Moore Government, as a humane measure, had to institute the unemployment relief tax. We could not see these people starve. It was an honest attempt by the Moore Government to deal with the

unemployment problem. The present Government find that the evil is growing, and to-day they have doubled the rate of unemployment relief tax, and even with an income of nearly £2,000,000 from this source they are not able to combat the evil, which seems to be growing apace despite the glowing accounts of Queensland's prosperity. I quite admit that if you peruse a few balance-sheets you will find that certain firms are doing well, but in the main business houses are having a pretty lean time. I agree with the Treasurer that there has been an increase in Savings Bank deposits. The Savings Bank deposits in all the States as at 30th June this year were £210,000,000, or an increase in twelve months amounting to £7,821,000. The total amount of Savings Bank deposits is equal to an average of £31 10s. per head of the population, whilst at 30th June, 1931, the amount per head in Australia was £29 14s., so that roughly in the space of three years there has been an increase of only about 14s. per head all over the Commonwealth. At 30th June, 1929, which was the end of our prosperity in Australia, the Savings Bank deposits amounted to £35 8s. per head. The deposits as at 30th June, 1929, showed the results of the previous year, ended 30th June, 1928, the most prosperous year, which is reflected in the enormous revenue raised by the State in 1929. That was probably the best year in the history of the State; we have never reached that figure since. After 30th June, 1929, the Moore Government were called upon to weather the storm of the three worst years in the history of Queensland over the past twenty-five years. The Moore Government did increase taxation, and did impose the unemployment relief tax; it was necessary to do so owing to the extravagant administration of the Labour regime, and I dare say that if the present Government had been in office in 1929 they would have adopted similar steps. The Treasurer complains that we increased the number of income taxpayers by 18,000. We took the view that the young men and young women without dependents in receipts of an income of £3 a week were well able to pay some share of taxation; in fact, they were in a better position to pay their quota than married men with families. Very little complaint has been made by these taxpayers, and as an indication that the tax is not obnoxious we need only remind hon. members that the present Government have continued it, knowing full well that these taxpayers are cheerfully accepting their share of the burden. I think it is a right thing that these people who have no dependents should pay their share of the taxation, if only a small amount.

The Treasurer stated that there had been a marked decrease in unemployment in Queensland. That is so, but Queensland has always had a lesser rate of unemployment than the other States for the simple reason that we have not the secondary industries here that they have in New South Wales and Victoria. In times of depression manufacturing States feel the effects of a depression more than primary producing States. So that there is nothing in that contention that we have a lesser rate of unemployment. The percentage decrease in unemployment has been greater in the other States than in Queensland.

The Commonwealth unemployment statistics are compiled from returns sent in by

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trade unions. This fact is strongly in favour of Queensland, owing to the compulsory unionism that exists in this State and not in other States. The result is that there are more unionists, comparatively, in Queensland than elsewhere, because directly a worker is placed on unemployment relief in this State he goes into a union. According to the Commonwealth statistics, between May, 1932—that is probably the peak year of unemployment—and June, 1934, the improvement per 1,000 in unemployment works out as follows:—

Western Australia	...	...	120
Tasmania	...	...	95
South Australia	...	...	98
Victoria	...	...	92
New South Wales	...	...	82
Queensland	...	...	72

Queensland is the worst of all the States. That is proof positive that despite the boasts of hon. members opposite, the ratio of decrease in unemployment has been less in Queensland than any other State.

The Treasurer complains that it is unfair to compare his Budget with those of the three States of Tasmania, Western Australia, and South Australia for the reason that those States are subsidised by Commonwealth grants. If we analyse the position of these four States we must come to the conclusion that Queensland is more favourably situated than the others in every respect. They have nothing like the resources of Queensland. They have nothing like the same means of employing their population in rural pursuits that we have. In Queensland we have a prosperous sugar industry, an enormous dairying industry, and a very large wool industry. The main industry of South Australia is wheat-growing, and we know what parlous condition the wheat industry has been in for some time. The same applies to Western Australia, whose industries are now almost exclusively confined to wheat, as her timber industry has almost gone by the board. Tasmania is too insignificant a State to take into comparison. Therefore, I do not think it is necessary to add these Commonwealth grants to the deficits of those States in order to bolster up a case and prove that their deficits are greater than ours. In accordance with the Commonwealth Constitution, moreover, these States are entitled to special grants. Latterly the Commonwealth Government have appointed a commission to inquire into the disabilities of the various States, and if Queensland has a case to put up for a grant it should do so, but I am inclined to think that with our favourable situation we shall be the last State to ask for assistance from the Commonwealth Government.

The hon. member for Enoggera was very emphatic that the way to end the depression was to increase price levels. He would first of all increase the wages of the industrial classes, and their greater spending power would create higher price levels. He quoted what was going on in America. It is somewhat premature to cite the United States of America as an example that we should follow. America has probably been in a worse condition than any other country in the world owing to the enormous growth of her secondary industries and her having lost her foreign markets by her adoption of a policy of economic nationalism. Her industrial classes have been in a very bad way,

indeed. An endeavour has been made to solve the problem by a gigantic system of inflation. They have had the operation of a "New Deal," with its elaborate system of codes and control of industry. The American nation to-day is in such a state of bewilderment that no one knows what is going to happen next. Her new policy has not brought industrial peace. The whole country is seething with industrial disputes, and bloodshed has occurred in many instances. We know what happened in the maritime strike, during which, owing to the domination of the unions, not a single ship sailed into or out of Portland, Oregon, for a space of eighty-five days. That strike had to be settled by the calling up of the militia by the State Government.

This plan is in operation in America to-day, and no one knows what will happen. If it succeeds it will serve as an example to the world, but at this juncture it is premature to form a judgment as to what will actually happen. If it fails it means that the people of America will be subject to enormous taxation to make up for the interest and redemption on these enormous loans. But America is in the happy position that she has yet an enormous taxation field for exploitation. Her taxation per head is about one-third of what it is in Australia, so that if the plan fails the Government must have recourse to heavy taxation to recoup themselves for the heavy expenditure incurred. I advise the hon. member for Enoggera to await results and not cite America as an example in case the whole scheme crashes, which it shows signs of doing.

The hon. member for Ipswich complained about the interest on the public debt. Who caused interest on the public debt? For a period of nine years in the heyday of Labour's prosperity money was borrowed at the rate of £5,000,000 per annum, and we are suffering to-day from the extravagance and maladministration of the Labour regime. The hon. member for Rockhampton was of opinion that the Moore Administration had not faced the real issue. That was the trouble—we did attempt to face the real issue, but the remedies we applied were unpalatable and our friends opposite raised a popular clamour against some of our acts, with the result that they secured the votes of all disgruntled people. That is why they are over there to-day. To increase taxation and to borrow lavishly at a time like this is only bringing about the same result which happened in 1929, when the public kicked out the Labour Party for their wrong doing. The present Labour Government are going the same road. They are spending £4,000,000 this year, and are probably trying to achieve Mr. Theodore's objective of having spent £5,000,000 in a year. As a matter of fact, a Labour Government has never been able to exist without the lavish expenditure of loan money in order to buy votes. So that when the present Labour Government go out of office we shall again have the unpalatable task of balancing the budget, and we will not fail in our duties.

The hon. member for Rockhampton said we did not want the Legislative Council abolished, and that we desired the Senate and State Governors continued. The hon. member instanced these as items where we failed to face the real issue, but I would remind the hon. member that we did not increase the number of railway servants before an election day at enormous cost

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to the State, and we did not squander the people's money in huge State enterprises. The Auditor-General's report discloses the fact that the total indebtedness in respect of State enterprises, including butcher shops and State stations, amounts to £2,363,181. It will take many years of Legislative Council and State Governors to equal that figure. I think we can advance the argument that, had a revisionary Chamber been in existence to check rash legislation, Parliament would have been restored to its true function of government and control of the public purse, and the Cabinet would not have dominated the situation and governed the country without recourse to Parliament.

The hon. member for Rockhampton said we reduced the number of members of Parliament by ten and cut out six Labour electorates. That was unfortunate for the Labour Party, but I repeat that that redistribution was the fairest ever held in the history of Queensland. The country was crying aloud for more honest distribution of the electorates, and the result was that on the distribution that was carried out by the commission appointed by the Moore Government this party was defeated, and the number of members in Parliament to-day accurately reflect the aggregate vote for each side. That shows that distribution was justified. It has already been rumoured that a further distribution is pending. I would ask the question: Is it necessary after the expiration of three years to have a further distribution? The country will want to know why that is being done. Is it in order to tinker with the boundaries, so that the Government can secure an additional seat or two? There is no necessity for a further distribution. The Act provides that a distribution should take place every six years, and that should be quite sufficient.

The TREASURER: It does not say that.

Mr. RUSSELL: That is implied. On one occasion the Labour Party had a big majority in this Chamber, yet their majority in the aggregate number of votes was not more than 2,000. At that time electorates like Fortitude Valley, Paddington, Mitchell, and Flinders had small numbers of voters compared with electorates represented by Nationalist members. I hope the Government will see the unwisdom of having a fresh distribution.

The result of the present regime is, first, an increase of taxation; secondly, unemployment relief costs are double what they were under the Moore regime, and constitute a very heavy burden on the taxpayer. The public debt has risen to approximately

£118,000,000, and, in addition, at the end of the term of office the present Government will leave commitments behind in regard to the Kangaroo Point Bridge, the Mackay harbour, the Mount Isa guarantee, and the Brisbane water conservation scheme, so that it is safe to assume the public debt will then be in the vicinity of £120,000,000 at least. On top of that the indebtedness of local authorities amounts to £13,000,000, and the overdrafts of the Chillagoe State smelters and the Irvinebank State treatment works to £800,000, so it is apparent the Government who succeed this one will have many problems to deal with. It is a remarkable thing that the rate of debt is growing much faster than the population. If we were getting a fair addition to our population we should not have so much cause to worry about the increase in these debts, but it is alarming to find that the population of Queensland is only increasing by about 2 per cent. and the debt is increasing by a larger ratio. That augurs no good for the future of this State. How long will this policy be continued of borrowing money to tide us over during times of depression? The depression has lasted many years, and does it seem very much better? The overseas markets to-day denote that prices are falling in every commodity. Although the recent Brisbane wool sales denote a buoyant market it is noteworthy that the prices realised did not cover the cost of production. There has been a slump in butter values abroad, and the outlook for sugar is gloomy indeed. There is no room for excessive optimism. The least we can do is to try to live within our income until the prices of our commodities increase to such an extent as to allow a reduction of the burden which this community has to bear at the present time.

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

Mr. MOORE (*Aubigny*) [5.5 p.m.]: When we are asked to vote an amount of £3,000,000 in the second Appropriation Bill of the year, it is desirable that we should look at the position in which we stand to-day. Two very important factors should be considered, the unemployment position—the most important—and the other the position of our primary-producing industries. The present Government have been in power for two and a-half years, and the improvement, if there is any, should be readily discernable in our financial position. A comparison of expenditure can be made from the following table:—

	First Quarter July-September.		
	1932-33.	1933-34.	1934-35.
From Loan	£ 889,686	£ 420,430	£ 1,108,611
From Unemployment Relief Tax Fund	311,574	440,165	399,185
	701,260	860,595	1,507,796

These figures do not take into consideration a great portion of the expenditure in subsidy loans, because the subsidies have not yet been paid to the local authorities for

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a great portion of the work that is being carried out. Comparing the first and third years of the present Government, there is an increase of £718,925 from Loan Fund,

accompanied by an increase of £87,611 in the expenditure from the Unemployment Relief Fund, or a total increase of £806,536 over last year, or an increase of £268,845 a month. Had the position improved to the degree that has been suggested by hon. members opposite, it would not be necessary to quote to this Committee such things as bank clearances, the Government would have been able to prove their assertions by showing a decreased expenditure from the unemployment relief funds. What do we find, however? An increased expenditure from that fund, coincident with an increased expenditure of loan money. That sums up the position Queensland has reached. For the first three months of each of the three years the present Government have been in power the expenditure shows an enormous increase. There is an increase of £87,000 in the expenditure on unemployment relief for the first quarter of this year as compared with 1932-33, in addition to an enormously increased expenditure of loan money. That is the test, and it is no use the Government endeavouring to conceal the position by quoting irrelevant figures.

Mr. FOLEY: We could not quote those "irrelevant figures" if they were not the facts.

Mr. MOORE: Those figures are quoted in order to misrepresent the actual position to the people. The only true guide is how much the Government are spending on unemployed relief. Nothing else counts.

The hon. member for Rockhampton this morning asserted that the policy of the Moore Government was to reduce costs by way of reduction in wages and salaries. The year in which the late Government departed from office was 1932. The report of the Public Service Commissioner discloses that since 1932, 112 employees have been appointed to the public service and paid from revenue, the salaries and wages being £34,565 additional. In spite of all the engineering and propaganda and the terrible case that was made against what was termed the "unwarranted reductions" in wages and salaries made by the late Government," after two and a-half years of Labour regime, after an increase in the price of wool—almost 100 per cent. last June—after enormous increase in borrowing, the actual position they have reached is that they to-day have 112 additional employees in the public service, and are paying £34,565 in wages and salaries more than when our Government went from office. It would appear that the position we brought about was not so dreadful or so frightfully wrong when they have been unable to do anything in two and a-half years. All that they can do now is to send the public servants to the Industrial Court!

The hon. member for Rockhampton this morning mentioned the widening of the field of income taxation. He asserted that we brought into that field 18,000 additional taxpayers during the time of our Administration. That is quite true, but if the hon. member's party had been in office, its Government would have driven 41,000 from the field of income tax. In 1931 when the field was widened there were 105,471 taxpayers, and the taxable income was £26,752,516. The tax collected was £2,389,582. In 1933-34 the number of taxpayers had decreased to 64,372. This decrease is not brought about by an increase of the exemption.

Mr. FOLEY: We have given a benefit in deductions.

Mr. MOORE: That was given by us by the increased deductions for a wife and each child, and also increased deduction for dependents. Hearing the Treasurer this afternoon speaking about scientific methods of taxation, one would assume that he was dealing with a system instituted by the present Government. As a matter of fact, that Government have not altered the taxation at all. During their regime the present Government have driven 41,099 people out of the field of taxation altogether. These people have no taxable income now. There is nothing very much to be proud of in that, nor is it an indication of prosperity. If they had passed out of the field of taxation because the statutory exemption had been increased there would have been no grounds for complaint, but that is not the reason. During their period of office the taxable income has been decreased by £11,831,838, but the amount of taxation extracted from the reduced number of taxpayers is only £858,000 less than when the taxable income was £26,752,000. The figures indicate that practically the same exactions—an infinitely greater amount than that collected during the period so severely criticised—are taking place in respect of an immensely reduced taxable income. That is the true position. It can be gauged only from the taxable capacity and the taxable income of the people. They are the only figures to indicate just what amount a Government can take, but if they continue to take too much on a continually diminishing taxable income, difficulties must be created.

I should like to refer to this most important phase of the matter set out in the report of the Public Service Commissioner:—

"Seeing, then, that Queensland is largely dependent upon primary production (including mining) rather than upon manufacturing industries, it might have been expected that the 1933 census would have revealed a higher proportional increase of population in the rural and mineral areas than in the urban centres."

Further on he states—

"Apparently, then, stimulation of population in the rural districts is necessary, but it is evident that if there is to be a steady increase of settlement in these districts, with resultant increase in population, some betterment of country conditions will be necessary. The solution of this problem will not be easy; nevertheless, serious consideration should be given to it if the population lag is to be stemmed."

Several factors must be considered if we are to increase our rural population. Hon. members opposite have discussed the unemployment position, the refusal of boys to go to the country, and the position in the country generally, but they overlook the fact that conditions in the country are so unattractive that unfortunately there is a drift towards the city.

The TREASURER: That applies in every State.

Mr. MOORE: Yes, but instead of alleviating the position and endeavouring to make it more attractive for people in the outside districts the Government have gone out of their way to place irritating and pin-pricking taxation upon the very people who are

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producing the wealth of this country. They have increased railway fares, not in the suburban areas, but in country districts, and they have endeavoured to interfere with country people in every possible way. I do not know their object, but presumably it is to better their own position.

Mr. O'KEEFE: The Government have reduced freights and fares.

Mr. MOORE: They have been increased, and the hon. member knows that. They have imposed increased taxation upon the country people in other directions. The value of their holdings have been reduced by the imposition of the super land tax, which restricts their opportunity to secure financial accommodation.

The TREASURER: More assistance has been given by the Government to the rural community this year than ever before.

Mr. MOORE: I want the Treasurer to realise that these are the people who produce the real wealth of Queensland, the wealth upon which the cities live. These figures set out in the report of the Commis-

sioner of Taxes, on income tax, indicate the wealth production and the taxable income of dairy farmers, mixed farmers, and manufacturers last year:—

—	Value of Wealth Produced.	Taxable Income.
	£	£
Dairy farmers ..	5,880,000	64,090
Mixed farmers ..	11,306,000	172,631
Total dairy farmers and mixed farmers (including fruit)	17,186,000	236,721
Manufacturers ..	14,104,000	1,532,899

For every £100 of wealth produced for the community the farmers received a taxable income of £1 7s. 7d., whilst manufacturers received a taxable income of £10 17s. 4d.

The position of the farmer has become worse during the two years of this Government. That position can be seen at a glance from the following figures:—

Year Income Earned.	Heading.	Number of Taxpayers.	Taxable Income.	Percentage of Total Taxable Income of all Taxpayers.
			£	Per cent.
1931-32	Dairy Farmers ..	1,027	113,177	0.732
1932-33	Dairy Farmers ..	521	64,090	0.430
1931-32	Fruit Farmers ..	289	37,206	0.241
1932-33	Fruit Farmers ..	287	38,744	0.260
1931-32	Mixed Farmers ..	1,313	170,434	1.099
1932-33	Mixed Farmers ..	1,002	133,887	0.897
Totals {	1931-32	2,629	320,817	2.072
	1932-33	1,810	236,721	1.587

These figures disclose a drop in 1932-33 of 819 farmers, equal to 31 per cent., and £34,096 in taxable income, or 26 per cent.

The TREASURER: 1931-32 was your income year.

Mr. MOORE: It does not make the slightest difference. I am pointing out the discrepancies in taxation of the wealth producers, and the manufacturers.

The TREASURER: That is due chiefly to low price levels.

Mr. MOORE: Low price levels, interference by Governments, and continued severity of taxation! That is the position that has been brought about in an endeavour to placate a large section of voters of the towns instead of looking after the interests of the scattered people of the country.

The following figures show the number of Government employees and persons engaged in dairying and mixed farming, together with their taxable incomes in the year 1932-33—

—	Total Number.	Number with Taxable Incomes.
Government Employees	30,118	8,189
Persons engaged in—		
Dairying	45,472	521
Mixed Farming ..	47,130	1,289

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Thus, of the number of Government employees, 27 per cent. had taxable incomes as against 1 per cent. of the total number of persons engaged in dairying, and 2 per cent. of the total number of persons engaged in mixed farming.

The question is: What is going to be done and what efforts are being made to improve the position so that the marketing of these primary products can be improved? The Treasurer, speaking at the opening of the farm school for boys at St. Lucia, on 22nd March, 1933, after pointing out the advantages to be secured in country life, said—

“When we organise production, we must see that the produce is sold in a manner that will give a livelihood to the people who produce it, and that it will be distributed in a sound and proper manner.”

I quite agree with those sentiments.

The TREASURER: What is wrong with them?

Mr. MOORE: There is nothing wrong with them. That is what I always object to—there is nothing wrong with the hon. gentleman's talk; it is his actions which are wrong. We know the precarious position of our markets to-day. We then find the Secretary for Agriculture, speaking on 31st July last, stated—

“Under the Scullin Government we were able to manufacture our own goods in our own Commonwealth, pay our own people for the goods, and thus the money

was retained in the country and helped to lessen unemployment. The first plank in Mr. Scullin's platform would be the revision of our tariffs so that we could bring people into the realm of unemployment in secondary industries."

Then the Treasurer, on returning from his trip overseas, said—

"There is a feeling in Europe to-day that is having its effect on Government policy, is preventing recovery, and is the most serious menace of all to the return to normal employment. I refer to that form of insanity known as economic nationalism, the idea that people can sell with themselves being purchasers. As a consequence, barriers are being built up in foreign and European countries in the hope of improving things; but inevitably the result is reflected in the poverty of their people, lack of development, and worst of all, suspicion between nations that may lead to a serious result."

The TREASURER: That is right.

Mr. MOORE: That is right, but in Australia the hon. gentleman's party advocates a policy of economic nationalism. It is the first plank of its platform. He cannot have it both ways.

Then we find Archbishop Duhig, a gentleman who usually speaks with a good deal of sense, saying at Bundaberg, as reported in yesterday's "Courier-Mail"—

"Any worth-while measure to relieve unemployment must aim at a radical cure of the evil. Works that are not permanent, such as road-making, bridge construction, and the erection of buildings, while most welcome to the unemployed, are at best but palliatives. Men need something that will give them more than temporary precarious employment."

He goes on to say—

"We cannot free our minds from the impression that the whole matter of employment and wages is seriously mixed up with politics. The fear of the ballot-box is a big factor in the policy making of every modern government, while high taxation is everywhere retarding the progress of industry and limiting the purchasing power of the people. More than that, it is destroying capital. I have been assured that many people have either to use up or mortgage their capital to pay taxes."

The Treasurer suggested to-day that he knew that taxation was high, but the hon. gentleman held out no possible hope of any reduction except that at some time in the future there might be a reduction in the unemployment relief tax by way of exemption. I am not objecting to that.

Then the usual device of hon. members opposite so soon as it comes to a question of talking about high taxation was adopted of drawing a red herring across the trail by asking, "What would you reduce? Would you cut our education vote to pieces? Would you take away 1s. from the State children?" But I want to point out that the Government this year are proposing to expend nearly £500,000 more than last year. Money can be spent in many directions with advantage if the money is available, but it is not a bit of use saying, "We should like to reduce taxation but we cannot do it" if at the same time the expenditure

is being deliberately increased. Everybody knows the reduction in the national income. I have just quoted figures concerning the taxable income for last year which shows that the burden is so heavy that people are being driven out of the taxation field altogether. When it comes to a time when revenue is not available it will be little use asking somebody else, "Where would you cut down?" The position will have to be faced and the question will be: What luxuries have to be cut out? To-day we are mortgaging the future for the sake of satisfying our present needs. A large proportion of the subsidies to local authorities cannot be repaid, because they are in the nature of gifts.

The hon. member for Ipswich spoke about the burden on this country of interest payments. If anybody ought to keep quiet on such a question it is the hon. member who was a member of a Government which went overseas and borrowed money at 6 per cent., 7 per cent., and any price they could get it at in order to spend it in the purchase of votes.

The TREASURER: That was after your delegation.

Mr. MOORE: Before the delegation. Why, the Treasurer in Queensland paid 6½ per cent. interest per annum tax free.

The TREASURER: So did the Commonwealth.

Mr. MOORE: I am not saying it did not, but that is no excuse. A continual competition takes place between Governments to get money in order that they may spend it to secure popularity, and after having done that we have hon. members who come along and abuse the people who have provided it. It is a case of eating the cake and turning round and abusing the people who provided it. The hon. member for Ipswich was one of those who supported the policy of continual borrowing for the purpose of buying votes. He did not think the end would come so quickly. He did not think the burden would fall on him, but when it does the hon. member hurls abuse at those who have provided the money. The hon. member should be the last to talk on this subject. The present Treasurer knows what the position is. The trouble is that he cannot face it because it is mixed up with politics. Speaking on the debate on the Mortgage Relief Act on 19th August, 1931, the present Treasurer said—

"Who amongst the people engaged in the wool industry could, a few years ago, have foreseen the slump in the market price of wool, and who could have foreseen the slump in the market price of wheat? All these commodities have always been regarded in the past as having stable values, and as industries having a future for those who were reasonably industrious and reasonably efficient."

"Mr. Wienholt: I have known the values to be much lower."

"Mr. SMITH: But not in conjunction with the existing costs. The whole system is out of focus. There is a lack of equilibrium in existing conditions, which has given rise to the existing state of affairs."

Perfectly true. The position is even worse to-day, but nothing is being done to remedy it. Everything is being done to aggravate

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it. The position is not being rendered any easier by making the conditions between town and country more equal, for they are being made more unequal. That is where the picture is out of focus. Just as Archbishop Duhig said at Bundaberg, there must be a radical cure of the evil, for the spending of loan money is but a palliative.

The SECRETARY FOR LABOUR AND INDUSTRY: You endeavoured to overcome the difficulty by reducing the purchasing capacity of the people.

Mr. MOORE: The hon. gentleman has not increased their purchasing capacity by a penny by the expenditure of loan money. The hon. gentleman has taken more money out of the pockets of the people by the unemployment relief tax. The money that is paid to the public servants is the same as when my Government left office, and their conditions are the same except in the case of a few of the more highly paid ones.

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

The TREASURER (Hon. W. Forgan Smith, *Mackay*) [5.31 p.m.]: There is one point I wish to refer to in reply to the Leader of the Opposition. When he deals with the question of income tax and quotes income years, and claims that certain results follow the policy of the Labour Government, he would be well advised to look at the income years he quotes. The number of taxpayers in the last income year of the former Labour Government was 48,317, and the following year the number of taxpayers was increased to 105,471. The Moore Government reduced the exemption, and so brought an additional number of taxpayers within the income tax arena. The year the Leader of the Opposition quoted, 1931-32, which he quotes as a year in which the Labour Government's policy brought about a reduction in the number of taxpayers—

Mr. MOORE: I quoted 1932-33.

The TREASURER: In the 1931-32 income year the number was reduced to 68,345, the period of the Moore Government; and in 1933-34 the number of taxpayers under the Labour Government was 64,372.

Mr. MOORE: That is what I quoted.

The TREASURER: So the 64,372 represents a reduction in round figures of 4,000, and not the figure the hon. gentleman quoted. The big reduction in the number of taxpayers occurred during the last income year the hon. member's Government were in power. I advise the hon. member, when dealing with figures, not to make the mistake the hon. member for Kennedy and other members of his party make of confusing the financial year with income year.

Mr. MOORE: I did not.

The TREASURER: He did.

Mr. MOORE: I quoted 1933-34, and 1931-32.

The TREASURER: If there was any point in the hon. gentleman's statement it was his charge that the number of taxpayers had been reduced from 105,000 to 68,000. The position was the reduction from 105,000 to 68,000 took place during the income years that his own Government were in power, and the reduction in income taxpayers since Labour has been in power was 4,000, and not the figure he quoted.

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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.

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

Resolution received, and agreed to.

WAYS AND MEANS.

COMMITTEE—VOTE ON ACCOUNT, £3,850,000.

(*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 1934-35, 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 1934-35, a further sum not exceeding £1,400,000 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 1934-35, a further sum not exceeding £850,000 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.

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

Resolutions received and agreed to.

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."

Question put and passed.

COMMITTEE.

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

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

The House resumed.

The CHAIRMAN reported the Bill without amendment.

THIRD READING.

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

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

Question put and passed.

The House adjourned at 5.44 p.m.