

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 8 NOVEMBER 1934

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The SECRETARY FOR PUBLIC INSTRUCTION (Hon. F. A. Cooper, *Bremer*), for the SECRETARY FOR LABOUR AND INDUSTRY (Hon. M. P. Hynes, *Townsville*), replied—

“ 1.—

Ayr	Alpha
Home Hill	Jericho
Barcaldine	Innisfail
Beaudesert	Jondaryan
Beenleigh	Kilcoy
Clermont	Emu Park
Wallumbilla	Marlborough
Mitchell	Yeppoon
Bowen	Longreach
Bundaberg	Mackay
Howard	Eumundi
Pialba	Nambour
Caboolture	Palmwoods
Woodford	Maryborough
Cairns	Eton
Babinda	Finch Hatton
Gordonvale	Marian
Calliope	Mirani
Mount Larcom	Mount Morgan
Cardwell	Goodna
Tully	Redbank
Charters Towers	Burleigh Heads
Chinchilla	Nerang
Clermont	Cooran
Cleveland	Cooroy
Coolangatta	Pomona
Dalby	Tewantin
Esk	Walkerston
Lowood	Proserpine
Toogoolawah	Redcliffe
Marmor	Rockhampton
Gladstone	Roma
Boonah	Sarina
Kalbar	Southport
Goondiwindi	Toowoomba
Gympie	Townsville
Ipswich	Bell
Booval	Collinsville
Childers	Warwick
Cordalba	Imbil

THURSDAY, 8 NOVEMBER, 1934.

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

QUESTIONS.

ASSISTANCE TO UNEMPLOYED RELIEF WORKERS AT CHRISTMAS.

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

“ In reference to his answer to my question on 6th instant, will he give a detailed statement showing how the sum of £202,632 is arrived at, including in such statement the number of married, single, and female unemployed who would participate in the two weeks' pay for the Christmas season, if approved?”

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. F. A. Cooper, *Bremer*), for the SECRETARY FOR LABOUR AND INDUSTRY (Hon. M. P. Hynes, *Townsville*), replied—

“ The amount provides for two weeks' wages at basic wage, plus parities, for 15,260 married persons and 11,314 single persons.”

INTERMITTENT RELIEF WORK OPERATIONS.

Mr. MAHER (*West Morcton*) asked the Secretary for Labour and Industry—

“ 1. In what cities and towns of the State is the intermittent relief scheme being operated?”

“ 2. What amount of wages was distributed in payment to intermittent relief workers in each of these centres (inclusive of Brisbane and suburbs) during the year ended 30th September, 1934?”

“ 2. The information is being obtained.”

STANLEY RIVER WATER STORAGE SCHEME.

Mr. NIMMO (*Oxley*) asked the Treasurer—

“ What are the names and qualifications of the persons comprising the Special Committee of the Bureau of Industry on whose report and recommendation it has been decided to go on with the Stanley River water supply and flood prevention scheme?”

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

“ I have already recommended the hon. member to peruse the report upon Brisbane Water Supply and Flood Prevention. The names of the members of the Special Committee are as follows:—J. R. Kemp, D. Fison, W. H. R. Nimmo, L. C. Morris, M. B. Salisbury, J. B. Brigden. The names and qualifications of the Special Committee are embodied in the report.”

LAND ACTS AMENDMENT BILL.

INITIATION.

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

“ That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend ‘ The

Land Acts, 1910 to 1932,' and other Acts by providing further measures of relief to certain Crown tenants; to amend such Acts in certain particulars; and for other purposes."

Question put and passed.

LAND ACTS (CROWN DUES) RELIEF BILL.

INITIATION.

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

"That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to provide a measure of relief to certain Crown tenants under the Land Acts, and for other purposes."

Question put and passed.

RAILWAYS ACTS AMENDMENT BILL.

INITIATION.

The MINISTER FOR TRANSPORT (Hon. J. Dash, *Mundingburra*): I move—

"That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to amend 'The Railways Acts, 1914 to 1929,' in certain particulars."

Question put and passed.

EUNGELLA STATE FOREST AMENDMENT OF BOUNDARIES BILL.

SECOND READING.

The SECRETARY FOR PUBLIC LANDS (Hon. P. Pease, *Herbert*) [10.35 a.m.]: I move—

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

During the initiatory stage of this Bill I was rather surprised to hear some criticism from the Opposition regarding the quality of these lands. I desire to say that the matter has been most carefully investigated. I do not know of any land settlement scheme that has been so carefully examined as this one. The experts concerned are all satisfied that in opening these lands for settlement we are opening lands quite equal to any land previously opened in Queensland. The question of opening these lands for settlement has been under consideration for many years, but one of the obstacles that stood in the way was the fact that the land proposed to be made available was part of a State forest and a timber reserve. The advisableness of opening this land for settlement was considered in the past by both the Forestry Board and the Land Administration Board.

During my speech on the initiatory stage of the Bill I undertook to supply hon. members with information setting out the area that it was proposed to make available for settlement and the area that would remain as State forest or timber reserve. What are known as the Eungella forest lands comprise a timber reserve of 68,000 acres in the parish of Eungella, and the State forest in the parishes of Eungella and Crediton,

which has an area of 27,800 acres. It is proposed in the Bill to release 16,000 acres from the State forest and make it available for settlement.

Mr. SWAYNE: On the frontage?

The SECRETARY FOR PUBLIC LANDS: I propose to table a map setting out the area to be released and the respective areas of the different blocks. The map will also set out the position of the main roads together with the access roads, and hon. members will have an opportunity of considering the matter for themselves. This land forms part of the Eungella tableland and is situated from 2,000 to 3,000 feet above sea-level. It lies westerly and southerly from the Netherdale Railway Station. The area generally is ridgy country covered with dense vine scrub, and it is suitable for dairying. The average annual rainfall is about 70 to 80 inches. The lowest rainfall ever recorded in any one year is about 31 inches, so that the area can be regarded as drought-proof. The climate is cool and invigorating, with an atmosphere 10 to 15 degrees lower than that on the adjacent coast land. All this information has been secured by expert officers who were detailed to investigate the matter. The whole of the tableland is abundantly watered with perennial streams, the water being of excellent quality. Tests have been made of the soil as well as of the water, and the water has been shown to be of excellent quality. It is quite apparent that no expenditure will be required in providing an artificial water supply and that is a very big factor indeed in successful land settlement. As to the quality of the land I shall speak later.

I should like to place on record a copy of a letter which the chairman of the Committee of Investigation received from the chairman of the Port Curtis Co-operative Dairy Association Limited, Gladstone, in 1932. One of the main reasons for making this land available for settlement is to encourage land settlement in a sugar district, apart from the cultivation of sugar-cane. The stage has now been reached in the sugar districts where it is practically impossible to obtain additional permits to grow cane, and a previous Labour Government endeavoured to encourage other phases of agriculture in sugar-cane districts by arranging for the establishment of butter factories in Mackay and at Silkwood, in the Innisfail district. That was done prior to the dairying industry reaching an acute stage in its development, but the Government have decided that we cannot hold up land settlement altogether in North Queensland. We have practically reached the highest point of sugar-cane production consistent with economic safety, and it is our intention to encourage land settlement in other directions in sugar-cane areas in North Queensland. The Mackay factory was originated by the Gladstone butter factory, which now exercises a control over it, and the idea of opening up the Eungella land is to increase the cream supply to the Mackay factory so that it may be placed on a payable basis. The letter that I propose to read from the Port Curtis Dairying Association will convince hon. members that there is every justification for opening these lands, and it will also convey the opinion of competent people concerning these lands, and their suitability for dairying. After all, the people who live in the area and are conversant with it should be the

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people best able to advise what should be done with the land. This is the text of the letter—

“The directors of the Port Curtis Dairy Association desire me to place the views of this association on the matter of alienating the scrub areas of Eungella before the commission now investigating this matter. The proposal to subdivide this rich area has our undivided support.”

I direct the attention of the House to the words “this rich area”—the area that we are now opening up. The letter continues—

“This association was strongly influenced in its decision to erect a butter factory at Mackay costing £14,000 by the assurance, backed by the favourable recommendation made to the Government, that this area would be made available for settlement.”

I want to emphasise the fact that it was only because of the consideration of the matter by this Government department, and the fact that the association was promised that something would be done, that it proceeded with the erection of this butter factory. The land then under closer settlement for dairying in the Mackay district did not in itself justify the expenditure that was incurred in the erection of a factory. As the letter points out, the expenditure of £14,000 on the construction of a butter factory was favourably considered only because it was thought that this land would be opened up. Then it goes on to say—

“An inspection of the area referred to disclosed the fact that it is eminently suitable for the establishment of successful dairies.”

That shows this House that not only has an investigation been made by the Government and their experts, but that an independent investigation has also been made by representatives of an association, and that that association was prepared to back its investigation by expending capital in the establishment of a dairy factory at Mackay. Its experts were quite satisfied that this land was satisfactory for dairying purposes. The letter proceeds—

“The success of such a settlement would give a big impetus to the dairying industry in the Mackay district, as well as to the settlement of lands in the Mackay area that are not so suitable, and on which an attempt to establish the industry might be attended with possible failure and consequent injury to the industry. I am firmly of the opinion that, with very little assistance, the Eungella scrub country has every prospect of developing into an important national wealth-producing factor.

“As stated, this association has invested £14,000 in the establishment of a manufacturing unit, and owing to the withdrawal of those areas, the development of the industry has been and is being retarded, resulting in a very high capital and manufacturing charge in respect to the Mackay branch of this association. My board assume, that within three years the production of butter would be sufficient to reduce the charges to approximate those of our other five associate factories.

“We would request your committee to consider the position also from the

viewpoint that this association, being an association composed of primary producers—”

This should interest the Opposition. This association is not a corporation for the purpose of making money for dry shareholders. The letter goes on to say—

“having successfully established a manufacturing unit and having given to the Mackay area the advantage of our organisation as a manufacturing and selling agency, we find that the locking up of those rich lands is retarding the industry and imposing a burden on those producers who readily consented to the establishment of a factory, having in mind that the land referred to would be made available for settlement.”

I have looked fully into this matter. It was practically decided by the previous Government that these lands should be opened for settlement, but owing to differences of opinion between the Forestry Board and the Land Administration Board the proposal was not proceeded with. The land is only being opened to settlement now after further inspection and inquiry. The letter goes on to say—

“To commit prospective settlers to the poorer forest and coastal lands of the Mackay area, while such suitable areas as the Eungella scrub provides, are available, I trust will not be condoned by your Committee.”

Again I want to emphasise the fact that this association is emphasising the prospects of such suitable land as we are now going to make available. The letter continues—

“On behalf of this association, I can assure your committee that we are prepared to meet every demand in regard to efficient manufacturing facilities, and thus ensure for prospective settlers the best possible treatment of their cream. This in itself will be a big factor in facilitating successful settlement of the area referred to. We would point out that dependence on the sugar-growers in regard to our industry is not altogether satisfactory owing to the tendency to neglect the dairy section during the crushing season.”

That takes me back to my previous argument in respect of initiating a dairy factory in a sugar area. Such a factory cannot very well depend on existing sugar farmers for supplies of cream, or upon a future decision they may make to embark on dairying. Anyone who knows anything about the sugar industry is aware that its returns are four, five, and sometimes ten times as great as the returns from dairying. Naturally no sugar farmer, with knowledge of such hard work as is involved in dairying, with its seven days a week tasks, would embark on sugar farming and dairying combined. They are different propositions. If this factory had been established in reliance on supplies of cream coming from the sugar farmers, its outlook would be very poor indeed. The letter goes on to say—

“The successful establishment of the industry depends largely on settlement of scrub lands such as Eungella, in the form of closer settlement areas, thus establishing a community interest among the settlers. It is the considered opinion of my board that such a settlement on Eungella cannot fail.”

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Throughout the tenor of the letter is that the opinion of those who have had experience, those who have put their money into the concern, is that this settlement cannot fail. The letter proceeds—

“The Mackay area does not produce sufficient butter to supply Mackay, and the large consuming towns between Mackay and Townsville are importing butter which should be produced in the Mackay area. I can support the views of my Board by stating definitely that I know of no areas in this State that excel those of Eungella as a prospective successful dairy settlement, and add to it my expression of personal disappointment that the favourable report of the previous report of the Inquiry Board was not given immediate effect to.”

I would emphasise to the House that this letter is from Gladstone, not from a directorate composed entirely of Mackay people. It will be realised, particularly by hon. members opposite who are interested in dairying, that such a report would be much fairer and less partial than if it emanated from a local company. Thus, we can place great reliance on anything that is said in this letter, because the matter is not viewed from the parochial aspect of what the settlement would mean to Mackay, but from the broader aspect of what the effect would be on the dairying industry as a whole and on this factory in particular. I also emphasise the opinion of the writer of this letter to the effect that—

“I can support the views of my board by stating definitely that I know of no areas in this State that excel those of Eungella as a prospective successful dairy settlement.”

Mr. DEACON: What was his name?

The SECRETARY FOR PUBLIC LANDS: I shall give the name in a minute. The letter continues—

“Should your decision be favourable to the opening up of these lands, and I trust that it will, you may accept the assurance that this association will render every possible assistance to dairy settlers in the area.

“Yours respectfully,

J. L. WILSON,

“Chairman, Port Curtis Association.”

Mr. PLUNKETT: What was the date of that letter?

The SECRETARY FOR PUBLIC LANDS: 5th September, 1932. That letter was produced to the committee that made the investigation into the matter. But I have something even later than that. In view of the debate at the initiatory stage I had a telegram despatched to the land commissioner at Mackay, seeking information as to the condition of the settlers who were already on that area. As the ex-Secretary for Public Lands knows, settlers were placed on Dalrymple Heights during his term as Minister, and I desired to secure information as to their position to place before this House. As the hon. member for Mirani is aware, the settlers on Dalrymple Heights had no road access, and the fact that the settlers had remained on the mountain, as it were, was proof of the excellence of the land. We are providing road access for the land now being opened up, and, in

addition, we are linking up the settlement on the higher land with that road access. The position of the present settlers was a very dire one, for their cream had to be carried by pack-horse down to Nerherdale, the nearest railway station. It was astounding that the settlement continued in the face of these difficulties, especially during the period when low prices ruled for cream, and if settlement can be continued on land that is not nearly as good as the land now being opened up, and can enable settlers to exist even under these unfavourable conditions, surely we are justified in concluding that the new settlement will be eminently successful.

To make certain, I telegraphed to the land commissioner at Mackay to ascertain what was happening at the existing settlement at Dalrymple Heights? The land commissioner sent a telegram, which read—

“Considering type of selector and class of road settlement must be regarded as fairly satisfactory and future prospects bright.”

He then sent this report under date 29th October:—

“Including the holders of special leases under special conditions there are thirty selectors forming what is called Eungella settlement. This number includes the selector of portion 29, Eungella, who selected on the 9th instant. The area selected exceeds 10,000 acres and of this area approximately 2,000 acres of scrub have been felled and partly grassed. Of this area of felled scrub I consider that a little more than half is permanently grassed with artificial grasses, chiefly paspalum, kikuyu, and Rhodes grasses. The balance of the felled scrub is mostly overgrown with undergrowth and some lantana and other weeds. Burns generally have not been good, hence the reason why so much land has not been grassed.

“I would say that during the last three years more than 1,000 acres of scrub have been felled and partly grassed.”

The hon. member for Mirani knows this Eungella locality. When the roads are developed the whole of the locality will be available for tourists, and it will be one of the beauty spots of Queensland and Australia. I have not been there, but I will pay a visit at the earliest opportunity. The locality not only possesses beauty; it is also of great altitude and the climate is very healthy.

The report goes on to say:—

“The chief industries, excluding tourists, for which I consider this district is suitable, are dairying and grazing, fruitgrowing and timber. As the scrubs are felled so should the dairying and grazing industries thrive.

“The present selectors, very few of whom were practical men, when they selected, have been handicapped from the start by the want of capital, want of experience in deciding what was the most suitable industry in which to engage, and the want of a trafficable road system for vehicles.”

The only access up to the present has been by means of pack horse. The fact that has

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settlers progressed in the face of such difficulties is an indication of the fertility of the land. The report continues—

“Most of the selectors at times have been compelled to seek work elsewhere in order to keep going, and were it not for the credit given by business firms in Mackay many would have been starved off their farms.

“Dairying is carried on under difficulties. There are very few good types of dairy cows and the cream generally is carried or packed on horseback to the township, which is 2 to 7 miles distant. It is then taken by lorry to Netherdale, the rail terminus.”

That is an indication of the extraordinary hardships under which these people have been living.

The report continues—

“Until the erection of a butter factory at Mackay about five years ago, there was no dairying worth speaking of, as there was no market. There are eleven suppliers of cream to the Mackay factory and at least four more will be suppliers later in the season. Between them there are from 400 to 500 head of dairy cattle, a great many having been brought to the district during the last three or four years or are the progeny of such cattle.

“The greatest drawback to the progress of the district was the road system. Eungella township is about four miles from Netherdale Railway Station. In this short distance there is a climb for about three miles up a very steep mountain range. Until twelve months ago this road, at times, was impassable to vehicular traffic, but during the last twelve months this road has been widened and repaired until now it is negotiable practically at all times. It will, however, always be a source of heavy expense to keep in order. The road from the township in a north-easterly direction and going up to the Dalrymple Heights part of the district, has been almost impassable to vehicular traffic for the greater part of this year, and practically the whole of last year. There are occasions when a vehicle can be taken up this road, but as a rule all cream is packed down or carried in front on the saddle. Considering the road system, there has really been no inducement for a selector to stay at home on his farm. I understand that the Main Roads Board is about to construct a main road for a distance of about three miles over the worst of the range road and that the P.E.I. are likely to construct a further length to serve all the present selectors.”

That is being done. The policy of the Main Roads Commission is to continue this road and the Public Estate Improvement Branch is going to construct a further length that will serve these existing settlers.

The report continues—

“Should such eventuate I see no reason why this end of the district should not progress very rapidly, more especially, I think, that when the roads are completed there will be a number of selectors who will sell out and fresh blood and capital will be brought into the district.

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“The portion of the district comprising the Eungella settlement is not by any means the pick of the district. It is generally regarded as the roughest and most mountainous part, and the part now being surveyed is superior in every way.”

That is from the land commissioner, who points out that the existing settlement, which is at the top of the range, is not to be compared in any way with the area that is now being surveyed. The report goes on—

“The low price for cream of late has been the reason why a number of selectors have given up dairying and gone to work on the roads. This has been the reason why only a small area of scrub has been felled this season.

“I consider that, besides dairying, some of these scrub lands when felled and grassed will be used for the fattening and topping up of store cattle and sheep, and will probably become very useful fattening properties, for part of the chilled beef trade stock can be available as fats when other districts cannot supply.”

That is the carefully considered opinion of the land commissioner, who knows his district. He points out that the land is not only likely to be very useful for dairying but can also be used for beef cattle grazing. The report continues—

“Citrus, passion fruit, and Cape gooseberry fruits do well, but there is no organisation to market these fruits, therefore, excepting the citrus, they go to waste.

“In conclusion, I consider that the progress of settlement in this district must be regarded as fairly satisfactory during the last five years, and with the opening of other lands in the near future the progress in the district should be sound and rapid.”

That is the report of Mr. A. Purdon, who is the land commissioner in that district. In the letter from the chairman of directors of the Port Curtis Co-operative Dairy Association butter factory—and I take it that when Mr. Wilson signed that letter he expressed the opinion of all his directors—we have the very carefully considered opinion of the people who are most concerned, the people who after all have put their money into the Mackay district. They say that it is suitable for dairying.

We have the report from the officer of the Department of Public Lands who has gone into the matter and tells us exactly the position. We have the opinion that the worst of this land is the land at present under settlement, but in spite of all the hardships that have been pointed out, the settlers there have been able to exist. Portion of that land was opened when the hon. member for Cunningham was in charge of the department, and I take it, of course, that neither he nor his Government opened up this land without giving careful consideration to the chances of the settlers. Therefore, if it was a good project to open up the northern end under the conditions I have outlined, the House can see that we are on much safer ground in opening up the southern end. We are now providing roads which should have been

provided before that northern end was opened up, although, of course, there is no obligation on us to do so.

Regarding land settlement generally, I desire to repeat what I said during the discussion on the Estimates of the Department of Public Lands: That this Government are not opening up lands for settlement without making the most careful survey of their possibilities. It is the duty of the department to do that, and that duty naturally devolves on me as Secretary for Public Lands and on my officers. I have already stressed the fact that no land is to be opened up unless the following factors have been taken into consideration: Land must be suitable for settlement, road access must be provided, the question of the water supply must be investigated, the settler must be able to earn a livelihood. The last is the most important of all, and a full investigation must be made in regard to that question before we do anything in regard to placing settlers on new land. All these phases have been considered in this case, and it is the opinion of my department that in this area we are not making any mistake.

One hon. member mentioned the necessity for a soil survey. Mr. Gurney, the senior analyst of the Department of Agriculture and Stock, has made a careful analysis of the soil and he considers it is very satisfactory—

Mr. DEACON: When was that analysis made?

The SECRETARY FOR PUBLIC LANDS: Quite recently, just before we decided to finalise the scheme. In addition to examining the soil of the area he made a comparison of the soils of Eungella, Atherton, and Maleny. He points out—and any hon. member may read his report—that this soil compares very satisfactorily with those of Atherton and Maleny which, of course, are good dairying centres.

I desire now to say a few words regarding the policy of the Government in opening up new lands for closer settlement. We are told by the Local Producers' Associations that we should not open further land in Queensland for dairying. I do not think that policy should be adopted. We have now on the statute-book an Act that gives the Government power to license butter factories. Permission has to be obtained from the Government before any further factories may be erected. It is my opinion, and I emphasise it again, that there are many methods that could be employed to increase the consumption of milk and butter, and those methods are available to Governments. For instance, this Government, through their wise policy of providing work and wages, are making available a reasonable volume of consuming power, particularly in the cities. Did not a recent visitor from Great Britain outline what was being done by Great Britain in this direction? Why, we have already done that and Great Britain is merely following upon the lines that we have already adopted. The workers to-day are in control of a reasonable amount of purchasing power, and instead of being compelled to consume dripping and margarine are able to purchase butter. When the Moore Government were in power it was my practice to go through the various retail shops like those of Barry and Roberts, and I was able to observe that

during that time the consumption of butter dropped whilst the consumption of dripping increased. That was the result of the policy of the then Government of no wages for the people and no money to buy butter. I ascertained that at Barry and Roberts, where they sold one box of butter during the regime of the Moore Government, they are selling ten to-day. I say that advisedly.

Mr. KENNY: I challenge you to substantiate it.

The SECRETARY FOR PUBLIC LANDS: I do not care what the hon. member may challenge; what I am stating are facts. The figures show that the people are able to purchase butter to-day. See how the figures relating to the sale of butter in Brisbane have appreciated! Barry and Roberts do a considerable retail trade in butter. As I have already stated, during the regime of the Moore Government the sale of dripping increased, but when the present Government were returned to power dripping was relegated to its proper place in domestic economy—for cooking purposes—and the people were once again able to purchase butter.

The same remarks can be made in connection with the consumption of milk. In the days of the Moore Government poor unfortunate people could not purchase milk because they had no money, but to-day they are able to buy it. If anyone will take the trouble to visit the milk bars in this city he will see what can be done by organised effort. It is only natural that Great Britain should take steps to improve her own industries. If any hon. member will take the trouble to read the "Telegraph" of yesterday's date he will there see that the Minister for Agriculture in Great Britain attended a school where a scheme was initiated to provide school children with a bottle of milk for a halfpenny. They will also see a picture of the Minister for Agriculture in Great Britain in the midst of hundreds of children purchasing their halfpenny bottles of milk. If that can be done by proper organisation in Great Britain, it can also be done in Queensland, particularly in the metropolitan area. Hon. members opposite claim to represent the primary producers, but they should talk less and get busy at organising an increased consumption of milk. If they did that and attended faithfully to the requirements of the primary producers, they would no longer claim that it was futile to make more land available for settlement in Queensland. The children of Mackay want milk but they cannot procure it because the price is too high. The Government propose to carry out a wise policy of opening up dairy land in the interests of the settlers and the children who require milk and butter. Mackay will have a milk supply. Reverting again to my pet subject in the North. I want to repeat that the quantity of powdered and condensed milk consumed in North Queensland is a record for Australia, but this should not be so. The children have every right to be supplied with fresh milk. If the children of Great Britain can be supplied with milk at a halfpenny a bottle, then the dairymen in Queensland should get busy and initiate a similar scheme in this State. Why are the milk bars doing so well in this city? If that organised scheme could be extended and it was possible for all school children to obtain a bottle of milk for a halfpenny, how much more milk

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would be required? I am particularly concerned about the children in North Queensland, who are unable to purchase pure milk to-day. Most of my children were born in North Queensland, and they had to be content with Nestlé's condensed milk, originally manufactured in Switzerland, but later to some extent in Queensland, and now in Victoria. The Government are going to correct this anomaly by opening land for settlement, so that the people living in the North can secure pure milk and butter from the various factories.

I want again to quote the figures relating to the increased consumption of dairy produce in Great Britain—if increased consumption can be brought about in Great Britain it can also be brought about in Queensland. Over a period of four years Great Britain increased her consumption of butter by 40 per cent., of eggs by 31 per cent., of poultry by 35 per cent., and fruit by 25 per cent.

I am quite satisfied that the opening up of these Eungella lands is going to do some good, not only for this particular area, but also for the whole of Queensland. I emphasise the point that it has not been deemed advisable, as one hon. member suggested, to enlarge the scope of the Bill and make it applicable to all forest areas. We do not propose to do that because the problem of each forest and timber area is different from that of any other, and what applies in respect of this area does not apply to areas situated in other districts. We are making a careful survey of all forest and timber reserves. This is the one we have started on, and if it should happen that some members of the Opposition return to this House after the next election they will be forced to agree that this scheme was certainly a worthy one, and that the Bill was a very desirable measure.

Mr. DEACON (*Cunningham*) [11.13 a.m.]: I listened carefully to the speech of the Minister, and the most remarkable part about it was the things he omitted. This has been a forest area for some years. It had been reserved for a State forest, part of it by a previous Labour Government and part of it by the Moore Government. One would think that the Minister would say something about the timber contained on the reserve, and what would be done with it, whether it would be wasted or sold, or what measures were to be taken to dispose of it. Not one word was said about the timber!

Another thing that struck me about the speech was the one-sided view the Minister takes of two different industries—dairying and sugar. We have been told that dairying is overdone, but the Minister cannot see any reason why it should not be still more overdone.

The SECRETARY FOR PUBLIC LANDS: I do not consider it is overdone. It simply needs proper organisation.

Mr. DEACON: The Minister admits that prices in the dairying industry are low. Would he give his approval to the establishment of a sugar mill on the Darling Downs for the production of sugar from beet? Would his Government stand for that? He wants Mackay to produce its own cream and have its own butter factories, and at the same time desires that the sugar growers in that district should be restricted in their

production of sugar cane so that the price of sugar can be kept high. I am not arguing against that policy in the sugar industry, nor do I argue that it is not a sound policy, but it does seem one-sided for the Minister to push on one side any argument for the restriction of the production of butter, and at the same time say that that policy is quite right for the sugar industry. Low prices prevail in the dairy industry, and that means low wages and hardship for the dairymen, and low wages for the employees. If that policy of low prices is right for one industry, why should it not be right in another industry? Why do the Government stand for that policy?

There is another matter on which I cannot follow the Minister. He pointed out that the existing settlers on Eungella brought their cream down by pack horses to the Netherdale railway station. In 1932 I travelled by motor car on the road to Eungella without experiencing any difficulty. I was told that this road was constructed in 1912, two years before the first settler took up land there. My point is that the road was there then and anyone could drive along it. A large number of people had been going up to Eungella by motor cars for many years. Tourists go up there, settlers bring their cream down the road, and teamsters convey timber down the road to and from the sawmill. None of that work is done by pack horse. The Minister admits that the settlers on these lands have not been doing well and that they want to sell out. Some of them have been there for twenty years. In answer to a question the other day the Minister said that the first settler on Eungella went there in 1914, so he has been there twenty years. The Minister put their failure down to want of access, yet there is road access over the 4 miles to the railway station on which anyone can travel easily. It does not require a pack-horse to bring supplies to the station. It can be conveyed by motor lorry or horse vehicle by the road that was constructed two years before any settler arrived on the land. The Minister also said that the present settlers are so poor that they want to get out. Yet he wants to settle a few more! I had a good look at Eungella for the purpose of viewing it both as a timber reserve and for closer settlement purposes. Experienced settlers told me that one of their greatest difficulties was the cost of clearing, mainly on account of the presence of a timber called Eungella gum, a timber that would not burn, so that it was difficult to get rid of the stumps and logs. Two practical men who had cleared land there told me that they did so at the cost of about £20 an acre. One of the committee that investigated the matter in 1929 was Mr. Brooks, of the Department of Agriculture, who took samples of the soil and had them analysed. They disclosed that the soil was of poor quality. When I went there this is what I saw: A covering of good scrub soil on the top; underneath was red clay or a red diorite—no soil at all.

Mr. G. C. TAYLOR: Poor old misery man is at it again!

Mr. SPEAKER: Order!

Mr. DEACON: Let the hon. member inspect this place before he rushes in to interrupt.

[*Hon. P. Pease.*]

A paddock had been cleared by the Forestry Board for some years and had been sown with paspalum. In all my travels in Queensland the only place where I saw paspalum beaten by the native grasses was Eungella. It was said that the paspalum was wonderful for the first two or three years, but with the advent of a poor type of native grass, the paspalum commenced to die out in patches. That was the result in one paddock anyway.

The results of the dairying operations at Eungella Heights can be obtained from the railway returns at Netherdale. According to the Minister's reply to my question, approximately thirty-one settlers are in that district. If no milk or cream at all came from that country except that supplied by those settlers, and all they got was about £42 per head in a good year, no wonder they are poor! No wonder they want to sell out!

The Minister stated that the Government are not embarking on any new settlements without making full inquiries, and that they would not spend any money without proper investigation. Let me remind the hon. member that his Government spent £6,000 at Beerburum trying to grow tobacco.

Mr. G. C. TAYLOR: What settled the tobacco question was the Federal Government.

Mr. DEACON: It was settled at Beerburum because the soil there was not suitable. Men were set to grow tobacco on soil that was previously said to be suitable for pineapples and other products; but we know the result. Better soil than at Eungella can be found in districts up the coast. As a matter of fact, when you examine the position at Eungella, it is not all soil at all. This Eungella Tableland is a high tableland west of Mackay, covered with scrub. It is the shelter and the wind-break for the Mackay district. Take the timber off it and see what difference it will make to Mackay in the long run! The experience of every civilised country is that when mountain land is stripped of timber a rapid deterioration of the soil takes place. That was the experience in Victoria when mountainous country was stripped of timber. Areas that were sold as standing scrub land in the Gippsland district for £3 an acre can now be bought for only £5 an acre, with improvements on it that alone would cost £3 an acre, because the land has deteriorated. It is reasonable to think so, for first of all a high mountain stripped of its coverings has to face the effects of the winds. They strip the soil. Further, nothing comes back when the scrub is removed which holds the soil together. Scrub soil is easily removed; it washes away easily. Once you take the scrub off rangy country like the Eungella area, which also has a high rainfall, the washing away of the soil is very rapid and has an effect on the streams in the locality. On any mountain land of that nature, go anywhere you will in Australia or any other country, if the scrub is removed it will become useless in a very short period of time. Yet we are asked to encourage settlers to go there. I have been asked my opinion by several people who thought of going there. I would not advise any man to go to Eungella to carry on dairying, because the cost of clearing that country is very high, and the land is of inferior quality

and will deteriorate when cleared. An indication of the fertility of the country may be gathered from the Minister's statement that settlers who have been there for twenty years are willing to sell out and go away.

Mr. WILLIAMS: They are on poorer land.

Mr. DEACON: Eungella comprises practically the same soil throughout.

The SECRETARY FOR PUBLIC LANDS: You know more than our experts do.

Mr. DEACON: If the experts have given their opinion to the Government, why is the Minister afraid to produce their reports?

The SECRETARY FOR PUBLIC LANDS: I quoted a report.

Mr. DEACON: There was a Committee of Inquiry that conducted investigations during the last year or two and its report has not been furnished to this House.

The SECRETARY FOR PUBLIC LANDS: You had some of those reports yourself.

Mr. DEACON: Not the report of the last Committee of Inquiry.

The SECRETARY FOR PUBLIC LANDS: I will make it available to anyone who wishes to see it.

Mr. DEACON: Why was it kept secret? We have the right to know its contents, whether it is favourable or unfavourable. The Minister did not quote from the report of that committee, but from the report of the Royal Commission on the Development of North Queensland. That information was forthcoming from the evidence of interested parties. The Port Curtis Co-operative Dairy Association built a factory at a place where it could not command sufficient supplies—the people in that sugar area would not take on dairying, and the Mackay factory was losing money. We must discount evidence coming from directors of a factory in such circumstances. The same evidence should not be given to their opinion as to the opinion of a settler; and the settlers have expressed to the Minister their willingness to sell out.

This area is covered mostly by Eungella gum and cedar. The Minister has not said a word as to whether any marketable cedar remains on that land. According to the estimate that I had, there should be from 50,000,000 to 60,000,000 feet of Eungella gum on that area, which is a soft hardwood. The Forestry Department, after severe tests as to the quality of this Eungella gum, reported that it was suitable for indoor work, but it was not suitable when exposed to the weather. It is like many of our other timbers, hoop pine for instance, that will not stand the weather unless it is painted.

Mr. G. C. TAYLOR: What is a soft hardwood?

Mr. DEACON: A soft hardwood is a soft hardwood—just that. Nobody can deny that this timber is of value, and not a word has been said as to what is to be done with it. If we look back at the history of Queensland timbers we shall find that many good timbers were condemned at different times. In 1922 a Bill was introduced in this House to settle the Palmerston area, and it was stated the timbers on that area, walnut and others, were not of much value. Included in them was a large stand of maple. That was only in 1922. The Secretary for Public

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Lands at that time, Mr. McCormack, stated that walnut was a good timber but unusable, because it was so hard to cut and difficult to handle—in fact, it was not likely to be of any use at all. It is now recognised as the best cabinet timber in the world. Most of it finds a market in America, and brings revenue to the coffers of the State. In fact, it returns a greater amount of money, acre for acre, than the same land would return from dairying.

The SECRETARY FOR PUBLIC LANDS: I said we were protecting all the timber.

Mr. DEACON: Why did not the Minister say so?

The SECRETARY FOR PUBLIC LANDS: The hon. member did not listen when I was endeavouring to tell him.

Mr. DEACON: The Bill under discussion deals with a reserve for timber purposes, yet, although we are at the second reading stage, we have not heard a word as to what is to be done with the timber, what protection is to be afforded it, and how it is to be disposed of. So far as we know 60,000,000 feet of timber is to be thrown away. Can the State afford to do that, especially as it will mean the establishment of only a few more dairymen? We are aware that dairymen are having a bad time.

The SECRETARY FOR PUBLIC LANDS: Are you opposed to the Bill?

Mr. DEACON: I am quite against it, for the reasons I am giving. I do not recommend the throwing open of this reserve at the present time. I would not consider it at all, because I am of opinion that the land is too poor and much better land is available elsewhere. The better lands should be settled first. We should endeavour to give the settlers who wish to take up dairying the best opportunities that can be given, and not place them on mountain tops where they are doomed to failure. They will not only lose the value of the land but also the value of their labour, and this is costly land to clear.

The SECRETARY FOR PUBLIC LANDS: Seventeen out of the thirty-one settlers were placed there when the hon. member was Secretary for Public Lands.

Mr. SPEAKER: Order!

Mr. DEACON: That is not quite true.

The SECRETARY FOR PUBLIC LANDS: I know it is quite true.

Mr. DEACON: Not seventeen.

The SECRETARY FOR PUBLIC LANDS: Yes; seventeen out of thirty-one.

Mr. DEACON: The first batch of settlers comprised a greater number than that, and where have they gone to? They dwindled to fourteen when I came to administer the department.

The SECRETARY FOR PUBLIC LANDS: Seventeen.

Mr. DEACON: The number dwindled. Is that a recommendation for throwing open these lands? The point must not be lost sight of that timber is a very valuable asset. We have a growing trade in that commodity at the present time, and it is an industry affording a great amount of work to the men engaged therein. Since the imposition of the tariff on the importation

of foreign timbers, Queensland has obtained the Australian market. The timber industry provides employment and enables good wages to be paid to the men engaged in it, yet, although the timber industry is a paying one, we are being asked to throw away a certain amount of timber in order that a few dairymen may be placed on inferior land. We know that the dairymen, even on the best of country throughout Queensland, fully equipped with modern machinery, situated adjacent to railways, are having a hard time. In the face of these facts, what is to be gained by placing dairymen in this area? How can it be said to these people that there is a chance of their obtaining a livelihood, when we are fully aware that those in other localities are not making but a bare living? It is absurd.

I have gone to the trouble of finding out the amount expended by the Department of Public Lands in building roads in this locality during the last year as compared with the amount expended in other localities comprising better country. During last year £7,000 odd was spent in the Eungella area. That is the largest amount expended in any single district in Queensland by the Department of Public Lands in road making, and the work is not yet finished. Does that not show that this area is going to be an expensive settlement? In fact, it will be more expensive than Beerburum, and with no greater prospects of success.

The SECRETARY FOR PUBLIC LANDS: There is no comparison.

Mr. DEACON: That amount was expended as a commencement, and the work of road-making in that area is not yet completed. Would it not have been far better to spend this amount of money on a settlement that is not so doubtful? We have already the experience of the settlers in the area in proof of the statement that it is doubtful of success. Only a few days ago hon. members opposite complained that dairymen compelled their hands to work for 10s. a week. What can they expect from the Eungella land with that knowledge in front of them, and with a knowledge of the wages paid to workers in the timber industry? Is it not better to take every possible step to secure the timber and market it first? Let us test the timber possibilities to the fullest extent. This land carries good timber, and if there is not a ready market just now let us wait until there is one. The market has come for other timbers, and it will come for this. If hon. members opposite will go down to the Forestry Service showrooms they will be able to see furniture made from Eungella gum. Let them ask to be shown this first-class furniture made from beautiful wood.

Mr. G. C. TAYLOR: How did they manage to make the furniture if they could not get a saw to cut the timber?

Mr. DEACON: I did not say that they could not get a saw to cut Eungella gum. The hon. member should pay some attention to what I am saying. I said that the then Secretary for Public Lands, Mr. McCormack, speaking of walnut—not Eungella gum—said in 1922 that walnut was a useless timber because it was not possible to obtain saws to cut it. I admit that the Eungella gum has some cutting difficulties—it has to be cut on the quarter, but so has silky oak. Let us consider the timbers that were burnt on the Atherton Tableland

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for years because they were originally regarded as useless. I have in mind tulip oak, a timber that has come into prominence during the last two or three years because it is eagerly sought for the plywood trade. Millions of feet of this wood were destroyed on the Atherton Tableland until a few years ago, because it was regarded as valueless.

Mr. G. C. TAYLOR: The same with cedar.

Mr DEACON: If the hon. member agrees with me then he will surely agree that we should give the Eungella gum a trial to ascertain its commercial value. The Forestry Department says that it has a value; all our experts say that it is a good timber but it is not fashionable, because there are other more fashionable timbers. What other timbers were destroyed in this State for many years because they were regarded as valueless? Go into the parliamentary billiard-room and see the beautiful billiard table made of tulip wood. For years this timber was destroyed because it was considered to be valueless. There is hardly a tree left in Queensland to-day. It has all been destroyed in our coastal scrubs. It would be of more value to the State to-day and would have given a return in excess of the returns that have been secured from the land in other directions. In dealing with all our lands we should consider the ultimate value of the land and the timber, and we should not destroy one asset for the sake of assisting an industry that can be assisted in other ways. We have plenty of land available for settlement in other parts of Queensland close to the railway, some of it freehold, but all for sale. If the Government are prepared to spend money in assisting settlers on first-class land then they can do it. They are quite prepared to spend large sums of money on roads leading to a doubtful proposition—£7,000 on this road in one year, and £8,000 at Beerburrum. Why not spend the money in putting settlers on good land? We have got it, millions of acres of it. Some of it, unfortunately, is in private hands, but it can be bought. That form of settlement has been a success in the past. In the days of my youth practically the whole of the Darling Downs comprised large freehold station properties with only a few settlers scattered here and there, but that land has been purchased by the settlers.

The SECRETARY FOR PUBLIC LANDS: You are in a bad temper this morning.

Mr. DEACON: I am not in a bad temper. I am trying to point out to the Minister that he is making a big mistake in opening these lands for settlement. We should not be worth our salt on this side of the House if we did not point to the possibilities of mistakes and if we did not show that the country may lose money over a proposition like this. What are we here for but to do that? This is a losing proposition from the start for the settler. It has proved to be for those already there. The road proposition is a losing proposition for the Government, because they could have spent the money in providing access roads elsewhere. Why not spend the money on roads that are required in areas where settlers are already established and so help them along? Why not spend it on access roads to good land elsewhere that can be settled by selectors? Why stick them up on the mountain top?

There is one other matter the Mackay people ought to consider. The Eungella State forest is of some value to Mackay as a tourist resort. It is a beauty spot, because the scrub is there, and because there are some beautiful natural views in addition. If that beautiful scrub is destroyed, where is the value to the tourists? Will the tourist go out of his way to look at dairy farms? The tourist wants to see something natural. Of course, there is a small reserve, but eventually that will dwindle because of the settlement that will grow up round it. When a small reserve is left on a mountain, and the scrub all round it is destroyed, its natural beauty is soon marred by the influences of the weather, storms, fires, and men who sneak out logs. Men take all things of beauty from these small reserves. No small area of scrub stands for any period once the surrounding scrub is destroyed, no matter how beautiful it may be. If a ranger is placed in charge of it the things are taken out while he is asleep. That has happened all over Australia, and is happening at the present time. We cannot stop people from doing it. The depredations of visitors is not so noticeable in a large scrub area as in a small area, such as the Minister proposes to leave for the tourist on Eungella. Such areas are of no value at all.

The SECRETARY FOR PUBLIC LANDS: Why shouldn't the children of the North have pure milk?

Mr. DEACON: There is no reason why they should not have pure milk. They ought to have it. Let me tell you, Mr. Speaker, that there is plenty of land available closer to Mackay than Eungella to produce all the milk that Mackay requires. Mackay will not get its pure milk supply from Eungella. The distance is too great. Is it likely, considering the distance by rail and road from Eungella, that Mackay is going to get its milk from there? It is too far away. If Brisbane was dependent for its milk supply on areas as far removed from the city as Eungella is from Mackay, the people in the metropolis would starve for their milk supply. Moreover, as the hon. member for West Moreton reminds me, poor land makes poor milk. Why not develop the available lands close to Mackay if it is a payable proposition to produce milk in that district? I saw land close to Mackay on which dairymen were doing fairly well. They themselves told me that they were doing all right, while the dairymen on Eungella told me that they were doing nothing at all. When the directors of the Port Curtis Dairy Association constructed the factory at Mackay they did not consider that the 16,000 acres of land on Eungella would produce all their cream supplies. At the present time 2,000 acres out of the 10,000 acres on Eungella have been developed for twenty years. They could not have taken that into account when building the factory, and hoped for the development of the industry there. Their hopes were centred on the people settled on the richer lands along the river flats and on the creek banks to produce the cream required. They evidently viewed the position in the sugar industry, and considered that as the output of sugar-cane was restricted, the farmers would put their idle land to dairying. Their hopes have not been realised.

Other land has been opened for selection in the Mackay district. The Rise and Shine

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lands are more closely situated to Mackay, and can produce all the milk required. The land on the slopes of the range on the Mackay side is also closer to Mackay than Eungella. We have not heard a single argument in favour of opening this land. This scheme will simply destroy another State forest. We have very few State forests. Probably the Minister will tell me that his department has reserved so many million acres for State forests. I recognise it has done so, and I give it due credit. It is a good thing that it should do so, but we must look at the areas to see what they are suitable for. Thousands of acres of land which have been proclaimed as State forests and timber reserves are poor hardwood land of no value at all except for timber, and can only be classed as second-class and third-class grazing land. Therefore, it has the same value for forest purposes as for any other. All those thousands of acres that have been proclaimed as State forests are poor country, whereas for the production of soft woods we want scrub country; no other country is suitable. In Queensland we have not many areas of land that will grow soft woods and the more valuable timbers. Once the timber is destroyed, the land never regains its value from a timber-growing point of view, because the humus is washed away. Humus is needed so that the timber may grow quickly.

Mr. O'KEEFE: Where did you get that information?

Mr. DEACON: I used my powers of observation, and if the hon. member did likewise he would come to the same conclusion. This is not a party question—I realise that some of my colleagues may not agree with my views—and I ask all hon. members to give the question of forestry a fair deal, for the reservation of land for forestry purposes is worth while from the point of view of the State. We should not destroy forests that have timber of any value on them or that may be of value for the growing of soft woods, when plenty of suitable land more closely situated to markets is available.

The SECRETARY FOR PUBLIC LANDS: Where is it?

Mr. GODFREY MORGAN interjected.

Mr. SPEAKER: Order! The hon. member for Murilla has been frequently cross-firing when interjections have been made. I hope he will desist.

Mr. DEACON: We are not justified in throwing open scrub lands because they are said to be good lands until an investigation is made to determine the purpose for which they are most valuable. That is a question that every hon. member should consider. More can be got from Eungella by growing soft woods than from dairying operations, and the State will realise a bigger profit.

On the information given by the Minister, Eungella is not likely to be of great value as a dairying settlement, nor will it be of any great value as a mixed farming settlement, because it is steep country with a high rainfall, and the experience of some people is that when the plough is put into it the soil washes away with the first rainfall. Hon. members should consider these matters, and the Minister himself would be well advised to reconsider his decision.

[Mr. Deacon.

The SECRETARY FOR PUBLIC LANDS: I took all these matters into consideration.

Mr. DEACON: I do not think the hon. gentleman has, judging by his speech to-day, for he has not advanced sufficient reasons for throwing open this land for settlement. On the Minister's own showing, the settlers have not much chance of success.

The SECRETARY FOR PUBLIC LANDS: I am sorry to hear you say that, because you are only spoiling the chances of success.

Mr. DEACON: I am not. If, believing as I do, I spoke in favour of it, I might be helping to spoil the lives of some men. I saw the land. When I did throw some open when I was Secretary for Public Lands it went against my grain. I did not want to do it, but my predecessor had made some promises, and I did not like to break those promises.

A GOVERNMENT MEMBER: What about your Leader's promises during the elections?

Mr. DEACON: If we are going to go into those matters we shall get right away from this subject. The Minister is making a mistake in this connection, and the settlers who go there will also be making a mistake. I will give the Minister one example. A returned soldier settler in the Kilkivan district was on an area of land that the department wanted as additional areas to other settlers, and with the assistance of the Government they came to terms. He acquired a grassed area on Eungella on shares and took a first-class dairy herd up with him, and afterwards I learned that he left the place in disgust.

The SECRETARY FOR PUBLIC LANDS: They had no roads at that time.

Mr. SPEAKER: Order! The hon. the Minister has already spoken on this Bill, and he will have forty minutes in which to reply. There is no occasion for continual interjecting and interrupting another hon. member who is speaking. I hope, therefore, he will desist.

Mr. DEACON: There was an instance of a practical man taking a first-class herd up there and later on leaving the place. Can the Minister show me one instance of a settler who has gone in for dairying properly in the Eungella district and established a herd and is still dairying there? There were thirty-one settlers there, and some have been there for twenty years. I have yet to learn of one who has succeeded as a dairyman. In no other part of Queensland can we show such a poor record or find such a poor recommendation for throwing open a State forest for selection.

Mr. G. C. TAYLOR (*Enoggera*) [11.57 a.m.]: I desire to enlarge on a few points raised by the hon. member for Cunningham, who endeavoured to prove that land settlement when indulged in by the Labour Party will be an absolute failure. In the first place the hon. gentleman suggested that the same attitude could be adopted towards the settlement of dairy farmers in a cane district as could be adopted to the establishment of a sugar beet area on the Darling Downs. The hon. gentleman knows perfectly well that the people in the northern portions of Queensland are faced with extreme difficulty in obtaining a pure milk supply. He is perfectly aware of the fact

that the Southern States, particularly Victoria, supply the north of Queensland with huge quantities of condensed milk. Does the hon. gentleman consider it better to provide Southern interests with a market for condensed milk in the North than to settle dairymen on the little available land there is in the sugar belt, and thus provide fresh milk for the people in that area? The hon. gentleman is making a miss in the point that the settlement would be in competition with the dairymen on the Darling Downs. There will be no competition with the dairymen on the Darling Downs at all. Judging from the remarks of the hon. member when describing Eungella, one would imagine that he was describing the Gippsland country or the Pyrenees. One would imagine Eungella was situated on the side of precipitous mountains. Anyone knows the Eungella country does not comprise a mountainous range; in fact, in the Southern States it would be considered practically hilly country. The slopes on the Eungella country are not steep and precipitous, and if the arguments of the hon. member for Cunningham were to be followed to their logical conclusion there would not be any settlement on any country in Australia where there were hills or rolling downs. He claimed that because a strip of timber may be destroyed during the process of settlement the storms would blow away the soil; in fact, that the soil would altogether disappear. While he was speaking I could visualise the Mackay harbour being silted up within a year or two and the expenditure on the breakwater being an absolute "dead horse" to the country. If in the course of the settlement of Australia the destruction of timber had been prohibited, then Australia would not have been settled. The hon. member wanted the House to believe that by the destruction of timber in the course of settlement the Continent would sooner or later disappear into the ocean. That appeared to me to be the logical conclusion of the arguments put forward this morning by the hon. member for Cunningham.

The hon. member also gave the House a wonderful oration on his knowledge of timbers, and he claimed that the gum on the Eungella Range was a "soft hardwood." I have yet to find either in the dictionary or in the reports of timber experts the definition of a "soft hardwood." Either a timber is a soft wood or it is a hard wood. Evidently the hon. member for Cunningham is a "soft hard case," and members of this House are beginning to realise that fact. There is no doubt that the settlement of dairy farmers in the North will be successful. The hon. member stated that settlers had been in this locality for twenty years, but he failed to realise that if the country would support a dairy farmer and his family for twenty years there must be some good in the soil. There is no doubt that in the Mackay district, the low-lying country in and around the sugar belt, is of no value from a dairy farmer's point of view. The land that grows sugar-cane is of no value as a dairying proposition, and I have been all over the country and practically all over the northern sugar belt. The country providing the necessary nutriment in the grasses for the successful carrying on of the dairying industry is not to be found in the low-lying areas of the sugar belt, but in the higher country beyond. It must be borne in mind that with

the greater development of the northern sub-tropical and tropical districts it would be impossible to supply them with fresh milk unless dairying settlements are established in suitable localities in the area. Milk must be produced almost at the door of the consumer in our tropical and sub-tropical districts, otherwise it will not keep, and if fresh milk is not provided then the North will continue to patronise the southern States for its supply of milk in either powdered or condensed form. Something should be done to provide a pure-milk supply for the children and residents of the North of Queensland.

Mr. COSTELLO (*Carmarvon*) [12.5 p.m.]: The Secretary for Public Lands and the hon. member for Cunningham have gone into the pros and cons of the Eungella area. Firstly, I give much credit to the hon. member for Mirani in this matter. It was he who, during many years, brought the settlement of this land before the Government and the Department of Public Lands. His representations have been very consistent, because he realised that in and around Mackay the land was not good land for such settlement as is intended. He also realised that further dairying was badly needed in order to increase the cream supply to the new factory established in the Mackay district.

I have had the opportunity of seeing Eungella, and I do not agree for a minute with all the Secretary for Public Lands has stated. He pictured it as a land flowing with milk and honey. It must be realised that settlers going on that land will have a considerable uphill battle just as settlers on any other new area. Settlers going on to the Eungella area will have an equally hard battle as those going on areas in the district of the hon. member for Murilla or the Palmerston area. There is no reason to expect, especially with the low prices ruling for primary products, that the Eungella settlers will make a first-class or even a reasonable living from the commencement. A considerable amount of expense will be incurred in clearing the Eungella land, which carries a fair amount of Eungella gum. The hon. member for Cunningham has correctly stated that this is a very hard timber to clear and a very hard timber to burn. It has not very great commercial possibilities, probably not so great as the hon. member for Cunningham claims for it. It is a timber that shrinks considerably in the process of seasoning, and continues to shrink for a considerable time after it has been cut.

I do not agree for one moment with the Land Commissioner that these lands are potential areas for the production of chilled meat and mutton for export. I am certain that he is mistaken. The land will certainly grow citrus fruits, but there is a very little market in the North for them. There may be a local market, but when one realises how beautiful oranges and passion fruit can be grown in abundance in the North, one can appreciate the difficulty of marketing this produce near the source of production.

The settlers who have been on the Eungella land for upwards of twenty years have not been successful because of the tenure under which the land has been made available to them. The Minister can correct me if I am wrong, but I feel certain that the land there is held under special leases. The party on this side of the House does not

Mr. Costello.]

advocate a policy of special leasehold, or even a perpetual leasehold, but it is a strong advocate of the freehold tenure. The hon. member for Normanby smiles, but I venture the opinion that if this party were in control of the affairs of State to-day the possibility of success on the Eungella land would be increased by 40 to 50 per cent. by the mere fact that we would be prepared to give the new settler a tenure that would serve as an adequate security for the necessary capital for the development of the land. The land commissioner points out in his report that the settlers who have been on the land over a period of twenty years have had to contend with adverse conditions, that they were a poor class of settler, that they had not the use of reasonable roads, and consequently the areas were not fully developed. Only a very small proportion of the areas has been developed, but how could one expect anything else when the land is held under a special leasehold tenure that permits the Government to deprive the settler of his use of the land merely by giving him six months' notice? The special leasehold tenure in existence in Queensland is the curse of land settlement, and it has been a curse at Eungella. Would any financial institution, or even the Agricultural Bank, advance money for the development of the Eungella land held under special leases? Neither would consider it for one moment. Go to the Public Curator, go to any Government institution, or to a private bank, go anywhere you like, and seek an advantage based on a special lease, and you will get the cold shoulder.

Mr. SPEAKER: Order

Mr. COSTELLO: I am dealing with the possibility of the success for this settlement or otherwise. I am predicting that it will be a failure under a special leasehold tenure.

Mr. SPEAKER: Order! The Bill provides for the cutting up of portion of a State forest. Clause 2 provides that such land shall be available for opening for selection or shall be otherwise dealt with under the Land Acts in all respects as if such land had never been part of such State forest. I hope that the hon. member will not indulge in a general discussion on the various forms of land tenure under cover of this Bill. He would not be in order in doing so. He may refer to it in passing, but he will not be in order in indulging in a general discussion on land tenures.

The SECRETARY FOR PUBLIC LANDS: There are only seven special leases there, given by your Government.

Mr. COSTELLO: I am dealing with the success or otherwise of this land, and the tenure is one of the most important factors in that success. I have pointed out that the settlement so far has been a failure because of the special leasehold tenure. This form of tenure has not conduced to good settlement. I have referred to the report by the land commissioner, who points out that the settlers are anything but prosperous. If I were a prospective settler on the Eungella land, reading the report by the commissioner, I should be very doubtful about going on the land at all, especially in view of the tenure under which the land is held. However, Mr. Speaker, I shall not labour that phase of the matter at any

greater length. I strongly advise the Minister to make the conditions of tenure even better than perpetual leasehold—that is, to give freehold tenure, and by that means make it possible to improve the prospects of settlement.

I do not agree with everything that the Minister has said, or what his own officers, or the officers of the Department of Agriculture have reported about the suitability of this land for dairy purposes. This land might be classed as second-rate scrub land. I can assure the Minister that the selectors will experience difficulty with Johnson, and other foreign grasses, which will eventually stamp out the artificial grasses so necessary for dairying. Johnson grass, and similar grasses, flourish on impoverished land, and grow with greater rapidity on such land than artificial grasses. Artificial grasses may stand for a few years, but, as everyone experienced on the land knows, they have many natural enemies to contend against.

The policy of opening up State forests has been under consideration for a very long period by both political parties. I, for one, do not stand for one moment for the preservation of land for forest or timber purposes if that land is suitable for closer settlement. If this land is as suited for dairying purposes, as the officers of the department claim, I have no hesitation in advocating that it should be opened for settlement, because closer settlement is badly needed in that locality. I do not support the restriction of land settlement. If we embark on such a policy we shall get to a dead end. We need fresh avenues for the development of our primary industries in order to create greater wealth, and more employment for our youths who are continually coming on the labour market. Restriction of land settlement is advocated in North Queensland probably by those who engage in the dairying industry in the hope that they will preserve the markets they have for their own industry. I agree with the Minister that we cannot for one moment consider them; we must go ahead whether conditions are adverse or not. Land settlement must continue to go ahead wherever it may exist in this State. We have not thousands of acres of first-class agricultural land for settlement, as the hon. member for Murilla says. Our areas of such land are not unlimited.

Mr. WILLIAMS: Hear, hear!

Mr. COSTELLO: We have a fair amount of fairly good land, portion of which has been reclaimed from prickly-pear by the cactoblastis. The opening of that land was begun by the Moore Government and continued by the present Government. I refer particularly to the Chinchilla lands on the Western Railway. If we had at Eungella a similar large area of land to throw open to selection it would be snapped up as readily as that land. I claim that the Minister is justified in accepting the report of his officers to open up the Eungella lands for dairy purposes. That class of settlement is badly needed in the Mackay district.

Mr. SPEAKER: Order! I have on reflection decided that I was not right in intervening and preventing the hon. member from discussing the class of tenure under which this land should be settled.

OPPOSITION MEMBERS: Hear, hear!

[Mr. Costello.

Mr. COSTELLO: Thank you, Mr. Speaker.

Nor do I agree with the hon. member for Cunningham that there is an abundance of land on the river flats and creek banks about Mackay suited for dairying. I am convinced that that land is not at all suited for dairying. If it is desired to extend dairying in that district it must be extended on the higher land in what we are referring to as the Eungella settlement.

I agree with the policy of opening up forest areas suitable for closer settlement, and I advocated that policy as a supporter of the Moore Government, especially when that land was not carrying any great quantity of timber on it. I do not wish to sacrifice our forests entirely, for we need them, but we also need good land for settlement, especially in those districts where butter and dairy factories exist.

That brings me to another important question, that of the temporary use of State forest land. Prior to the Moore Government's defeat, I understand, a Forestry Bill was prepared containing provisions that offered a tenure to settlers on State forests that was better than the leasehold tenure. I am now speaking of the hardwood forests particularly, and the cypress pine lands along the West and South-Western Line, where large areas are held under special leases.

At 12.18 p.m.,

The CHAIRMAN OF COMMITTEES (Mr. HANSON, *Buranda*) relieved Mr. Speaker in the chair.

Mr. COSTELLO: I have already described the special leasehold tenure under which the selector is granted a lease for a period of ten years subject to determination on six months' notice by the Department of Public Lands. That selector receives no protection from the Government in regard to any improvements that he may effect. Of course, if another selector buys him out he can claim compensation from him in respect of the improvements surrendered, but on the whole the conditions laid down do not conduce to good settlement. If a special lease of twenty-eight years, subject to a preservation of the rights of the Forestry Department in regard to timber, were granted, a much better type of settler would be obtained. Moreover, such settlers would probably find that with such a tenure they could secure funds for developmental purposes, such as water conservation, fencing, and the provision of fire breaks, with which the Forestry Department is particularly concerned.

Most of the land I have in view in the south-western districts has for many years been a breeding-ground for all the pests imaginable. It was one of the worst breeding-grounds for prickly-pear until success attended the efforts of pear eradication. To-day it is a breeding-ground for dingoes, foxes, marsupials, and probably for the grasshoppers, whose ravages are now the subject of great attention. All these pests naturally thrive in the absence of the settlement that would combat them. So far the tenure has been the obstacle to the successful settlement of this land, and in considering the opening up of new lands or the reclassification of forest lands, the Minister would be well advised to approve of a tenure of twenty-eight years for settlers on the hardwood forests in the south-western districts.

In the settlement at Eungella, the Agricultural Bank will naturally come into the picture, for the prospective settler will probably seek financial assistance from that institution. Now, I claim that something must be done immediately with the Agricultural Bank if it is to assist settlers so that they will have a reasonable chance of becoming successful. For the last few years the Agricultural Bank has been of little or no use to land settlement in Queensland; in fact, to-day that institution is in a worse condition than ever it has been in. Only small advances are made, and the conditions imposed on these insufficient advances are very harassing. The fact that the interest rate is still 6 per cent. per annum in respect of advances by the Agricultural Bank speaks for itself. Only recently the Premier claimed that the first action of the Moore Government should have been to reduce its interest rate. Probably we agree with the hon. gentleman, but it is noteworthy that up to the moment the Agricultural Bank, which is controlled by the Government, has not reduced the interest rate. Of course, it is proposed to reduce the interest rate in the new year; but that time is not yet here, the depression has existed for six years, and the Agricultural Bank has not helped settlers one iota by way of reduced interest. I appeal to the Minister to use his influence with the Cabinet to have better and more reasonable conditions applicable to the Agricultural Bank policy, which at present places people in difficulties rather than affords them assistance.

I have no objection to supporting the second reading of this Bill, and would give one word of advice to prospective settlers at Eungella—that is, not to take everything said by the Minister and his staff as gospel, because the difficulties associated with every other settlement will have to be overcome. The country being made available is probably the best in the district, and, if I were Secretary for Public Lands, I should have no hesitation in making it available for settlement, for it will make for development, for the successful working of the proposed butter factory, and for the provision of a better milk supply in the Mackay area.

Mr. HAYES (*Yundah*) [12.24 p.m.]: The reasons advanced by the hon. member for Cunningham, an ex-Secretary for Public Lands, are beyond the comprehension of most hon. members. It is sufficient for me to refer to the reasons given by the painstaking departmental experts, together with the general knowledge of the Minister in relation to this district. Many people after visiting a district consider they possess expert knowledge of its potentialities, and often find fault with something on which their opinion is worthless. I think the attitude of hon. members opposite is governed by the fact they are in Opposition and consider it is therefore their duty to find fault with the policy of the Government, although privately they are thoroughly in agreement with it. The Minister stated that the rainfall on this portion of the Eungella forest averaged 60 or 70 inches per year, and had never fallen below 31 inches, so that it is practically drought-proof. It is 3,000 feet above sea level and lies in proximity to mountain ranges. Where country is thickly timbered the rainfall is generally in excess of the rainfall in country

Mr. Hayes.]

that is sparsely timbered, or devoid of timber.

The hon. member for Cunningham referred to the value of Eungella gum. I would remind that hon. gentleman that the portion of the forest that is being thrown open amounts to 16,000 acres, leaving a balance of 30,000 acres, which will make ample provision for the propagating of this timber. Recently I had the privilege of accompanying the Secretary for Public Lands on an extensive tour of North Queensland; and whilst there I availed myself of the opportunity of making myself conversant with the various industries that are to be found in that portion of the State. A visit to the northern portions of the State is very educational to people who live in the South. The consensus of opinion is that North Queensland is essentially a sugar-producing area. I agree that the prosperity of North Queensland, and largely the prosperity of southern Queensland, is very much bound up in the sugar industry. It is essential that we should encourage other industries as well as the sugar industry; and the Government are awake to that need, and are opening up suitable lands for dairying purposes in North Queensland. Very little of the rich scrub lands of North Queensland was made available by the Moore Government, and the Labour Government are hastening to remedy their neglect. The Minister has an extensive programme in hand for the early opening of the Clump Point area, near Tully, comprising about 17,000 acres; the Palmerston area, near Innisfail, comprising about 16,000 acres; and Julatten area, near Port Douglas, comprising about 5,000 acres; the Boonjee lands, near Millaa Millaa, comprising about 6,200 acres; the Mourilyan area, comprising about 2,000 acres, and the Japoon area, near Silkwood, comprising about 3,000 acres. The firm opinion of the present Government is that well-balanced industries are essential for the proper development of any part of this State. On sugar alone the potentialities of Queensland will never be fully developed.

Mr. MOORE: Who wrote that for you?

Mr. HAYES: Not Littler, who supplies the hon. member and other Opposition members with notes to speak from.

An accelerated programme of land settlement has resulted in the opening, during the two years of Labour administration, of an area of over 11,000,000 acres. Although the sheep and cattle industry will for decades to come supply the State's chief primary wealth, they will never be capable in themselves of maintaining a large population on the land. Many people in the State are dairying and mixed farming, and we are doing something that the Leader of the Opposition, with his characteristic little grin and side glance, keeping his eyes chiefly on the carpet and seldom looking one straight in the face, cannot say that he is doing. He might say much to the discredit of the people who are in control of the Federal Government for not protecting the State of Queensland. They have failed to expend money, or make money available for the protection of the coast line of Queensland. The Labour Government in this State are doing that by throwing open these areas and seeing to it that they are made available for the purposes for which they are suitable.

[Mr. Hayes.

During my tour in North Queensland I was struck with the remarkable fact that in those areas given to the extensive growing of sugar, not even one cow was kept for the purpose of providing fresh milk for the sugar growers. Unfortunately, in the North it is very rare to have cow's milk in one's cup of tea. Skim and condensed milk are extensively used. This Labour Government are making provision for the supply of a commodity essential to the health of the Northern community by opening up lands suitable for dairying. The people of the North will thus have the opportunity of obtaining a supply of pure fresh milk. Approximately 1,250,000 lb. of powdered and condensed milk are imported yearly into Queensland from Southern States. I cannot allow the opportunity to pass without saying a few words in commendation of the firm of Frank Fraser and Company, of Ingham. It has displayed very great enterprise by establishing a plant for the pasteurisation of milk. Supplies of pasteurised milk have been forwarded to Mount Isa and also as far away as Java.

During the tour I have mentioned the party called at Silkwood, where the butter factory was officially opened on the day of our arrival. There is no reason why dairying should not be carried out to a greater extent throughout this portion of the State than at the present time. This can only be done by making suitable land available for the purpose. The firm of Fraser and Company, of Ingham, has already shown what can be done with the dairying industry in the North, and demonstrated that milk can be transported a distance of 800 miles. Questioning a member of this firm as to the prospects of the expansion of trade, I was informed that the firm was looking forward to the Abergowrie farm school, as being another source of milk supply.

I have very great pleasure in supporting this Bill.

Mr. EDWARDS (Yanango) [12.35 p.m.]: I do hope that the Government will carefully consider the whole position. Our past experiences in the way of land settlement have not been of the best. It must be admitted that many settlements in the past have either created considerable difficulties for the settlers or have been practically total failures.

Mr. LEWELYN: There are always a great number of applicants for land in new settlement areas.

Mr. EDWARDS: That is no argument. I hope that this land is not being made available simply because it is anticipated that there will be a large number of applicants for the land. In many cases people are prepared to take up land on the chance of earning a livelihood, but the hon. member for Toowoomba knows as well as I do that many years afterwards great difficulties have beset them, and the State has incurred considerable loss in these ventures. The settlers have struggled for years in an endeavour to make a success of their holdings. I could recall many failures in this connection, but I need only instance the case of Mount Abundance, where land was repurchased and made available for selection in anticipation of wonderful results. At the outset high rents were charged, but they have all had to be reduced. A considerable amount of money has been lost in connection with the repurchase of this estate. I could refer also

to many soldier settlements. We also have an illustration at Beerburum. I merely point out these things by way of caution to the Government to proceed carefully, watching every step they take. After all, one prosperous settler is worth more than a dozen settlers struggling to develop their country. I sincerely hope that the Eungella land will provide the prospective settlers with a good chance of success.

I feel that for many years the Forestry Department has adopted what might be termed a dog-in-the-manger attitude towards land settlement.

THE SECRETARY FOR PUBLIC LANDS: Hear, hear!

MR. EDWARDS: The Forestry Department has not worked hand in hand with land settlement. It has not adopted an attitude of give-and-take. Even in those cases where forestry land is not growing timber successfully and has no chance of growing timber for a number of years, perhaps during this generation, it has not come forward to say, "This land could be better used for land settlement." If a success can be made of the settlement of the Eungella lands then there will be some guide as to whether other forest lands could be usefully made available for close settlement enabling farmers' sons at least, and perhaps outside people, to avail themselves of the land that they urgently require.

THE SECRETARY FOR PUBLIC LANDS: We are having a survey made of all the forest lands in Queensland.

MR. EDWARDS: I understand that that is so. Recently a tribunal was sent to inquire into the forest areas in the Yarraman, Nanango, and Blackbutt districts. I suggest to the Minister that a clause should be inserted in this Bill whereby it should be left open to the Government to deal with those lands without further legislation. I notice that the Secretary for Public Lands is smiling. I suppose he is thinking that the hon. member for Cunningham would be definitely opposed to my suggestion, but if scrub land alongside the railway line is not being used, and is not likely to be used for forestry purposes, there should be a clause in this Bill allowing the Government to release that land for close settlement. I can confirm the statement by the Secretary for Public Lands that some butter factories cannot be brought to their highest point of economic development because of the existence of forest and timber reserves adjacent thereto. The settlers are called upon to bear a considerable burden in connection with road construction and in other directions because large forest reserves are withheld from close settlement by the Forestry Department. I am not arguing that we should not pursue a reasonable policy of reforestation. I believe that our forestry activities should be extended, because in that way the State will be assisted to obtain a return from much of the money that has been expended in this country.

THE SECRETARY FOR PUBLIC LANDS: We have now the biggest area ever reserved for forests in the history of Queensland.

MR. EDWARDS: That may be so. I have heard the opinions of practical men in the timber industry on the policy of retaining huge belts of forest country alongside the railway line. These men have no axe to grind, but they have told me that in many

cases reforestation will not be successful on many of the areas, and that they will not produce timber of any value for a considerable time to time. These forest and timber reserves penalise settlers on the neighbouring land. Therefore, serious consideration should be given to any request to throw such land open to settlement. By doing so the Government would afford an opportunity of establishing a prosperous settlement, adding to the wealth of the district and relieving the adjacent settlers of the difficulties they suffer from the depredations of marsupials and other pests, and noxious weeds, which have their origin in State forest reserves. The position of settlers is now made so difficult from those causes that in hundreds of instances it is impossible for them to make a living.

The settlers are at a disadvantage in many ways. They are handicapped in marketing their product with despatch and thus keeping the supplies of their butter factory up to a satisfactory level. State forest reserves in many cases deprive them of access by good roads. Local authorities are loth to construct a road that will benefit only half a dozen settlers. They are also at a disadvantage in respect of schools for their children. In fact, they are penalised in every direction. Therefore, I agree with the Minister that we should take into consideration whether the State forests and timber reserves should be retained in the best interests of the State. I do not hold with the opinion that immediately any land is thrown open to closer settlement the settlers get into difficulties and become a greater disadvantage to the State than if the land grew a few sticks of timber. Provision must always be made for settlement, whether for only a few families or otherwise. Labour must be engaged to assist them. Many of the settlers rear families and require work of various kinds to be performed. Indirectly they are producing from the land almost immediately, and at the same time assisting other industries who supply their needs. Transport, especially on the railways, is also assisted. Transport facilities are more difficult to obtain when large tracts of land are tied up in reserves. I have in mind how the development of the Yarraman and Nanango districts is retarded through the non-construction of the Yarraman-Nanango railway. It is true that there is a network of railways in the district, but a large area of land, which is in close proximity to the markets, is now held as forest reserves. For years a discussion has proceeded as to whether it is not in the best interests of settlement to open some of that land to selection. Those discussions have been overshadowed by the creation of additional forest reserves. No attempt has been made to arrive at the basis of an agreement for a classification of these reserves with a view to opening first-class land for settlement. While it must be admitted that timber has provided a great deal of freight for our railways, it cannot be denied that some forest land is now denuded of timber, and is, therefore, not producing freight for the railways or wealth for the State. This land is growing all the pests imaginable to torment and add to the difficulties of the adjoining settlers. Some definite policy is needed in respect of these reserves in order to mitigate their trials and increase settlement. At the present time a great difficulty is experienced in obtaining decent land.

Mr. Edwards.]

I hope the Minister will take these matters into consideration. I am not in any way opposed to what the Minister contemplates doing; in fact, I favour the Bill so long as careful consideration is given to ensure that the settlement will be successful, and not the blot on the land settlement history of Queensland that other settlements have been.

Mr. WILLIAMS (*Port Curtis*) [12.48 p.m.]: I am quite sure that the Minister does not need any support from this side of the House in the successful passage of this Bill through Parliament, but it is interesting to note the divergence of opinion expressed by Opposition members who have spoken this morning. The hon. member for Cunningham denounced the opening up of this land for various reasons. One was that the soil was poor, and another was that the soft wood timbers on this particular area were valuable. On the other hand, the hon. member for Carnarvon spoke in quite a different vein, pointing out that he opposed the restriction of the opening up of scrub land, particularly in North Queensland, and also emphasising that the soft wood timbers on the Eungella Plateau referred to by the hon. member for Cunningham were of no value, and further, that for many years many requests had been made for the opening up of this area.

The Minister has given sound reasons why this land should be opened up for settlement, and, judging by his statements and the opinions expressed by his officers, I think he is doing the right thing. The area seems to be suitable, it is close to markets, to railways, and to ports, and in every way is suitable for land settlement. Many of our scrub lands in Queensland could be considered in the same light. I know that in the Gympie area—and the hon. member for Gympie has referred to the matter—large areas of scrub land could be made available for settlement. In my own electorate, particularly in the Many Peaks and the Callopie areas out from Gladstone, extensive areas of scrub lands could be used for the same purpose as the Minister contemplates in respect of this northern land. Surely it is not necessary to consider forestry or reforestation solely. Many areas are not suitable for that purpose; many admittedly are. As one hon. member stated, many of these areas have become merely breeding grounds for pests and are a distinct nuisance to settlers on adjoining lands. The Minister has assured us that a large sum of money has already been spent on the construction of access roads. The provision of these facilities before land settlement is effected is a step in the right direction in the interests both of the settlers and of the State.

In the opening up of new areas of land, and particularly in the area now under discussion, it is to be sincerely hoped—and I believe attention has been paid to this aspect of the case—that the areas will not be too small. In the past many areas have been subdivided in such a way that living areas were not made available for settlers, who have later had to look for additional areas which frequently were not obtainable close at hand, and could only be obtained much further afield.

Much comment has been indulged in both inside and outside this Chamber on the action of the Minister and the Government

[*Mr. Edwards.*

in opening up fresh areas of land in view of the fact that existing settlers are finding it difficult to make ends meet. We know that settlers, as well as other people, are passing through difficult times because of the unsatisfactory prices for products. Admittedly the matter of opening up new lands for settlement when existing settlers are finding it difficult to make a living is a matter requiring a good deal of thought. The present conditions will not continue. Time changes everything, just as it changes the tides. We have not looked ahead and planned our production. If we had done so there would be no need to talk of restriction. We have successfully applied science to production, but not to the problem of distribution and consumption.

Much can be said for and against the argument raised by one hon. member to the effect that no further land should be thrown open for selection because the men who are already on the land are not able to make a decent living. I notice other countries are following on the same lines—or, perhaps, we are following the policy adopted by other countries in that regard. Greater attention is being paid to the development of land in different parts of the world. On page 10 of the October issue of a small pamphlet entitled "Sane Democracy," which is published monthly and sent to all members of Parliament throughout the Commonwealth, the following appears:—

"In Canada, thousands of idle industrialists have been transported from the city of Montreal to forest land in Quebec, and other towns suffering from the trade depression are taking similar steps to deal with their unemployed workers.

"'Back to the land' offers a way out for surplus labour in every country. In Great Britain they have a hustling Minister for Agriculture, the champion of the yeoman farmer and the peasantry who realises the truth of Goldsmith's eulogy: 'A bold peasantry, their country's pride, when once destroyed can never be supplied.' The Hon. Walter Elliott will not be swayed by economic theorists, but will encourage land production, profiting by the experience of the war blockade of food, and will stop the drift from the country to the congested industrial areas by giving a fair deal to the farmer and his men.

"In past periods of depression in New South Wales, unionists and their representatives in Parliament have supported land settlement projects brought on by Sir Joseph Carruthers and Mr. H. Copeland, who made land available on the commons of Pitt Town, Wilberforce, and Bega, and provided forestry work on the Murrumbidgee and at Yanco."

That is an argument in favour of further land developments, and supports the contention of the hon. member for Carnarvon, who definitely opposes any restriction in the opening of suitable lands for settlement, particularly in North Queensland.

I wish to congratulate the Minister upon fathering a Bill of this nature and deciding to open up forest lands in different parts of the State. I am also pleased to learn that the Minister is having a survey made of the forest lands in Queensland in order that he may ascertain if it would be possible to settle people on some of the areas

that may not have been found suitable for reforestation purposes. We have large areas of land in practically every district in the State suitable for settlement. The hon. member for Murilla pointed out that there were thousands of acres of land in his electorate that were suitable for settlement; and there are lands on the North Coast, near Gympie, and further north, including the territory that I represent, and the territory to the south and north of the area under discussion, that could be made available for settlement.

I can assure the Minister that this land will be rushed. I know that quite a number of men throughout the Commonwealth are looking forward to becoming settlers in that area; and I feel sure that the disabilities referred to by the ex-Secretary for Public Lands, the hon. member for Cunningham, will not be met with, and the settlers will not regret having been successful applicants.

Mr. SWAYNE (*Mirani*) [12.59 p.m.]: As the parliamentary representative for the electorate in which the area under discussion is situated, and as one who has known that country since the early 90's, I should like to say a few words on this question. When I first knew this area there was no road up the range. We were making a detour of over 150 miles with our teams carrying machinery to a mining field just at the back of where the settlement now is, and because of a fatal accident to a mate I rode through this area as a short cut for a doctor.

At 2.0 p.m.,

Mr. SPEAKER resumed the chair.

Mr SWAYNE: That is almost ancient history. Let me mention more recent events. About 1910-11 the late Hon. J. T. Bell made inquiries as to areas suitable for settlement near the coast. He received from the officials a very favourable report regarding these lands. A sum of £20,000 was then expended in providing an access road up the range. At that time there was a railway some 12 miles away, but the distance has now been reduced to 5 miles. This gentleman also employed a very competent surveyor, a man well versed in land settlement, to make it available for settlement by surveying 13,000 acres of it into blocks. This work was completed about 1915. It was then that a Labour Government came into power in Queensland, and one of the first acts of that Administration was to withdraw this land from settlement. First of all the Government proclaimed 3,000 acres on the frontage as a State forest, and subsequently the area towards the back. That is one of the reasons why settlement has been so long delayed. I am pleased that the Labour Party, again in power, have seen fit to rectify the mistake made by their predecessors many years ago.

During the course of this debate objection has been raised to this land being made available for settlement rather than being retained as a State forest. Mention was also made of the tourist traffic that would be drawn to the district. I do not attach the same importance to that factor as some other hon. members; nevertheless, from that aspect alone the Eungella lands are worthy of the most favourable consideration. His Excellency, Sir Leslie Wilson, quite recently visited the area and marvelled at the view to be obtained from the

top of the range. Standing there one can see down the valley of the Pioneer River, the canefields extending almost from one's feet to Mackay, and fully 40 miles away is the ocean and the coastal islands. Sir Leslie Wilson expressed the opinion that it was one of the finest mountain scenes he had ever viewed, and compared it with the Valley of Kashmir, which, as hon. members know, is considered one of the beauty spots of the world. From a scenic point of view I think ample protection has been given by the preservation of the scrub lands in one corner. These will provide an attraction for tourists.

To my mind the most important aspect of the question is the suitability or otherwise of the land for settlement. Various objections have been raised, one being the effect that the clearing of the scrub would have on the soil on the slopes. Fear was expressed that the soil would be carried down the slopes by the sub-tropical rains. That objection, more or less, applies to any hilly country. From the remarks of the Secretary for Public Lands, it will be gathered that a small area only of the timbered country will be affected, some 13,000 acres, whereas approximately 80,000 acres will still remain as State forest or timber reserve. It seems to me that the need for retaining a certain amount of timber for climatic purposes—the securing of rainfall and timber supplies—is amply provided for in the Bill. Some of the soil is bound to be washed away from the high places following a heavy downfall, but that can be largely avoided, and I see no reason why that objection should apply with any more force to this land than to other elevated country.

Considerable doubt has been expressed as to the quality of the soil, and I was surprised to hear one hon. member compare this country with Boerburrum. I have been over the Boerburrum country, which is really a waste of sand carrying stunted timber, but the Eungella land is covered with heavy forest growth carrying big, high trees; and I do not care what anybody says, cedar will not grow on poor soil, and cedar is to be found on this land. This forest has existed for many hundreds of years, and it naturally follows that the country must be rich in humus. Leaves have fallen and decayed and even trees have died and rotted away over hundreds of years making this soil rich in humus and fertilizing matter. Some of this may be lost when the country is opened up, but to-day, in its natural state, the country must carry a deep deposit of rich humus and soil.

Both the hon. member for Cunningham and the hon. member for Carnarvon spoke rather disparagingly of the quality of the soil. I was with them when they visited the place, and I know that they did not remain there very long. They remained the afternoon, and they may have seen some of the top ridges that are not as good as they might be, but taking it on the whole the soil is beautiful. Even away back in 1910 it was reported to the late Hon. J. T. Bell that the country carried rich fertile soil, and on that recommendation he spent up to £20,000 in the area. The only mistake that was made was that the land was not opened up long ago.

Regarding the suitability of the Mackay district for dairying I should like to point out, as a fairly old hand in the district,

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that before the days of the separators and butter factories the town of Mackay, which was then a fairly large town, supplied its own butter requirements even under those old crude conditions of setting the milk in dishes. Even in those days dairying was successfully carried out, and if the sugar industry had not loomed into such prominence the dairying industry would have become very prominent in the district. With the advent of a butter factory some years ago an impetus was given to the dairying industry, and the factory has achieved a certain amount of success. I know that the progress of this butter factory was retarded by the Labour Government because they would not open these lands for settlement, but I am pleased now that they realise their mistake and are going to rectify the position.

The SECRETARY FOR MINES: You were three years in power and did not do very much.

Mr. SWAYNE: Some blocks were opened up during the regime of the Moore Government, and I am sure that if the hon. member for Cunningham were here he would confirm my statement that there was more than one applicant for each block immediately they were opened.

I am just as much alive as anyone else to the need for providing for our future timber requirements. According to the figures supplied by the Minister it is proposed to open 15,500 acres for settlement, leaving about £9,000 surrounding it carrying timber. I have always maintained, no matter what Government were in power, that it was wrong to lock up so much of this rich land just about the top of the range where the road came in. I have always contended that there is sufficient forest country to meet our timber requirements north towards Bloomsbury and south towards Mount Britain. There we have a huge belt carrying a vast growth of timber.

Some mention has been made of the lack of progress that is being made by the present settlers. Some of them have not progressed as much as we would like, but as the member for the district, I have not heard of some of the failures that have been quoted. In my opinion, their progress has largely been held up as a result of the attitude taken by the Agricultural Bank to requests for advances to purchase stock. For some reason very hard to discover the settlers in the Mackay district have found it very difficult indeed to get advances from the Agricultural Bank for that purpose. It would appear as if the local official has made a "dead set" against the district in that respect, and if there has been slackness in the progress of the Eungella settlement, it is largely due to the lack of sympathetic action on the part of the Agricultural Bank. At the southern end of the area it is now proposed to throw open to settlement a piece of land that in richness of soil it would be hard to excel. It is known as the Bull Paddock, and is an area of rich black alluvial soil with scarcely any timber on it, except a few forest trees, which would cost practically nothing to clear. Surrounding this land is a rich vine scrub. If this vine scrub and forest land were surveyed and opened to selection, it would provide a number of farms. Those farms would consist of a combination of forest land on the frontage with a certain proportion of scrub at the back. No more attractive proposition

for selection could very well be found in this State.

My long experience in this Parliament has shown me that the party in power for the time being will not accept sound advice from the local representative, just because he happens to be sitting on the opposite side of the House. I would call the attention of hon. members to a speech I made in this House on 12th September, 1922. It might very well have been adopted by the Secretary for Public Lands as his second reading speech on this Bill twelve years after I advocated the opening of that land for selection. This is what I said—

"I will quote an instance where land settlement has been retarded in my district. I refer to the Eungella tableland. The possibilities of that land are equal to those of any area of similar nature in Queensland. Prior to this Government coming into power this country was on the point of being settled by a group of dairy farmers from the Northern Rivers of New South Wales. It was intended that they should grow grass and place cattle on those pastures, and go in for dairy pursuits. That would have taken place had there not been a change of Government in 1915. To show the fruitfulness of the back country in that district, I intend to quote a letter written by a Victorian, who subsequently took up some of the land, but who was hunted out because of the actions of this Government. He says—

'The truth is I am one of the 'slaughtered innocents' who selected land on the Eungella tableland in 1920 with a group of New South Wales farmers. Having had twenty years' experience with fruitgrowing, I recognised on the Eungella tableland absolutely the finest fruitgrowing country I have seen in Eastern Australia, also including Tasmania and New Zealand. My neighbour, Mr. Charles Dunning, an experienced farmer from Tamworth, New South Wales, says it is the finest dairying country he has ever seen. I have no doubt that this tableland would have been one of the most successful settlements ever established in Queensland; but what is the result as far as I am concerned? While I am busy 2,000 miles away selling my orchard and vineyard at a loss of £5,000 below its market value to comply with the residence clauses in your Queensland Act, I had the mortification of reading your leading article last November stating that the balance of the unselected blocks were withdrawn from selection.'

That is, the party in power, a Labour Government, withdrew that land from selection. At a long last they are now going to rectify that mistake. I continued—

"Through a change of land tenure brought about by this Government the first company from the Northern Rivers gave up the intention of coming to Queensland, and the settlement of that area was dropped. Out of a reserve of 13,000 acres, the Government have 3,000 acres reserved on the frontage, which means that 10,000 acres are blocked to settlement. For the last ten years numerous settlers have taken up land there; but they have always found it

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impossible to get over the difficulty of those 3,000 acres of unoccupied land forming the frontage."

"There is dense scrub on this frontage, and if the settlers cut a track through it the sun cannot get to the track to dry it up when there is a heavy fall of rain, and it becomes a bog. No roads can be constructed because the local authorities receive no rates from that area. Dozens of men have taken up the land and have had to release it and return to Victoria and New South Wales simply because of the conditions imposed by this Government. It was impossible for them to hold some of the best land in the State. That is a glaring case of the effect of the Government policy. Anyone acquainted with land settlement knows that people will not go behind thick scrubby land to take up a holding. Settlement must be worked from the front of the land. It is impossible to do this on this area, because the Government have reserved that frontage of 3,000 acres.

"I may also say that something like £20,000 of public money has been spent in making roads to this area, which is within 5 miles of a railway. The action of the Government in reserving this area is a great injustice to the Mackay district, as that area should be the source of all the butter and dairy produce required in Mackay; and I hope the hon. member for Mackay will join with me in trying to induce the Government to reconsider this matter and bring about an alteration in their decision that the whole of this area should be reserved as a State forest. I give place to no one in my desire to see that the future timber requirements of this State are provided for."

This I said in 1922, and the Minister might almost have used that speech as his second reading speech on this question. The old maxim that "It's never too late to mend" is particularly apt so far as the present Government are concerned, for even though it may be a death-bed repentance their action on this occasion will, I feel sure, be attended with profitable results to the State.

Mr. CLAYTON (*Wide Bay*) [2.21 p.m.]: Owing to my having to attend to departmental duties, I did not have the opportunity of hearing the second reading speech of the Minister. I know, however, that the question of the settlement of this land was favourably reported upon by a royal commission appointed by the Moore Government, and having listened attentively to the speech delivered by the hon. member for Mirani, who has had many years of experience in land matters, I am led to think that this Bill has a good deal of business in it. The real question is whether it is more profitable to place this land under closer settlement or to retain it for reforestation purposes. From my experience in the Gympie district of the large extent to which agricultural land adjacent to main roads and railways is at present tied up, I am of opinion that a royal commission is required to report upon all forestry reserves, not merely the land in the northern part of the State. We have had a great deal of experience of land settlement under a Labour Government, and, unfortunately, we cannot speak in very high terms of the

methods adopted by the Labour Government in the opening up of Crown lands, especially in Southern Queensland. I contend that the first essential to be observed in the opening up of land for settlement is the provision of sufficiently large living areas, and I hope that matter will be fully considered on this occasion. Regard must be paid not only to an area that will be sufficient for a single man; attention must also be paid to the area that he will require when after he becomes settled he gets married and has a family, the male members of whom also will require land. Far better is it to err on the side of giving a large area than to commit the folly of placing the man on an area that is insufficient.

A statement issued by the Minister on 1st July, 1934, reads—

"An area of 11,225 acres, from 2 to 9 miles southerly from Eungella, in the Mackay district, has been designed into forty-six portions. The Main Roads Commissioner is collaborating with the Lands Department in the construction of roads to and through the area in order that the opening of the land can be put in hand at the earliest possible date."

The division of that area into forty-six portions will give each settler an average of 244 acres. It is questionable whether that will be sufficient. I should like to have the advice of practical men in connection with this settlement. I have never had any faith in the use of the surveyor's chain to open up areas. I advise the Government to secure the services of three successful primary producers in the locality where the area of land is to be thrown open and be guided by their advice. If that procedure had been followed in connection with the Upper Burnett and Dawson Valley settlements the blunders made would have been obviated. I understand that when the Upper Burnett area was opened Mr. McCormack considered the high cost of opening that area would be too great to be borne by the number of selectors it then appeared possible to put on it, and he issued instructions for those blocks to be divided so as to provide for double the number. Later on I shall show what a disastrous effect that action had on the settlement.

Another matter that should be taken into consideration is the quality of the land. We all know that many of the officials attached to the department have not that intimate knowledge of the nature of the land possessed by a man of long experience, like the hon. member for Mirani. Before areas are made available for settlement a most important factor to be considered, more important than the rainfall in the district, is the distribution of that rainfall. Access to markets is another very important factor, because the cost of production is often considerably increased by long distance from market. I trust all these matters have received the careful attention and consideration of the Minister, and that every precaution will be taken to ensure that Eungella will prove a most successful settlement.

According to the circular issued by the Minister, it is proposed to open up what is known as the Boonjee lands. I saw a press report concerning these lands, and I am rather alarmed at the statements made in it when I compare them with the statements

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made by the Minister in connection with this area. The "Daily Telegraph" of 31st January, 1933, contained the following statement:—

"The policy proposed to be followed now was carried out years ago, with the result that in 1929 petitions were received seeking revaluations of the land—twenty-two of the forty-two blocks being abandoned after extensive timber trafficking had gone on, in which many people made thousands of pounds. Will the same story happen again under the recent proposals?"

"Heavy Capital Costs.

"It is considered that the opening of the Boonjee lands was bad and ill-considered as a land settlement proposition."

I trust that the hon. gentleman will give due consideration to the reports made in connection with that land before he induces settlers to go there. No doubt the tenure of these lands will be that of perpetual lease, and I want to say that when the opportunity is given to members on this side of the House we will see to it that the settlers have the opportunity of converting their lands from perpetual leasehold tenure to freehold.

Regarding the policy of the present Government in connection with land settlement, for the benefit of the House I should like to deal for a few minutes with the position that existed with regards to the Dawson Valley settlement, in connection with which a booklet was issued in 1926 by the Department of Public Lands. The following is an extract:—

"The Dawson Valley was destined a decade hence to be the heart of rural Queensland."

An invitation was extended to settlers to make their homes in this valley of content. Hon. members are aware of the condition of affairs that eventually existed in that area. We know that a royal commission had to be appointed to investigate the serious plight of the settlers. The average cost of a settler under the irrigation area scheme was £8,492, but it was found that the blocks on which the settlers were placed were too small to enable them to make a living. The report of the commissioners indicated that a large proportion of the settlers were attracted to this land by the booklet issued from the department at the instigation of the late Commissioner for Irrigation. It is rather interesting also to note in the report that the majority of settlers in the Dawson Valley area came either from the Southern States or England. That was a very unfortunate advertisement for Queensland. I mention these matters in order to show the House the serious results that can be brought about in land settlement.

The Upper Burnett and Cullide areas, opened by the previous Labour Government, provide another illustration of what can happen if every care is not taken. The Government resumed 1,191,000 acres of land where grazing had been carried on very successfully. The cost of resumption was £242,858. The huge Burnett settlement scheme comprised an area of 2,591,000 acres, a rather extensive area. I was informed by one surveyor that the Government had expected him to convert pastoral lands into

agricultural lands with his chain. Of course that was an impossibility. He also stated that he was instructed to survey the area into areas laid down by the Government's officials sitting in their offices in Brisbane. That surveyor knew that what he was doing was entirely wrong, but he was acting under instructions from men who had no practical experience and had a very poor idea of what constituted good agricultural land. The failure of that settlement was such that whereas 1,079 blocks had been selected and settled, in a very short space of time there were 556 forfeitures.

In the Burnett district it was a case of the survival of the fittest. If men are settled on blocks that are too small, then it is only to be expected that in a short space of time they will call upon the Agricultural Bank for assistance, but if the land is made available in adequate areas they will be selected by men with a sufficient amount of capital for development purposes who will be in a position to employ their sons on the land, and thereby make for greater success in settlement. I can recall the occasion when Mr. Theodore, addressing a meeting of the Empire Parliamentary Association in London in 1924, stated that in the very near future he would have land available for the settlement of 10,000 settlers. I have already referred to the tragic results in the Burnett district and elsewhere, and I express the hope that the history of those places will not be repeated in connection with the Eungella land. I do not propose to deal with the failure at Beerburum beyond reminding the Government that a considerable amount of ignorance must have been displayed by the officials who were responsible for the opening of that land for settlement on two different occasions.

Hon. members on this side have given the question of land settlement very serious consideration over a number of years. We are fully seized of the importance of providing land for young men in this country, particularly those unfortunate individuals who are unable to secure employment in the city, and we welcome the present proposal to make land available in the Mackay district. I should also like to add that large areas of forest country would have been made available for settlement in the Gympie district had the Moore Government remained in power. We appointed a forestry committee in the party to investigate this problem, and particularly to consider the advantages that would accrue from the opening up of some of this rich country in the Gympie district. Had we remained in power the following areas would have been made available for settlement in the Gympie district:—

	Acres.
Glastonbury District	8,822
Harry's Creek	1,000
Blue Creek	1,280
Coongongibba Creek	627
Little Yabba	640

If that land had been made available avenues of employment would have been found for many of our young men, who have to be content with rations to-day. The holders of many small blocks in the Gympie district are unable to pay their sons an adequate wage or allowance for their work on the farms, nor are they able to find sufficient money to enable them to settle elsewhere. What an advantage it would have

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been to the boys and to Queensland generally if these additional areas had been made available. The Government are certainly moving in the right direction in opening up a tract of country in the Goomeri-Murgon district known as the Nanango scrub. At the present time they are engaged in removing the timber from the land preparatory to making it available for closer settlement. It is in the interests of the State and the district that this scrub land should be made available for closer settlement, but it must be borne in mind that when a certain portion of forestry land is made available for closer settlement the incoming settlers will have to be protected from the depredations of marsupials that invade their farms and devour their crops. In opening the Eungella lands for settlement the Government will have to give consideration to the question of providing wire netting or other means of protection for the settlers against the attacks from marsupials from the surrounding forest reserves. The marsupial pest has proved a tremendous menace to settlers in the past, and if some protection against them is not extended to the new settlers they will eventually be forced off their blocks. I have no intention whatever of opposing the second reading of the Bill. My criticism of the department is based on my experience of it in the past, but the experience that it has secured from its failures with previous land settlement schemes should very materially assist it in striving to make a success of the settlement of the Eungella lands. I trust that they will be opened up and that in the very near future the Government will cause a resurvey to be made of all forest lands, with the object of releasing for settlement those areas consisting of first-class land close to main roads and railways, which have been constructed from the public purse. I intend to support the second reading of the Bill.

Mr. KENNY (*Look*) [2.43 p.m.]: The House is handicapped in this debate by the lack of information in the second reading speech of the Minister. The Government are taking a very serious step in opening up lands for settlement, not so much from the point of view of the Government as from the point of view of those people who will subsequently select it. A study of the history of land settlement not only in Queensland but throughout Australia and the other countries of the world, reveals many tragedies. This Parliament should consider whether this proposal will lead to sound land settlement or add another tragedy to the already long list. There is always a push from local people to have land opened to selection in the locality where their business is located. That, however, is a factor that should not be considered when public money is being spent in opening land for settlement. I say that quite definitely, because when we open up land for settlement we gamble with the lives of the men and women who settle on it in the hope of making a home for themselves and winning a competency.

The lands we are discussing are to be devoted to dairying proposals. Any person possessing a knowledge of dairying realises the parlous condition of many dairy farmers at the present time. Many of them are men of vast experience in dairying, but despite that experience, and despite the improvements they have created and the facili-

ties at their disposal, many of them are not making what one terms a decent living. When we take into consideration the fact that some dairymen settled on the best dairying land in Australia are not even making a living, it is our duty to elicit a few facts from the Minister before we can say that we are ready to vote for this Bill intelligently.

I have always held the view that where land settlement conflicts with forestry and where the land set aside for forestry purposes is suitable for agriculture, the requirements of agriculture must prevail. That being the case, I am very pleased indeed to see that action is being taken to open up this land for settlement, provided it can be satisfactorily utilised for dairying pursuits without penalising the intending settlers. When we realise the price dairymen are receiving for their cream we must recognise that the time is fast going when dairymen can depend on grass feeding of their stock. Dairymen are beginning to realise that in the very near future they must commence to hand feed their cattle, and we should, therefore, consider the class of land we are opening to selection—whether it is suitable for cultivation of fodder and side lines for which a market is offering. The Minister has not given us that information. We have no knowledge of the land we are opening outside the report of the royal commission appointed by the late Government. That report says that this land is of a broken nature and covered with a tropical vine scrub. That is a very poor description, indeed. We are not justified on that description alone in passing this Bill.

The Minister has asserted that settlement in North Queensland must not be retarded. I agree. A policy of development must be embarked upon for the northern part of this State, and the question to be considered is: What is the most desirable area to be opened up for settlement? Regard should be had to the facilities already available for prospective settlers. On many occasions I have referred the question of increased settlement in the Mount Molloy district to the Secretary for Public Lands. In that district a butter factory is of wonderful service to the few farmers who are suppliers to it, but more land settlement is necessary to enable the factory to work to its capacity. Time and again the department have been asked to make lands available for settlement, and prior to relinquishing office the late Government agreed to open up further lands in the district, recognising that it was necessary in order that the factory could enjoy a full supply of cream and thus reduce overhead costs. Railway facilities are available—and, by the way, under present conditions the railway is losing money—roads have been constructed, and the butter factory has been established; yet the people are penalised because of a lack of settlement that would make the factory a payable proposition. The whole question has been lost sight of by the present Government. From the information I have received on this Bill I am not satisfied that the Eungella lands are better lands than the area I am referring to in the Mount Molloy district. Parliament should be advised on that matter. Moreover, the Minister has given no advice as to the areas of land that will be made available to individual selectors, although

the hon. gentleman has told me that the areas will range from 180 to 200 or 300 acres. From information I have gleaned I understand that when land in this locality was previously opened for settlement, the areas provided ranged from 500 to 950 acres, but the settlers could not make a living. That is a matter with which I shall deal further at a later stage.

Another matter on which information has not been forthcoming is the value that will be placed on the land when opened for settlement. One of the greatest drains on the purse of the farmer is the payment of rent to the Crown and interest on the money that he borrows to effect improvements. In the absence of that and other information how can hon. members intelligently debate the question whether this is a business proposition or not?

Nor has the Minister given any particulars as to the carrying capacity of the land. If in the past it was found desirable to allot areas up to 900 acres for a selector, is it not reasonable that information should be given as to the carrying capacity to justify a proposal that the areas should range from 180 acres to 300 acres? I know that the recommendation was made to the Government that when this land was opened for settlement the timber should be allowed to remain on the land for the benefit of the selector, to help him pay his way. The Minister has given no information; in fact, I mentally registered the query when the Minister was speaking as to what the hon. gentleman could have said except what he did not say. However, some of his colleagues may be able to enlighten us.

The only sound argument used by the Minister in urging that the land should be opened up for settlement was his statement that he desired to open up the land for settlement so that a full supply of cream could be made available to the Mackay factory, which is not working to full capacity. I have used the same sound argument with the view of increasing land settlement in the Mount Molloy district. At the same time, that argument alone does not tell us whether this Bill will bring about a sound business proposition, and it is necessary for us to know that when we are gambling with the lives of men and women who will undertake to settle on this land in an effort to make a living. The necessity for increasing supplies of cream to dairy factories applies not only to the Mackay district but to many other districts, as, for example, the Atherton Tableland, the Mount Molloy and Daintree River districts, where for two and a-half years it has been lost sight of by the Government. However, personally, I do not oppose this land settlement proposal, because I admit quite definitely that I have not the information before me to entitle me to oppose it, although at the same time no information has been placed before me to enable me to support the Bill and to be as enthusiastic as the Minister as to its success. At the introductory stage I asked the Minister if he would table the reports of the officials of the department dealing with these lands; had he done so it would have been helpful to hon. members when discussing the matter. We have been denied the right to the information in the possession of the Minister, and therefore the Minister may be in a better position to

express an opinion in regard to this land than other hon. members.

The ex-Secretary for Public Lands pointed out that he had a soil survey made of this locality when he held office, and the result of that analysis disclosed that the land could not be classed as first-class land. The Secretary for Public Lands has not brought forward anything to refute that statement. He made a very bald statement to the effect that the land was equal to the Atherton Tableland country and the land in the Maleny district. If that were so, this area would not have been opened up previously in blocks of from 500 to 970 acres. That such areas were considered necessary in order to make a living is sufficient proof the land is not equal to the Atherton Tableland or Maleny lands.

During his speech this morning the Minister painted a very attractive picture of the conditions that would be experienced by the new settlers—cattle would be fattening on the luxuriant pastures, and bullocks would be despatched to the abattoirs and later exported in the form of chilled beef—but it was no more attractive than other pictures that have been painted by other Ministers in this Parliament in relation to other land settlement schemes. I instance the Dawson Valley and the Beerburra soldier settlement schemes. The returned soldiers who settled at Beerburra were forced to abandon their holdings after having wasted years of their lives. Only two years ago the present Secretary for Agriculture and Stock had his photo, taken with the children of relief workers standing on logs around him that were cut by their parents. The Minister inserted that picture in the "Agricultural Journal", and the title of the picture was "Viewing the Promised Land." Everybody is now aware of the melancholy results of that venture on that so-called promised land. Out of the 100 families that were put on that land only thirty remain. I do not want the Eungella settlement to be a repetition of these other disastrous ventures. I do not desire to see this land pictured in glowing terms with the object of attracting settlers, if we cannot "deliver the goods" when the settlers get there. That is what is exercising my mind. I regret that I have not the information that would enable me to draw a conclusion as to the actual conditions that are likely to be experienced on this settlement. I am, of course, definitely of the opinion that areas of 230 acres will not allow the fattening of cattle for export. I think the Minister should tell those people who are contemplating taking up these blocks that it will not be possible for them to participate in the chilled beef industry. They will be lucky if they can make a living from dairying and pig raising. I am not going to say it is not a dairying proposition—I am not in a position to make such a statement—the reports of the agriculture, forestry, and lands officials are not available to members to assist us to form an opinion on the matter. On the contrary, the Land Commissioner's report quoted in this Chamber this morning definitely demonstrated that it was not a promising proposition. He stated that these people had been on the settlement for something like twenty years, and that the existing settlers are in a serious plight and find it hard to keep going. If these men who are on 900-acre blocks

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find it hard to keep going, then how will the new settlers fare on smaller blocks?

The Minister has also stated that he expects that under this proposal new settlers will proceed to this locality, and the old settlers, with all their local experience of that district, who cannot make a living, will sell. In other words, the district will receive new men with new ideas. I am afraid that men with twenty years' experience of the district will know more and be capable of achieving more than a new settler with new ideas. New ideas will not make a dairy farm pay if the land will not grow the grass to feed the cattle. I want more than the Minister's statement to justify me in asking a man to go to that settlement and buy out an old settler.

In the report quoted by the Secretary for Public Lands the land commissioner quotes lack of capital as being one of the reasons why these settlers are in the parlous condition in which they find themselves. The House should have information regarding that matter. If lack of capital was responsible for the position of the settler, what was the Agricultural Bank doing? It is supposed to assist the settler on the land to make a living. That bank was instituted for the purpose of finding the necessary finance to enable the man on the land to carry on, and if it has neglected its duty in the past, or if it has not been the policy of the Government in the past to give financial aid through that bank, then the responsibility for failure falls on the Government. We should be told during this debate if financial assistance will be provided through the Agricultural Bank, and if that is one of the conditions of the opening of this land for settlement. The people should be told the conditions on which they are being invited to settle on this land. We have not yet been told. We have received no information as to the method of finance, the area of blocks, the carrying capacity, or the road facilities. We are entitled to ask for that information before the Minister asks us to go to a vote.

Another matter referred to by the Minister was the lack of experience on the part of many of the present settlers, which the land commissioner reported was holding many of them back. In my opinion, twenty years is a long period; in that time a farmer should know whether he will be able to make a success of his farm or otherwise. Many men with no experience at all will settle on that land. The Secretary for Public Lands remarked also that lack of road facilities was another of the difficulties of the settlers. I know quite well that it will cost some thousands of pounds to build roads into the settlement to enable the settlers to obtain access to their blocks, but I have yet to learn that roads make a particular area of land produce cream. They certainly assist the farmer from the point of view of comfort, but if a man has 200 acres of good grassed land and has fifty cows depastured thereon, he can produce cream, and get his cream to the nearest railway siding even if he has to transport it on pack horses.

Mr. G. C. TAYLOR: It is inferior cream.

Mr. KENNY: I grant the hon. member that he may produce a second-class cream. He may even produce a third-class cream,

but lack of road facilities does not prevent a farm from producing cream. If one has land with the necessary grass and the cows one can produce cream; it may be difficult to get the product to market.

Mr. LARCOMBE: Good roads mean a first-class cream.

Mr. KENNY: I admit that, but the argument has been raised that men on 900 acres of land at the present time are in a parlous state because they had no finance and lacked experience and roads. I say definitely that lack of capital is the responsibility of the Government; that lack of experience will not be overcome with new settlers; and that lack of roads, although it is a handicap, does not prevent the farmer from producing cream if he has got the grass of the quality necessary to produce it. I think that is a sound argument, and I advocate that in all land settlement in this State the first consideration should be the quality of the land, although before the land is opened necessary roads should be constructed, the necessary finance should be made available, and facilities for marketing the produce.

Mr. O'KEEFE: There is also the quality of the cow.

Mr. KENNY: That is a necessity. Information along the lines I have suggested has not yet been given to hon. members, and we cannot cast intelligent votes without it.

The report referred to also said that some settlers were compelled to seek work elsewhere. Had they had land of good quality they would not have had to seek work elsewhere. A farmer on good land can make his farm pay; if he has to seek work elsewhere his farm must be neglected. A farmer who has to go off his farm seeking work elsewhere because his farm will not keep him will never be able to make sufficient to keep his farm. We should see that a man is provided with a farm of such a quality that it will be able to keep him and that he should not find it necessary to work elsewhere to keep the farm going.

The SECRETARY FOR PUBLIC WORKS: Are you in favour of the Bill?

Mr. KENNY: If the Secretary for Public Works would listen to the debate and my contribution thereto he would know that, whilst I agree with the opening of land for settlement, I hold the view that it should be carried out on a sound basis. I have already stated that where the interests of forestry and agriculture conflict, agriculture should prevail. If the Eungella land is good quality land then make it available for settlement, but make it available on a basis that will be profitable to the new selector. I support the Bill on that condition. I have asked the Minister for certain information on this question. In delivering his second reading speech he should have told us everything that was in his mind in connection with these lands.

The SECRETARY FOR PUBLIC LANDS: That would mean that I would be talking until next week.

Mr. KENNY: If the Minister had a sound case he could, in a five-minute speech, give us all the information necessary to enable us to support this measure. A fortnight ago I asked that certain reports by

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the department should be tabled in this House, but they were not tabled. However, I am not going to oppose the Bill. I hope to be able to support the Bill, but much will depend on the reply by the Minister. He has also stated that the farmers at present in this locality have been able to carry on only because of the credit given to them by the business community. That is a very serious statement to make now that we are talking of making further land available for settlement. The land commissioner has also pointed out that only the credit given by the business community has enabled these settlers to continue so long. I hope that we are not going to gamble with the prospects of these new settlers, banking on the hope that the business community will provide them with the necessary credit to enable them to carry on. If they are to gamble on the chance of the business community providing them with the necessary credit then we should advise them at once not to take up this land, but it is another matter if the Agricultural Bank is going to provide the necessary financial accommodation; that policy is to be encouraged by the Department of Public Lands. The Minister has not intimated that the latter course will be pursued.

THE SECRETARY FOR PUBLIC WORKS: The Labour Government will do the right thing.

MR. KENNY: I have seen Labour Governments do the wrong thing so often that I hesitate to believe that the statement by the Secretary for Public Works is correct. The Labour Government did the wrong thing in connection with Beerburum, and what is more, they made the same mistake twice. Usually when a man makes a mistake he takes care to see that the mistake is not repeated.

THE SECRETARY FOR PUBLIC WORKS: You make mistakes every day.

MR. KENNY: The man who does not make a mistake does not make anything at all, but I never make the same mistake twice.

The Minister also claims that the Eungella lands will be frequented by tourists, but I do not feel that I can agree with his contentions. I am satisfied that the tourists will not visit the Eungella settlement to watch the farmers milking cows; they can see that being done in any part of Australia. Once the tropical vegetation is removed the attractiveness of the place, from the point of view of tourist traffic, is lost. Tourist traffic depends to a very large extent upon the time available to tourists visiting the localities concerned.

MR. O'KEEFE: What about the Atherton Tableland?

MR. KENNY: Quite a number of tourists visit the Atherton Tableland not to see the land so much as to view the lakes and other scenic spots, but one of the biggest detriments to the tourist traffic in the North is the insufficient time allowed for tourists to view the sights. The Tourist Bureau does not allow tourists sufficient time to visit the beauty spots in the North, and it is important that visitors to this State should be allowed ample time in which to visit the various localities. I trust that I have made my position clear to the Minister. I have endeavoured to point out to him the weaknesses of his case in advocating the opening

of these lands. I have endeavoured to point out the difficulties confronting the farmers to-day and the difficulties that will beset the new settlers upon the Eungella lands.

I have tried not to condemn the Minister unheard. I ask him to supply this House with the information I desire. If it is in the direction that the Minister suggests, then I shall have no hesitation in giving this Bill my blessing and expressing the hope that the future of the settlers will be better than the present plight of many settlers engaged in a similar occupation in other parts of Australia.

MR. J. G. BAYLEY (Wynnum) [3.13 p.m.]: This debate is very interesting if for no other reason than it has revealed very clearly two distinct schools of thought. One, which we may term the forestry school, is headed by the hon. member for Cunningham, who, by the way, made an excellent speech, judged by his standards, for the encouragement of forestry; on the other hand, we have the closer settlement school with its maxim "Go on the land, young man." I am not following either of those schools to-day, because I do not see the necessity for opening up any additional lands in the Mackay district, whether they be forest lands or agricultural lands. The Minister has given several reasons why additional settlement should take place. The principal reason he propounded was the necessity of providing additional land facilities to enable the people of Mackay to obtain sufficient milk and other dairy products. Why go to the Eungella forest for those purposes, when there are thousands of acres much nearer Mackay itself?

THE SECRETARY FOR PUBLIC LANDS: Not controlled by the Crown.

MR. J. G. BAYLEY: I do not claim that.

THE SECRETARY FOR PUBLIC LANDS: I do, because I know there are not thousands of acres of land nearer Mackay controlled by the Crown.

MR. J. G. BAYLEY: It does not alter the fact that there are thousands of acres much nearer the city of Mackay far better suited for the dairy industry than any other land that may be opened up in the Eungella district.

MR. O'KEEFE: Whereabouts?

MR. J. G. BAYLEY: In and around Mackay. For many years much of this land has been under cultivation for the purpose of growing sugar-cane. The Minister said that the sugar industry has reached its limit in the Mackay district. We all know that is so, although members of the Government did not admit that fact when we were discussing the Bill to provide a harbour for Mackay. That does not alter the fact that the limits have been reached in regard to the growth of sugar-cane in that district. I went so far as to say, in speaking on the Bill to provide a harbour for the Mackay district, that the time would come when the area of land under sugar-cane in that district would be greatly reduced. What is to be done with these lands if they cannot be utilised for the growth of cane? Are they to remain idle?

THE SECRETARY FOR PUBLIC LANDS: There is nothing to prevent them from going into dairying at the present time.

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Mr. J. G. BAYLEY: The Minister admits it. He says there is nothing to prevent the holders of those lands from using them for dairying purposes at the present time, but he is going to add to their difficulties by throwing open cheap lands in the Eungella forest.

THE SECRETARY FOR PUBLIC LANDS: That is the milk in the coconut? The owners are asking from £80 to £100 an acre for that land.

Mr. J. G. BAYLEY: I am not asking that the owners of these lands should sell them; I am suggesting that the people who are engaged in growing sugar-cane, and who are the owners of land in respect of which no assignments exist, should use that unassigned land for dairy purposes.

Mr. LARCOMBE: If they won't utilise it for dairying, how would you acquire it?

Mr. J. G. BAYLEY: No one could compel them to engage in dairying, but there is the opening. I am convinced that were the Secretary for Agriculture to lend encouragement along those lines much of the land at present lying idle, which in the future will continue to lie idle so far as the growing of sugar is concerned, could be used most advantageously for dairying purposes.

Mr. O'KEEFE: Most of the sugar land in the Mackay district is settled in very small areas.

Mr. J. G. BAYLEY: Much of that land is held in small areas, but there is nothing to prevent a man, even on a small area, from acquiring a small number of dairy cattle, and in that way adding to his annual increment. The rainfall is excellent; it varies from 70 to 80 inches annually. I do not advocate dairying on the land adjacent to the sea coast, as much of it is sour and unsuited for the purpose.

I am referring to lands that for years have been under cultivation. With those lands dairying would simply be an improvement on the fallowing system. We all know that many cane farmers are compelled to fallow their land, but there would be no necessity for men engaged in the sugar industry to do that if they would place a portion of their land under grass for dairy purposes. It means that for a certain time a portion of the land would be used for dairying, and the soil would be greatly enriched by reason of the application of manure by the cattle. When the time came to rest another portion of the sugar land—the dairy land, if we might call it such—would be placed under cultivation, and the remainder of the land would revert to pasture. It is along those lines, rather than in the opening up of additional land, that the solution lies. We have the land; we have the railways.

THE SECRETARY FOR PUBLIC LANDS: The capitalist has the land, and wants the people to pay £30 to £30 per acre for it.

Mr. J. G. BAYLEY: No capitalist will allow his land to lie idle if he finds it possible to secure an adequate return from that land. I contend that the land is there, that it is highly suitable for dairying, and that the Government would be well advised to use every endeavour to get men there to enter the dairying industry rather

than open up lands about which there is a great deal of controversy. The hon. member for Mirani, who should know this district, is strongly of opinion that the lands are excellent for the purposes that the Minister has in view. On the other hand, the hon. member for Cunningham, who has had considerable experience as a farmer, and who having lived on the Downs for many years, certainly knows good soil when he sees it, is just as strongly of opinion that the lands are not suited for that purpose. So we have these two men in our own midst, both of whom can be considered as experts, differing on this question. We find experts outside also differing. Mr. Swain, the forestry expert, said one thing; Mr. Payne, of the Land Administration Board, said another thing. What are we to believe? We do know that the lands to which I referred are amongst the richest in Queensland, and that the rainfall is all that can be desired for dairying purposes. It is heavy rainfall, 70 to 80 inches per annum, and were it to obtain in some of the southern districts would be too much for dairying, but falling as it does during a brief period of the year it will be no detriment but rather an advantage to dairying.

I do not support the Bill, because I consider it is unnecessary at the present time to open up additional lands in and around the Mackay district.

Mr. GODFREY MORGAN (*Murilla*) [3.20 p.m.]: I am one of those who think that land settlement should not be looked upon as a party question, just as the question of railway construction was never regarded on party lines. If profitable settlement can be undertaken on any portion of the land in Queensland—profitable not only from the point of view from the State, but also from the standpoint of the settlers inasmuch as they will be able to make a fair and reasonable livelihood on it—the Government have every right to give consideration to that settlement. So far as this land is concerned, we have two schools of opinion. We have the opinion expressed by the Secretary for Public Lands, who more or less damns the settlement with faint praise; and on the other hand we have the opinion of men conversant with forestry that the land would be much more valuable if utilised for forestry purposes. In arriving at a decision in the matter we should endeavour to ascertain from what source the State will reap the greatest amount of wealth, and in what direction the greatest amount of employment will be stimulated. If we utilise the land for dairying purposes a few farmers will be settled. What will be the position of those farmers if they do no better than farmers who have been established on adjacent lands for the last twenty years? Apparently no conflict of opinion exists on the question of the non-success that has attended the efforts of these farmers, because both the Minister in charge of this Bill and the ex-Secretary for Public Lands, who had an opportunity of visiting the land, are apparently of the same opinion. The ex-Minister, who is a practical farmer with a lifetime of experience, and with a thorough knowledge of the difference between good land and bad land, met these farmers, and was told by them that as a dairying proposition the land was more or less a failure. The Minister in charge of this Bill told us that these farmers were

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certainly not prosperous, and had not made a success of their enterprise, but that if the settlement now contemplated were proceeded with, and roads were constructed, an opportunity would be given for these dairy farmers who had not succeeded to sell out to others.

On the other hand, we know from the report of the officials of the Forestry Department that there is a quantity of valuable timber on that land, and that good wages are earned by timber-getters, and a great amount of employment is provided in that industry. We know, too, unfortunately, that even if a dairy farmer is on the best of land he is not in a position to pay what are termed by Government members "decent" wages. The average dairy farmer who has a family to assist him may be able to put a little away for a rainy day, but the farmer who is compelled to pay wages cannot do so. Very often, the employee on a dairy farm receives a greater portion of the cream cheque than the farmer. This matter should be considered from the wealth-producing point of view. The Secretary for Public Lands has told us of timbers that at one time were considered to be practically valueless, and are now in great demand, and that the sale of that timber is now assisting considerably to augment the finances of the State. Bearing that in mind, serious consideration should be given to the question whether the settling of fifteen or twenty families on the land would be more advantageous to the State than if a similar number of men were engaged in timber-getting on that country for many years to come, with the prospect of increased values for timber.

Land of that description often looks very rich in its virgin state owing to the fact that for hundreds of years leaves have dropped and decayed and formed a soil 6 or 8 inches in depth, which is exceptionally rich, but if that land is denuded of scrub and exposed to the wind and sun it very often deteriorates considerably, and in a short period becomes useless from an agricultural or dairying standpoint.

In regard to land settlement generally—and I refer to all Governments—very great mistakes have been made. Quite a number of land settlement schemes have been adopted during the past fifty years in Queensland, and have not proved successful. Our experience has often been that, notwithstanding the favourable reports received from experts in regard to the suitability of the land, events have proved that the experts were mistaken. The advice of experts in regard to land settlement should be accepted with caution, because the experts may be unconsciously influenced in their conclusions because of the knowledge that the Government desired to proceed with a settlement.

The SECRETARY FOR PUBLIC LANDS: Exactly what do you mean by that?

Mr. GODFREY MORGAN: An expert may be unconsciously influenced by the knowledge the Government were desirous of settling people on an area on which he was asked to report. Take railway construction as an illustration. The Commissioner for Railways is asked to report on any railway proposal. His report on every railway constructed during the last twenty-five years has been favourable. It has stated that within a certain period the line would be self-supporting, but hon. members are

aware that in 90 per cent. of the cases the Commissioner has been wrong. Instead of being self-supporting it has been a losing proposition. The Commissioner was desirous of assisting the Government, knowing that the latter favoured the construction of the line and knowing that if he reported unfavourably the Government would not bring the proposal before Parliament.

The SECRETARY FOR PUBLIC LANDS: That is not the way we run Queensland to-day.

Mr. GODFREY MORGAN: We know perfectly well that particular officers are desirous and anxious to overcome difficulties for the Government if the Government have set their minds on the achievement of a certain object. The point I am troubled over is: Does the Secretary for Public Lands in his own heart, whether he be experienced or otherwise, really believe that the settlers to be placed on this area will be any more successful than those already there? If the hon. gentleman has good reason for his opinion then he should tell the House. We have been told that certain roads will be constructed, and what I say in this regard I would ask the Secretary for Public Works also to bear in mind. My remarks concern not only roads constructed by the Main Roads Commission but also those built by the Department of Public Lands in areas opened up for selection. In many cases the land itself is of little value. For example, let us take the value of a farm to be served by a road as anything between £500 and £1,000. In order to give access to that farm, in mountainous or country of a rough nature a road is constructed at a cost of £1,000 or £6,000 a mile. It is thus found that a road fronting a farm valued at £500 to £1,000 costs anything from £1,000 to £3,000. In other words, the cost of the road is greater than the value of the farm to be served by it.

The SECRETARY FOR PUBLIC WORKS: That is absolutely absurd.

Mr. GODFREY MORGAN: It is not absolutely absurd. It can be shown that roads have been constructed along the front of a property at a greater cost than the present value of the farm. In many cases the Main Roads Commission has constructed roads costing up to £7,000 or £8,000 a mile.

The SECRETARY FOR PUBLIC WORKS: That is a different statement from the one you made previously.

Mr. GODFREY MORGAN: We know perfectly well that the land fronting that particular road could be bought for a great deal less than the cost of constructing the road. I am not complaining regarding the construction of the road because I say that if the Government are foolish enough to open up land difficult of access then the Government have every right to give the settlers in that locality a road. I am not complaining of that at all, but I would point out that there are many parts of Queensland where road construction would be comparatively cheap as compared with the cost of roads of this nature and would serve a greater area and give access to land equally as good if not better than that under discussion.

The SECRETARY FOR PUBLIC LANDS: It is easy for you to say that, but you cannot prove it.

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Mr. GODFREY MORGAN: Unfortunately I have not had the opportunity of seeing the land, but we have had evidence put before us to-day. I listened attentively both to what the Secretary for Public Lands had to say and the hon. member for Cunningham. I am not treating this Bill from a party point of view but as a Queensland and a taxpayer. From a political point of view it does not concern me. I kept an open mind, and I have to admit that the hon. member for Cunningham won the debate. He was more conclusive and more logical than was the Minister in charge of the Bill.

The SECRETARY FOR PUBLIC LANDS: You condemned it on its first reading.

Mr. GODFREY MORGAN: The hon. member for Cunningham pointed out that that land was not suitable from a dairying point of view but was eminently suitable from the viewpoint of forestry. He showed to members how the land would be productive of more wealth and would provide employment for a greater number of men at a higher rate of wage if it were used for growing timber than if it were used for the dairying industry. His arguments proved to those who were prepared to be convinced that the Minister was not justified in opening up this land for dairying purposes.

It is our duty to consider all sides of this question, particularly when the matter is not a party political one. No one can convince me that the views of any hon. member are changed by any speech delivered in this House concerning a party political matter. I have been here too long to believe that. No matter how brilliant may be a speech delivered by a Minister, he will not be successful in converting an hon. member sitting on this side on a party political question; and no matter how brilliant may be a speech delivered from this side of the House, the speaker will not succeed in converting any member opposite to his point of view. I have endeavoured to consider this matter impartially, and I suggest that the Minister should be prepared to accept the advice of those people who are competent to give it. The official reports that he has read in support of the Bill are not sufficient to justify the action of the Government in taking this land from the control of the Forestry Department and placing it under the control of the Department of Public Lands for settlement purposes. The evidence is all in favour of allowing the land to remain as a forest reserve, and so far as I am concerned the Forestry Department has won the day. However, the Minister has decided to make the land available for settlement. I am very sorry that he has seen fit to interfere with the control of this land, especially in view of his acknowledgment that up-to-date settlement in this area has been a failure. Despite that fact he proposes to place more men and women on the land practically to starve, and that is a wrong thing to do.

The Minister may point out that when this land is made available for settlement hundreds of applications will be received, but is it not well known that hundreds of applications are received for all land that is made available for settlement? I have often asked settlers who have failed on their blocks why they selected the miserable country that they did, but they have always

pointed out that the department that made the land available for selection and invited applications for it should have known whether the land was suitable for the purpose or not, and the fact that the land was made available for settlement by the department and applications were called for the blocks was accepted by the new settlers as a guarantee that the land was suitable for the purpose set out.

The PREMIER: Have you seen this land?

Mr. GODFREY MORGAN: No.

The PREMIER: I have, and it is very good land.

Mr. GODFREY MORGAN: I have already told the House that I listened very attentively to a speech delivered by the Minister, and that I wanted to deal with the matter from a non-party point of view. I have also stated that I listened very attentively to the speech delivered by the ex-Secretary for Public Lands, the hon. member for Cunningham. The Minister has stated that the settlers at present in the locality have been a failure.

The PREMIER: Oh, no!

Mr. GODFREY MORGAN: The Minister definitely stated that when this land is opened up and roads are constructed, the settlers who have been failures will sell out to the newcomers, who will perhaps have more capital and will be able to develop the land to a greater extent. The new settlement is actually condemned by the Minister out of his own mouth.

The PREMIER: I know all the settlers there.

Mr. GODFREY MORGAN: Does the hon. gentleman say that they are successful?

The PREMIER: They have not had the advantage of access roads, but those will be provided under this scheme.

Mr. GODFREY MORGAN: The ex-Secretary for Public Lands, who is a very trustworthy man, and a man who has had a lot of practical experience on the land, told us that he had visited this area, that he had come in contact with the men and had actually spoken to them. They admitted that they had not made a success on that land.

The PREMIER: I know every one of them individually, and I have known them for years. They are entirely in favour of the increased settlement.

Mr. GODFREY MORGAN: The ex-Secretary for Public Lands informed us that he had been told by the present settlers that the land was not suitable for the purpose that is claimed for it.

The PREMIER: Their difficulty and their complaint for years have been that the Forestry Department placed undue restrictions upon them which prevented them from developing their areas in a proper way. That is the whole case.

Mr. GODFREY MORGAN: That may be so.

The PREMIER: I shall take you up there for a week-end.

Mr. GODFREY MORGAN: Unfortunately, hon. members who have not seen the area must be guided by official reports. It would be quite a different matter if we were dealing with an area of land in my

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own electorate, because I would then be able to speak with some authority. I do claim to know a little about the quality of land.

The PREMIER: When I retire I will take up land there myself, because it is one of the most healthy parts of the State.

Mr. GODFREY MORGAN: It may be one of the most healthy parts of the State, and an ideal place for a man living in retirement. There are many places in Queensland to-day admirably suited for health resorts, where many people live in retirement, but while these may provide healthy and congenial surroundings for the residents they are almost useless from an agricultural or dairying point of view. From what I can gather of the Minister's remarks, he is not over-confident about the success of this settlement. The whole of the evidence he produced comprised reports from officers of his department. On the other hand, the hon. member for Mirani, in whose electorate this land is situated, and who knows the country as well as many of the settlers, stated that a number of settlers had forfeited their lands.

Mr. WIENHOLT: What has the Bureau of Industry said about this scheme?

Mr. GODFREY MORGAN: I do not know that the Bureau of Industry has reported on it.

The SECRETARY FOR PUBLIC LANDS: The officials of the Department of Public Lands are the only persons who have reported on it.

Mr. GODFREY MORGAN: The Bureau of Industry was created by the present Government. Therefore, the suggestion of the hon. member for Fassifern is a splendid one. I would suggest that the Minister temporarily withdraw his motion with a view to getting the Bureau of Industry to report on the scheme.

The SECRETARY FOR PUBLIC LANDS: Will we sack our Land Administration Board?

Mr. GODFREY MORGAN: The Land Administration Board has reported in one direction, the Forestry Department in another direction, and the agricultural experts in still another direction. We have nothing definite to go on to enable us to make a decision. I do not want to vote against the Bill.

The SECRETARY FOR PUBLIC LANDS: I do not care whether you do or not.

Mr. GODFREY MORGAN: I know that, because the hon. gentleman has a brutal majority behind him, and therefore takes the stand that, whether I am right or wrong, he need not take any notice of my views or opinion. That is not a sound stand for a Minister to adopt. He should respect the views and opinions of the Opposition irrespective of whether he can carry the motion or not, and investigate their arguments to discover whether they are good or bad. I do not desire this or any other reserve to be kept for forestry if it is adapted to agricultural or dairying pursuits. I am only too pleased to see it utilised in that direction. We know that the people of Mackay cannot get milk from the South in a first-class condition, and if it is possible we should make provision to enable them to secure it locally. I should like to be able to support the Bill and vote for this motion, but, unfortunately, I cannot honestly support it. I do not know whether a vote will be taken on

it, but if a vote is taken on it I must follow the advice of the ex-Secretary for Public Lands, who put up a most logical argument and adduced more convincing facts than the Minister.

Mr. WALKER (Cooroora) [3.45 p.m.]: I have listened to the debate, which has centred around the question whether this land should be retained for forestry purposes or used for land settlement. The Minister's officers have reported on the suitability of the land for dairying, and after exhaustively dealing with its possibilities have reported in the affirmative. It is not a very easy matter to come to a conclusion as to whether land is suitable for land settlement or otherwise. Although some land is not suitable for agricultural purposes, it may be excellent dairying land. I dare say that of all the land held for dairying purposes in the Cooroy district not 40 acres is cultivated, and still it is a wonderful dairying district, and that only with the assistance of the cowward. The point to be determined here is whether this land is suitable for dairying or not. I visited this district two or three years ago and formed the opinion that the grass land was equal to anything of its kind in Queensland. Some of the land was planted with Rhodes grass, would carry a beast to every 2 acres, which would give a phenomenal return.

I hope that the areas will not be too small as is the case in many districts. Many settlers are placed on areas insufficient to enable them to obtain a living from them. When a surveyor goes out to survey blocks of land for settlement, he takes three points into consideration—first, roads; second, water; and third, the proportion of good and bad land that is usually combined in each portion. That policy has been pursued all over Queensland. No matter where you may go it will be found that the surveyors have invariably adopted these principles. We can look with a certain amount of pleasure on the genuine land settlement which has taken place all over Queensland as a result of this policy.

It is twenty-five years ago that we had a Bill similar to this brought forward to open up the State forest at Tuchekei. The late Hon. J. T. Bell, who was Speaker at the time, took part in the debate in Committee on a question that was just as controversial as it is now. It is well for hon. members to remember that, apart from State forests, we have timber reserves, which can be opened up by the Minister without the necessity of an Act of Parliament. When the legislation was introduced to deal with the Tuchekei State forest it was stated that the land was purely forestry land, unsuitable for the growing of timber and the cultivation of pine trees. I inspected the place and found no timber of a marketable character. The land was opened for settlement and to-day, as a result, we have one of the finest settlements adjacent to Cooroy producing ten times more than ever it would produce if utilised for forestry purposes. A comparison on these matters can easily be effected. For instance, the forestry expert can give his estimate of the potential value of an area when utilised for forestry purposes, and the agricultural expert can report on the aggregate return likely to be obtained from the land if utilised for agricultural purposes. An impartial examination of the two statements will enable the right action to be taken,

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and I imagine that the Minister has adopted some such procedure on this occasion.

I remember that we tried to get some lands opened for agricultural and dairying purposes in the Mary Valley district. Unfortunately, we have not been successful in getting that beautiful land opened up for settlement. I intend to support this Bill, and my only regret is that it does not include other lands. I can only conclude that the Minister has not had the time to devote to a consideration of other lands, but I should like to see him honour the promise made by his predecessor to open up the areas that I have mentioned. If that were done it would not interfere with the forestry policy of this or any other Government, for at the present time the Forestry Department has more State forests and reserves than it can ever manage. Much has been done in the last ten years in the planting of pine and other trees, but even at the rate at which planting has been effected the whole of the timber reserves will not be covered in 200 years, which is proof that the Forestry Department has more land than it requires. I recognise, of course, the importance of the timber industry, especially as Australia—not so much Queensland—is short of timber, and a remunerative market is always available in the Southern States, but knowing the value of agriculture I venture to suggest that the State forests and reserves should be reinspected. Most of the work in that connection was done forty or fifty years ago, and then not in the minute manner adopted at the present time. When Mr. Denham was Secretary for Public Lands an inspection was made of a certain State forest that was considered to have in it 20,000,000 feet of pine. Since that time 200,000,000 feet have been removed, and I suppose a similar quantity remains. That goes to show that the survey methods in the early days were very rough. Knowing that land settlement is one of the most important factors in the success of Queensland, a resurvey of all these lands should be made with a view to determining the exact position once and for all.

Most of these forestry areas are breeding grounds for noxious weeds, and I venture to suggest that the cost of clearing them would be considerably greater than in the case of other lands. The time has come for the Minister to grapple with the position. The late Hon. J. T. Bell, who was one of the most active men with whom I was ever associated with regard to land settlement, was responsible, in his capacity of Secretary for Public Lands, for the settling of the North Coast land, which at that time comprised so many so-called timber reserves. Until he became Secretary for Public Lands the Government of the day would not allow it to be thrown open for settlement. I personally inspected those areas with him, and I was convinced of the fallacy of retaining them as State reserves. The wisdom of the decision to open up those lands is evidenced by the flourishing settlements at Kingaroy, Kim Kiu, and adjoining areas. If they had been retained for reforestation purposes those areas would have been allowed to become overgrown with useless vegetation. Some idea of the increase in settlement may be gathered from the fact that the population in my electorate has trebled in a few short years. Hon. members are familiar with the history of Gympie as a gold producing town. We

know that gold worth millions of pounds was produced in that centre; yet to-day we find that the annual value of the dairying products exceeds the value of the greatest gold yield. That affords cogent evidence of the wisdom of a policy of land settlement. Very little of that land at Gympie could be classed as agricultural land, but it may be classed as some of the finest grass land in Queensland. Take the Atherton Tableland. It is no use telling me that land will grow anything—I know different—but I suppose it would be difficult to find better grass land. The Kingaroy district is one of the richest in Australia, yet there is any amount of bad land there. These are factors that have to be considered by a Government and by those people who contemplate settling on these areas.

There is much to be said in favour of this settlement at Eungella. It is not situated too far north to be unsuitable for dairying purposes. The coastal areas of the far north are not suitable, but I have seen many fine dairy herds round Mackay. The Eungella tablelands or mountains contain some very fine slopes that are well watered and suitable for grazing. The Mackay district is as much entitled to a land settlement scheme as any other district. This settlement will stimulate much-needed supplies to the butter factory. I venture to say the Bill is a good one, and I earnestly hope the Minister will confer with his officers with a view to seeing that the roads are good, but particularly to see that every settler has a living area—which will be governed by the class of soil on each block.

Mr. FADDEN (*Kennedy*) [3.57 p.m.]: I rise to support the Bill, primarily because I am a great believer in judicious land settlement as a means of developing Queensland, particularly North Queensland. We must remember that it was land settlement that enabled France to pay that crushing indemnity to Germany after the Franco-Prussian war of 1870, that it is due to land settlement that Queensland is a primary producing State, and that it is a continuation of that policy that will go a long way towards solving our unemployment problem and banishing the many difficulties with which we are confronted. I know the land that is the subject of this Bill. I do not claim to be an expert, nor do I claim to have any intimate knowledge of the quality of the land or its virtues from a dairying point of view. For many years I have come in contact with people who have vigorously, strenuously, and continuously urged the opening up of these particular lands. There has been an almost perpetual agitation in Mackay to develop its hinterland, and the time is opportune to carry out that development in view of the fact that harbour facilities are to be provided for that very rich agricultural district.

I take this opportunity of congratulating the member for Mirani upon the achievement of an objective after an advocacy of many years. Some time ago I read the report of a debate which took place in this House, in which the hon. member for Mirani participated, as far back as 1915. He then advocated the opening of the Eungella lands and the development of the Mackay hinterland.

It is not necessary for one to go into the details of this Bill. I consider that many

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of the arguments that have been advanced against it to-day can be refuted by a perusal of a report that has been presented as a result of a minute examination into the advantages and wisdom of opening up of these lands. I am armed with the report of the committee appointed by the Secretary for Public Lands to inquire into the action that should be taken in regard to the Eungella land in order to serve the Mackay district and the community at large. This report is dated the 3rd October, 1932, and the investigation was conducted by Messrs. J. T. Harvey, C. S. Clydesdale, and A. J. Webster. The lastnamed gentleman is personally known to me. He is a Mackay resident who has taken a very active interest in the welfare of that district, and is a director of the local butter factory. The report provides, I think, a definite reply to the criticism levelled against the scheme. Many arguments have been advanced. One was that the land in question could not grow the artificial grasses that are so essential to make dairying profitable; another was that the land was patchy and poor and that it was very light scrub; another that the timber resources of the Eungella range were more beneficial and profitable to this State than would be dairying activities on this land. Replies to all these objections are provided in this report.

At 4.2 p.m.,

The CHAIRMAN OF COMMITTEES (Mr. Hanson, *Buranda*) relieved Mr. Speaker in the chair.

Mr. FADDEN: I consider it would be of advantage to the House were I to quote from the report as follows:—

“NATURE AND SUITABILITY OF COUNTRY FOR DAIRYING PURSUITS.

“The tableland comprises the western slopes of the Clarke Range and consists of broken spurs and valleys with level and undulating patches along the creeks. Although cultivable land is not extensive, the area can be designed so that each farm would embrace an area of ploughable land sufficient for the production of the necessary fodder crop.

“The altitude varies from about 2,000 feet to 3,000 feet, and has a marked influence on the climate, which is cool and invigorating, and is probably 10 degrees to 15 degrees lower than that of the adjacent coast lands. The rainfall is good, averaging between 70 and 80 inches per annum, the minimum recorded during the last ten years being about 31 inches in 1925.

“The whole tableland is abundantly watered by streams and springs, the water being of excellent quality; much of it is covered by tropical vine scrub, the most common trees therein being the various species of *Eugenia*, *Crow's foot elm*, or brown tulip oak, and Red cedar. Beech, quandong, *sassafras*, palms, etc., are also found.

“The soils derived from diorite and granite which occur on the greater part of the lands, vary considerably in depth and colour, but may be described generally as a good grey, brown, or chocolate loam. In the southern section at the heads of the Broken River, the soil is a rich red loam of basaltic origin.

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“The forest soils vary in colour from black and chocolate to grey and rapidly deteriorates in quality to the west of the scrub areas.

“In our opinion the scrub lands and limited areas of forests are eminently suitable for dairying purposes. That they will grow heavy bodies of artificial grasses such as *paspalum*, *kikuyu*, *Rhodes*, *prairie*, *clover*, etc., has been clearly demonstrated on the areas which have already been cleared and grassed on the tableland, and if further evidence is required of its suitability for dairying, it is to be found in the condition of the stock, which, after an exceptionally dry and severe winter, are in excellent condition.

“IMPORTANCE OF DAIRYING INDUSTRY TO MACKAY.

“Mackay and district has depended heretofore almost entirely on the sugar industry, but now that the future of this industry is somewhat insecure, an endeavour should be made to introduce new industries so that the future prosperity of the district may not be jeopardised.

“The dairying industry, in our opinion, offers splendid prospects of success, provided land of the right quality be available for settlement. The area of good land in the low lands of this district is limited, and is probably not so suitable from a climatic and soil point of view as the Eungella lands, where there is a compact area of about 11,000 acres of scrub and, in addition, some forest country, eminently suitable for the purpose. Settlement of this area would certainly give a big impetus to and would materially help to stabilise the industry in this district.

“The Mackay butter factory began operations in March, 1930, with sixty suppliers, and the attached table shows the operations to date; it will be noticed that the cream supply is very spasmodic and shows the necessity of having a compact dairying settlement such as Eungella can provide in order to obviate dependence on cane farmers, who only support the factory in the off-season.

“DEMAND FOR THE LAND.

“We believe that there is a legitimate demand for good dairying lands in this district. This view is supported by the fact that some 300 inquiries have already been made at the local lands office in connection with some twenty-seven portions on the O'Connell River and 'Rise and Shine' lands that are shortly to be made available for dairying settlement.

“In our opinion, the Eungella lands are equal, if not superior, to those lands, and we believe that, if opened for selection and well advertised, they will be eagerly sought after.”

The tourist possibilities are well known, and are touched upon in this report. I desire now to convey the observations of the committee with regard to what may be termed the forestry contention, which are as follows:—

“The Forestry Department contend that the whole of the vacant Eungella land should be retained for replanting

purposes. With this view we cannot agree. We do not consider that the present or prospective value of the present timber stands or that the value of the area as a replanting proposition, warrants the locking-up of these first-class dairying lands in order to attempt to supply the problematic timber needs of the future.

"In our opinion, in times such as are at present being experienced, when unemployment is rife and there is an insistent and legitimate demand for land, the problematic needs of future generations must give way to our present real needs.

"These Eungella lands can be made almost immediately productive; further, we estimate that when developed, they will support directly and indirectly, about 700 to 800 people. This, we consider, is preferable to holding them for forestry purposes for fifty years before any major results are shown.

"The total area reserved for forestry in the Mackay Land Agent's District is about 250,000 acres, of which 150,000 acres are in the coastal belt. A classification survey of these areas would probably disclose the fact that there is sufficient land, exclusive of that which is more economically valuable for settlement than for forestry, to satisfy the timber needs of this district for all time

"It might, perhaps, be mentioned that practical timbermen on Eungella definitely state that these estimates are too optimistic, and that owing to the faulty nature of the timber, only a proportion of the estimated quantities will be marketable.

"At the present time, there is practically no market for any of the timber on this area, and the present value is negligible. The prospective value is a matter of guesswork, but if the timber is reserved and later milled and kiln seasoned by proper methods, the standing value, at the stumpage value of 10s. per 100 super. feet for red cedar, and a minimum of 1s. per 100 super. feet of other species, would be £4 per acre, assuming also that the estimated quantity could be marketed.

"It should be noted that, under the settlement scheme now submitted for your consideration, the tenant would only be permitted to deal with the timber on the area proposed to be developed during the ensuing twelve months—i.e., a minimum of 20 acres or 10 per cent. of a 200-acre farm."

Then the case against the forestry contention is set out. The report continues—

"The fact that immediate employment would be given should also be stressed. Fifty farmers and families would be provided for within a short time, road construction gangs, scrub cutters, fencers, and carriers would be required, rent and rates, etc., would be payable, and the railway revenue would also benefit. In addition, indirect employment would probably be provided for 100 families."

It has been stated that the men who pioneered the Eungella land for dairying and similar purposes have been there for many years, and that they have not done

very well, but we must not overlook the fact that these men were faced with very many disadvantages, and it is a wonder that they remained on their blocks at all. This is what the report has to say in connection with that phase of the matter—

"Pack horse tracks, originally opened up by Carl Flor and Armstrong in the old goldmining days, offer more direct access to the railway line. Owing to the character of the country traversed, these tracks could not economically be made available for wheeled traffic at this stage.

"(6) Generally the action that should be taken in regard to the Eungella lands in order best to serve the Mackay district and the community at large.

"Our views as to the action that should be taken for the above purposes are summarised hereunder:—

(1) That action be taken to have the area tinted pink on plan herewith opened for selection, the roads being immediately located, construction to proceed as soon as possible after location.

(1a) Land to be opened under the group system and ballot limited to practical farmers with small capital, sav. £300. Each farm to contain about 200 acres or its equivalent.

(1b) Twenty acres to be developed each year for first five years."

The report continues—

"We might further mention that, in our opinion, development of the present settled area on Eungella has not proceeded rapidly for the following reasons:—

(1) Bad roads. Access was provided to some of the original selections by roads constructed by the P.E.I. Department when the lands were opened for selection. These roads are very steep, with grades of up to 1 in 5 in places. In wet weather they become very boggy and slippery, and are practically impassable. Other farms since selected have been opened without any road construction, and are consequently practically inaccessible.

Conditions governing the location and construction of roads at that time have since changed, and something better is now demanded.

(2) No butter factory or markets within reasonable distance to induce settlers to develop their selections.

(3) Lack of capital and experience of the selectors.

"These disabilities are gradually being overcome, and at the time of our visit most of the selectors were busily engaged in scrub-tailing, etc., and otherwise improving their farms. It is estimated that, by the end of the year, a total of 1,300 acres of scrub will have been felled and grassed.

"Conditions similar to those mentioned above should not be allowed to obtain and so prejudice the successful settlement of any new lands that may now be made available for selection. Roads must be carefully located, and a sufficient sum provided for their construction, which could probably be carried out under the relief scheme now operating."

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The second disability has been removed by the erection of a butter factory at Mackay, which is able to deal efficiently with all cream produced, whilst the difficulty in regard to capital and experience can be overcome by settlement under the group system, limiting the ballot to practical farmers with a modest amount of capital or guaranteed financial backing.

These are the reasons, and this is the case, on which I support this Bill as a method of developing the hinterland of the Mackay district. That district has assumed certain responsibilities and has advantages and the means of equipping itself to overcome all the difficulties that will accrue from the development of another—the dairy—industry.

Mr. BELL (*Stanley*) [4.13 p.m.]: I desire to support this Bill, not in all respects, but principally because its basis is an acknowledgment of the policy of land settlement which we have so frequently emphasised. Land settlement, by judicious handling, will tend to restore us more quickly to prosperity than any other activity that can be followed by the Government. The Minister in introducing this Bill shows some consideration for the farming interests, and I hope that the details of the scheme will be to the advantage of the settlers who take up this land. The Minister should give due consideration to the suggestion of the hon. member for Coorooora, that the areas should be of a sufficient size to enable the selectors to make a decent living from them. Most of the failures of farmers can be put down to the smallness of the areas that they work. They have endeavoured to get too much out of the land by over-stocking, and eventually have fallen down on their job. I commend the suggestion of the hon. member for Coorooora to the Minister. The people of Queensland will benefit by the throwing of these scrub lands open to selection. There are many similar areas in the Yarraman and Blackbutt districts that are hampering the successful development of those districts, portions of which the Minister could throw open to settlement, not only with advantage to the State, but also to the advantage of the residents of the locality. I trust that the Minister will pursue the policy which we find enunciated in this Bill, namely the reclassification of forest and timber reserves, and the throwing open to selection of those portions eminently suited for that purpose.

Mr. RUSSELL (*Hamilton*) [4.15 p.m.]: Some hon. members have stated that there has developed on this Bill a conflict or dispute between the advocates of forestry and land settlement. That has been going on in Queensland for a number of years, and each Government has had before it the problem of how to reconcile the conflicting interests. While I do not wish to decry in any way the aspirations of those people who want to see forestry further advanced than it is to-day, and whilst I am a very strong believer in the policy of reforestation, when it comes to a question of settlement of these lands at the back of Mackay I take the view that the claims of closer settlement must take precedence over those of forestry. Reforestation in Australia has received a great deal of attention, and we in Queensland have endeavoured year by year to carry out the policy laid down

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some years ago by the Empire Forestry Association. A large area of this State has been set aside for forestry purposes. In many areas settlers have taken up a very strong attitude against successive Governments in regard to areas set aside for forestry, alleging that good country was far better fitted for closer settlement than for reforestation purposes. Every Government has had to battle along in the best way it could on the one hand, endeavouring to set aside certain areas for reforestation and allocating certain sums to carry on that work.

On the other hand they were faced with strong opposition from interests who advocated a closer settlement on many of those areas that they considered would give us a better return under agriculture than under timber. In the Mackay district that problem has existed for a great number of years. It has been stated that land at the back of Mackay is more suitable for forestry purposes than for closer settlement. The hon. member for Kennedy has just referred to a very valuable report, the authors of which contend that certain areas of this Eungella land should be set aside for closer settlement. According to the proposition put forward by the Minister, quite a large part of this country is proposed to be opened up for closer settlement, but I take it that a large area will still be retained by the Forestry Department for forestry purposes, the aim of the Government evidently being to put forward a balanced plan suitable for the best use of this large tract of country.

We have been told that a very small area of Queensland has been alienated and a very small area, indeed, taken up for closer settlement. The wonder to me is that it is so difficult to get suitable land for closer settlement. The people of Mackay have built up a very fine sugar business on the coastal lands. They have gone in for dairying, and I understand are now of the opinion that if this industry is to succeed, much more country must be set aside for dairying purposes at a higher altitude. I do not pose as an expert, but I can quite understand that having a much higher altitude than the cane country, the Eungella forest land would probably be more suitable for dairying pursuits than the coast land. If there is a demand for the land, and provided the Government are satisfied that the settlers will get a fair deal in regard to proved country, there can be no real objection whatever to opening up the land which is suitable for closer settlement, whilst reserving part of the land, as is proposed, for forestry and tourist purposes. A few days ago I said that it appeared to me that in order to encourage much closer settlement of Queensland, we should make an earnest endeavour to see that all our country at a high altitude was opened up for closer settlement. Seeing that the conditions there are more congenial for our population, any effort that has for its object the opening up a country at a high altitude should be encouraged. I could never understand why people living in the far northern latitudes should prefer to hug the coastal towns when so much beautiful country is available at a higher altitude in the hinterland, more suitable for living than the coastal land. We need to encourage our population to move out to the top of the range. We think that

a population produced at that high altitude would be more virile and less susceptible to disease than a population living in the humid swampy areas of the coast. Consequently, I take the view that if a demand for this land exists, and the land is suitable, it should be opened up for closer settlement; in fact, if there is a demand for all the land at a high altitude, it should be opened for settlement, and forestry should take a second place. I am a strong advocate for reforestation, but I have always held the view that we seem to be barking up the wrong tree in regard to it. It would be better if we paid more attention to the reforestation of hard woods and imported our soft woods from abroad. Our soft woods only grow in restricted coastal areas, in rain forests as they are called, but the hard woods grow over the greater part of our country. Moreover, the hard woods regenerate themselves, whereas the soft woods have to be replanted at great cost, and even then are never as successful as in their natural habitat in the scrub. It would pay us better in the long run if we paid attention to the reforestation of hard woods. Ample country is available in Queensland for the fullest development for the reforestation of hard woods, so that when it comes to closer settlement, the lands on the coastal range with fertile soil, eminently adapted for closer settlement and for the rearing of a virile population, should be set aside for that purpose, and other lands should be earmarked for reforestation purposes.

I hope no mistakes will be made in regard to the closer settlement of this land, and that the blunders that have been made in the past will not be repeated. The Government would be well advised to see that nothing but the best agricultural land is set aside for closer settlement, reserving the balance for forestry purposes, for tourist resorts, and residential areas. There is no reason why we should not be able to build up behind the town of Mackay a big settlement of white people, enjoying a healthy climate, and introducing a white population that will help to build up a virile State.

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

Consideration of the Bill in Committee made an Order of the Day for to-morrow.

TRADES AND LABOUR HALL MANAGEMENT BILL

SECOND READING

The SECRETARY FOR PUBLIC LANDS (Hon. P. Pease, *Herbert*) [4.26 p.m.]: I move —

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

This Bill is entirely formal, and really clarifies the whole position in regard to the Trades Hall trust. There is nothing new in it. The matter was handed over to the Crown Solicitor's Office, and the Bill simply consolidates the whole of the previous Acts.

Mr. R. M. KING (*Logan*) [4.27 p.m.]: I cannot accept the statement of the hon. the Minister when he says this is an entirely formal Bill brought down simply for the purpose of clarifying the position. That is

rather an airy way of disposing of the matter, because it involves a much bigger principle.

The SECRETARY FOR PUBLIC LANDS: That is according to my legal advice, which I paid for.

Mr. R. M. KING: That may be the hon. gentleman's legal advice which he did not pay for.

The SECRETARY FOR PUBLIC LANDS: The Crown paid for it.

Mr. R. M. KING: I have very good reasons for differing from the Secretary for Public Lands on this occasion. I think I shall be able to show that there is a big difference. A few clauses are very far-reaching in their effect. If we examine the Bill it will be found that it deals with two allotments of land. First of all, there was a deed of grant to Bradshaw, Brown, Williams, Colborne, and McGovern, as joint tenants, and their assigns in respect of one piece of land. Then later on a deed for the second piece of land was issued to Mulvey, Brown, Williams, Colborne, and McGovern, as joint tenants. These owners subsequently transferred under what is known as a nomination of trustees or a deed of trust, to themselves as trustees, wherein certain trusts were set out upon which this land would be held. The trust includes amongst other things a trust for the erection of buildings to be used as a trades and labour hall and for similar purposes. There was the usual provision as to power to mortgage up to the maximum limit of £10,000. The money thus raised was to be used for the purpose of the erection of a trades hall. There is power under the trust for the trustees to grant leases up to the maximum term of five years. Power was reserved to the Governor in Council to appoint new trustees in case of death, resignation, or other removal from office of the trustees, or any of them. Nobody doubts the power of the Governor in Council to appoint new trustees. That is the only power he has in connection with the trust. By virtue of that power he did appoint two trustees, first of all Mr. Mulvey in the place of Mr. Bradshaw, who died, and later on Mr. Bryan in the place of Mr. Brown, deceased.

The SECRETARY FOR PUBLIC LANDS: Mr. Williams has since died.

Mr. R. M. KING: I did not know that. Under the law of trusteeship as it stands at present the Governor in Council has full power to fill that vacancy by the appointment of a new trustee, and is the only authority for that purpose. That is perfectly all right. The point I desire to make is that the Governor in Council has no power whatever to deal with these lands, except in so far as the appointment of a new trustee is concerned. That is the power of the Governor in Council, and is reserved to him by the deed of trust. What does this Bill propose to do? It proposes to set up a board of management, a political board as a matter of fact, to vest these lands in that political board, and to empower it to take the management and control out of the hands of the trustees.

The SECRETARY FOR PUBLIC LANDS: That is not correct. There was a board of management in the previous trust.

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Mr. R. M. KING: There was no provision for a board of management in the previous trust. The board of management under the previous deed, in my opinion, is the trustees themselves and the trustees only. They have the sole control and management. They are the trustees appointed, and they transferred from themselves as joint owners to themselves, as trustees, subject to certain trusts that were set out in certain deeds of trust.

The SECRETARY FOR PUBLIC LANDS: The hon. member is wrongly advised.

Mr. R. M. KING: I had not any advice about it. I read the Bill, and it is perfectly ridiculous for the Deputy Leader of the Government—

The DEPUTY SPEAKER: Order

Mr. R. M. KING: The hon. gentleman has his opinion, and I have mine, and if he can interpret the nomination of trustees to contain any other power than the power I have referred to—that is, the power of the Governor in Council to exercise any of the powers or authorities that are contained in the nomination of trustees—and if he can satisfy me on that point I will admit I am wrong. There is no such power there. This board of management has been set up for the purpose simply of taking away the control and management from the trustees and vesting it in the Trades and Labour Council.

Mr. WATERS: It is in the original Act.

Mr. R. M. KING: It is not in the original Act, and I defy the hon. member to quote from the original Act and show me where it is. As a matter of fact, it is not in an Act at all. It is contained in a deed of trust, and if the hon. member would read the trust he would see exactly what is contained in it. Let us take the case of a family man who desires to make a settlement of his property. He appoints trustees. These trustees have certain powers under that trust. The Government would have no moral right to set up a board of management to take the control of that trust out of the hands of the trustees appointed, yet they propose by this Bill, in the case of this particular trust property, to superimpose a board that would have greater powers than the trustees. These are provisions that were never intended when the original nomination of trustees was executed. As a matter of fact, the original nomination of trustees was garbed in industrialism. The present Bill desires to clothe the board with the garb of politicalisation. That is the whole point and the one to which we object. We know perfectly well that that is the reason for this Bill. We know that the present legal action is for the purpose of removing Mr. Bryan, one of the trustees appointed by the Governor in Council, but the trustees have a perfect right to go to the court and ask for his removal if they think the gentleman has not been executing the trust as he should. That is a matter for the court to decide, and I strongly object to the Government introducing a Bill that will have the effect of absolutely depriving the trustees of any legal rights they may have under their trust deed and in respect of the present action. I strongly object to it, and say it is a principle introduced by the Government that is not sound in any possible way whatever, and cannot be countenanced by those people who believe in maintaining the rights of

[Mr. R. M. King.]

the people. Trustees have certain rights, and when trustees desire to exercise them it is neither right nor proper that a Bill should be introduced for the purpose of depriving the trustees of those rights. I say it is a gross misuse of parliamentary powers, and should not be tolerated for a moment.

The SECRETARY FOR PUBLIC LANDS: Did the hon. member say there was nothing in the previous Act regarding the board of management?

Mr. R. M. KING: I am speaking about the nomination of trustees. The only board of management that is mentioned in the trust deed is the trustees, who themselves constitute the board of management. That is why I say the introduction of this Bill is a gross misuse of parliamentary power, and I strongly object to it.

Mr. MOORE (*Aubigny*) [4.36 p.m.]: This is a rather remarkable Bill. There is a dispute at the Trades Hall between the industrial wing and the political wing of the Labour Party, and the Government are taking sides. They know perfectly well that an action at law is pending, and that a writ has been issued. They know that the trustee appointed by them did not meet with the approval of the rest of the trustees. There has been a holdup in the signing of cheques, and some people have not been paid.

Mr. FOLEY: Who told you that?

Mr. MOORE: I can read the press, and I can read all sorts of things.

The SECRETARY FOR PUBLIC LANDS: Would you pay the accounts?

Mr. MOORE: No. When the trustees were appointed by the Premier of the day—Mr. T. J. Ryan—they were given complete control, but now the Government have introduced a Bill to take the control entirely out of the hands of the trustees and vest it in a board of management. That is not the same board of management mentioned in the trust deed. It is no use the Secretary for Public Lands trying to humbug us. We know the object of the Bill. It is the intention of the Government that the political wing of the party should exercise control over the Trades Hall instead of the industrial wing.

The SECRETARY FOR PUBLIC LANDS: Do you mean to say that the Governor in Council has not power to appoint trustees?

Mr. MOORE: The Governor in Council has power to appoint trustees.

The SECRETARY FOR PUBLIC LANDS: Who can remove them?

Mr. MOORE: That is for the court to say.

The SECRETARY FOR PUBLIC LANDS: Can the Governor in Council not reappoint a trustee?

Mr. MOORE: The Government may be able to do it, and the Government may be stupid enough to do it.

The SECRETARY FOR PUBLIC LANDS: Can the court supersede the Governor in Council?

Mr. MOORE: The court ought to be able to do so. If the Governor in Council appoints a person and the court decides that there is justification for his removal and the Governor in Council feels that he is justified in reappointing this man, then I should say that the Governor in Council is

entirely wrong, and that the court is perfectly right. The whole question is one of taking sides, and we know the reason for that. The idea is to give control to the political wing. There is a certain amount of antagonism between the political wing and the industrial wing. In to-day's "Telegraph" there is the statement that "Labour should unite." That is a delightful suggestion, to the effect that all industrial Bills introduced into this Parliament must first be sent to the Trades and Labour Council for discussion. That suggestion was turned down because it was said that no good purpose would be served by it. Then it was suggested that the president of the Trades and Labour Council and another member should interview the Premier. Probably delegates will be appointed from the Trades and Labour Council to constitute a parliamentary committee to discuss Bills before they are introduced into this Parliament. The whole basis of this Bill is that the political wing shall be given control so that it may impose its will on the industrial section. It is perfectly obvious what the Bill is for; the clauses are most definite. Under the original deed of trust the trustees were given definite powers, including the power to pay the accounts and everything else, and they have not done anything to justify those powers being taken from them. They have carried out their duties in accordance with the deed of trust. Now the Government discover that one of the trustees appointed by them—Mr. Bryan—has adopted the role that he is different from the rest of the trustees, and that he will appear at the trustees' board as the representative of the Trades and Labour Council. The other trustees have reminded him that if he appears at the board he appears as an ordinary trustee, and that they do not care whether he claims to represent the Trades and Labour Council or not.

Mr. WATERS: Did they tell you that?

Mr. MOORE: I do not bother about the trustees. I can see what has been going on. A dispute has arisen over the trustee appointed by the Government because he endeavoured to be autocratic in the management of the Trades Hall. The trustees have issued a writ claiming the removal of the appointee of the Government, and the matter is still pending. This Bill is hurried into the House so that the other trustees may have no say in the matter at all. The Bill provides that quite a different board of management shall be constituted to exercise full control in a different way from that set out in the deed of grant in the first instance. When the late Premier—Mr. T. J. Ryan—appointed trustees, he told them they would always be in that position, and that they need have no fear for the future. He told them they would always be in complete control. This Bill seeks to remove that control and place it in the hands of the Trades and Labour Council, which is to be the new board of management.

Mr. WATERS: Your son is a shareholder in the Trades Hall.

Mr. MOORE: Unfortunately, two of them have got to be. That is the part that I do not like. Because they have got jobs in Queensland they are forced to contribute to a political organisation to which they are antagonistic, and they are compelled to contribute to the funds of a political party

with which they do not agree. That is one of the tyrannies imposed by the Labour Government. That is one of the most dreadful things we have to suffer in Queensland. The political freedom of these boys is interfered with; they are not allowed to voice the political views which they hold; in order to obtain work they have to contribute to a political party to which they are antagonistic, and contribute to the funds of a paper with whose policy they do not agree. In the rule book issued to them, which applies to them when they sign, it is stated that they must support the Labour Party in every possible way. They are interested in the Trades Hall by reason of this compulsion, and they naturally object to the Government introducing legislation removing the control of the Trades Hall from the original trustees and placing it in the hands of the Trades and Labour Council.

The SECRETARY FOR PUBLIC LANDS interjected.

Mr. MOORE: The hon. gentleman does not know that the National Union is a dead body. He fails to realise that the National Union died about eleven years ago, and has been out of existence ever since. He lives in the past merely because something done then may have been useful to enable him to obtain political support.

The SECRETARY FOR PUBLIC LANDS: Now you have changed your name.

The PREMIER: Senator Elliott told a good deal about the group during the Federal election.

Mr. MOORE: That has nothing to do with Queensland.

The PREMIER: Why, the Melbourne group tried to oust you from office.

Mr. MOORE: The hon. gentleman may think such statements are very useful for propaganda purposes.

Mr. DEPUTY SPEAKER: Order. I would remind hon. members that the principles of the Bill are being widely departed from.

Mr. MOORE: Similar propaganda to this has been going on for years. This Bill is supposed to be purely a formal one, but a big principle is behind it. A deed of trust was originally properly executed, under which the trustees of the Trades Hall were given definite powers, and under which those trustees have been operating successfully. They have certainly not operated to the detriment of the Trades Hall or gone against the deed of trust as laid down then. Now these trustees are to be deprived of the powers given them and a new deed of trust is to be issued, and a board of management set up to take away their powers and deprive them of the control they have had all these years, merely to satisfy the whim of the Government because they objected to the action taken in regard to an alleged nominee of the Government. That principle is entirely wrong. It may satisfy the Government to take action along these lines and place themselves in a position of having greater power over the board of management, and it may also suit them for their political purposes; but it is not right. The principle of superseding the men properly constituted to carry on the deed of trust is entirely wrong and I object to it.

Mr. Moore.]

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

Consideration of the Bill in Committee made an Order of the Day for to-morrow.

ELECTRIC LIGHT AND POWER ACTS AMENDMENT BILL.

SECOND READING.

The SECRETARY FOR PUBLIC WORKS (*Hon. H. A. Bruce, The Tableland*) [4.47 p.m.]: I move—

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

The objects of the Bill have been explained on the initiation stage and therefore do not require any great amplification. The Bill has been framed largely on the same principles as "The Gas Act Amendment Act of 1933." That measure was passed without any degree of opposition, and it is considered that all electricity undertakings should be subjected to similar regulation. It is significant in respect of the many price-fixing determinations made under that Act that no appeals have been made. Indeed, during the last eighteen years there have been fewer than ten appeals against the determinations in pursuance of the original Act of 1916. In view of the similarity between the two measures and the fact that the Gas Act met with the approval of both sides of the House, it was confidently anticipated that this measure would be so received. Certain proposed amendments that have been foreshadowed will be dealt with in Committee.

Clause 1 of the Bill is merely formal, providing for the short title and construction, and enacting that the amending measure will be read as one with "The Electric Light and Power Acts, 1896 to 1933."

Clause 2 (*a*) aims to bring within the scope of any investigation the matter of charges for electricity supplied to public lamps. The existing method of determining such charges is antiquated and does not ensure that this matter—one of public expenditure—can be settled with the desired expedition. In fact, a special Executive Minute has to be issued at present in respect of each inquiry into this small matter.

Clause 2 (*b*) empowers the addition of a schedule providing for a formula to be used as a guide in determining alterations to prices. Provision is also made that when more than one person is appointed to carry out an inquiry into prices and methods of charge such persons may be designated a Board of Inquiry. This provision is very desirable in view of the frequent use of the term during inquiries, and may prove very necessary in view of the doubts raised as to whether the term can properly be used in connection therewith.

In accordance with my public announcement, and as approved of by the Governor in Council, the board, under the designation of the Electricity Board, will advise the Minister generally in regard to electricity questions. For example, the proposed transfers of the electric undertakings at Beaudesert, Coolangatta, and Southport will be reported upon by that body, as well as various complaints and queries that are submitted to the Department of Public Works. By this means it is hoped to establish a more definite policy and standard procedure to

[*Hon. H. A. Bruce.*

deal with a very important phase of activities that have become more and more complex during recent years.

Clause 2 (*c*) provides that the Industrial Court will, in respect of appeals, be guided by the same formula as the Board of Inquiry. It also limits the time in which appeals may be made against the decision of the Governor in Council in respect of any alteration in prices or methods of charge.

Clause 2 (*d*) ensures that the recommendation of the Board of Inquiry as to the prices and mode of charge for electricity supplied to public lamps of any electric authority will be given effect to. It takes the place of the standard clause contained in the various Orders in Council, the provisions of which, as already explained, are unsuitable for present-day requirements. However, like the existing provision in regard to public lamps, this new provision does not provide for an appeal.

Clause 3 provides that the schedule shall form part of the Act, and empowers the Governor in Council to alter the proposed schedule from time to time—a provision usually inserted in Acts in respect of schedules thereto.

The provision in clause 4 that every electric authority shall indicate in its bills of account both the previous and the present meter readings is considered necessary in the interests and for the convenience of consumers. Certain electric authorities are already following this practice.

Clause 5 widens the existing powers to empower the making of regulations prescribing fees to be charged for services rendered in connection with investigations. Regulations to prescribe such fees would be submitted for the consideration of the Governor in Council only where justified.

Clause 6 ensures that the amendments will operate as from the date of the 1933 amending legislation, and will ensure that the legal status of the existing inquiry which took the place of three other inquiries will be made safe—a very important matter in the event of an appeal to the court.

Mr. FADDEN (*Kennedy*) [4.54 p.m.]: The brevity of the speech of the Minister is surprising when one recognises the very grave provisions contained in this Bill, and the drastic inroads that it will make, not only into private enterprise, but also into the sanctity of contracts and the preservation of capital that has been invested in public utility companies in this State. The whole basis of confidence in investment in Queensland will be shattered and rattled by the application of this Bill. The schedule attached to the Bill is of such a nature that it is nothing other than passive confiscation.

Nobody will countenance or assist companies to make undue profits out of the consumers of electricity or the consumers of gas; but we have to hold the scales fairly and equitably between the factors and the factious that go to make up the industrial activities of this State. Rate fixing, as far as electric authorities and gas undertakings are concerned, is a very contentious matter. It has engaged the attention of experts all over the world. I could quote innumerable cases that have been determined before the Federal Courts of America as to the most equitable basis of rate fixing in order to safeguard the interests, not only of consumers, but also of the investors of the

capital in the concerns affected. So far as this State is concerned we must take into consideration the interests of the people as a whole. We must take into consideration the effect the application of this Bill will have upon the taxation revenue of the State. Having regard to all these factors I repeat that I am startled at the brevity of the speech by the Secretary of Public Lands at this very important stage of this Bill.

The business carried on by the industry that will be affected as a result of this Bill may be divided into four classes—

1. The services for the domestic consumer.

This is the class of business to which the Bill no doubt sets out to give advantage.

2. What are known as commercial customers, such as storekeepers and places of business generally who have to be placed in a separate class so far as rates are concerned because of the vast amount of current required to be kept in readiness to serve them, of which they make use, generally speaking, of only a small portion of the electric day and then only during a portion of the year.

3. What may be termed public and municipal lighting.

This is generally supplied at a very moderate rate by agreement between the parties concerned.

4. Power business.

This is largely, if not altogether, a competitive business involving varying uses of currents in substantial quantities for long hours and constituting a class of customers who, by reason of the quantity and hours of their use, are entitled to rates competitive with the rates they would have to pay if they made use of other forms of power.

Mr. GLEDSON: We have heard those words before.

Mr. FADDEN: No doubt the hon. member has. If he reads some of the standard electrical works he will have read this before because it is taken from an electrical journal. Probably a reiteration of those words may do hon. members a considerable amount of good if they desire to hold the scales of justice equitably between the consumer and investing capital.

I also desire to quote an extract from a leading case that I have taken from a journal dealing with electricity concerns in America. It reads—

“Some years ago the Supreme Court of the United States expressed itself on this subject as follows:—

“Our social system rests largely upon the sanctity of private property, and that State or community which seeks to invade it will soon discover the error in the disaster which follows. The slight gain to the consumer, which he would obtain from reduction in the rates charged by public service corporations, is as nothing compared with his share in the ruin which would be brought about by denying to private property its just reward, thus unsettling values and destroying confidence.”

“It would be a sorry day for the people of the more thickly populated sections of this State, served by the various interests of this corporation, if

its operating units were so hampered for political or other reasons, as not to be able to go forward with the construction that will be required with the return of a better day.”

That extract is taken from a judgment of the Supreme Court of the United States and is a warning of which we should take notice here.

I believe that electrical consumers should pay only a reasonable charge. I was instrumental in having the electrical undertaking in Townsville thoroughly investigated with a view to arriving at an equitable charge as between the consumer and the electric authority.

At 5 p.m.,

Mr. SPEAKER resumed the chair.

Mr. FADDEN: By virtue of that experience, I submit, I am well versed in the subject and competent to sound a note of warning so far as equitable rate-finding is concerned in this very important matter. In order to arrive at the fundamental essentials in determining an equitable basis, we have to bear in mind all the time just what is a reasonable rate. It is one that under all the circumstances of the case is fair to the public and to the investors in the enterprises. It should take into account and make allowance for every element of the existing situation. The Secretary for Public Works, when introducing this Bill and also in speaking during the initiatory stage, gave as his reason for the Bill, and consequently for the schedule under which the electrical authorities will in future be required to work, the assertion that those authorities had not borne a fair proportion of the depressed conditions of the last few years; in other words, that they had not made a contribution towards the necessary adjustment to meet the depression. Now, Mr. Speaker, based on facts, that assertion is thoroughly unsound, and if that is the reason why this drastic Bill is being introduced in this House I say that it must fail of its own inherent weakness.

I propose to give the House some figures to allow hon. members more easily to appreciate the drastic conditions that will be brought about as a result of the infliction of this Bill. In the first place, let me dissect some of the chief costs of the consumer of electricity, and show how they have increased in each case since before the war—

Cost of living (housing, food, and groceries), 1933—25.3 per cent. over 1913.

Cost of food and groceries, 1933—10.9 per cent. over 1913.

Cost of housing only, 1933—35.4 per cent. over 1913.

Cost of coal, 1933—70 per cent. over 1913.

State taxation, 1933—341 per cent. over 1913.

It will be noted that State taxation, to which this class of company is more drastically subject than any other taxpayer, increased by 341 per cent. The cost of electricity, according to figures supplied by the Registrar-General, on the other hand declined by 39 per cent.—that is, electricity in 1933 was 39 per cent. cheaper than it was in 1913. It is the only commodity in the household budget that shows a decline.

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Let us now view the position in another way. We will take the taxable incomes of the companies supplying the utility in question. For the year 1931-32 they showed a decline from the previous year of 5.63 per cent., and in 1932-33 they showed a further decline of 3.73 per cent.

I will now give the House the effect of taxation inflicted upon these companies. In order to arrive at a fair position it must be borne in mind that public utility companies—that is, electric and gas companies—have a differential tax under the Income Tax Acts by virtue of the amending Act of 1915. The following is a schedule showing the percentages of increased rates of tax, based upon maximum rates (excluding super tax), applicable to ordinary and public utility companies—

Year.	Ordinary.	Public Utility.
	<i>d.</i>	<i>d.</i>
1918-19 to 1928-29 ..	36	48
1929-30 to 1930-31 ..	46	62
	(27.7%)	(29.1%)
1931-32 et seq. ..	63	87
	(36.9%)	(43.2%)

Hon. members should now see what part electricity plays so far as the costs of living regimen are concerned. According to reliable statistics that have been taken out on a percentage basis, the cost of living can be dissected as follows:—

	Per cent.
Food	33
Housing	20
Clothing and Incidentals ...	15.33
Gas and Electricity	1.67
Sundries	30

A further subdivision may be made with gas and electricity, electricity being 1 per cent. and gas $\frac{2}{3}$ per cent. These figures definitely prove that electricity is a very small factor in the cost of living.

Whatever reduction is brought about in the price of electricity it must be considered in its logical relationship with results in other directions. Inevitably there must be economic repercussion, and as we have to consider the matter not from the point of view of sectional interests, but from the point of view of Queensland as one economic unit, we must consider the interests of the people in rural centres. We must consider the interests of the taxpayers generally as well as the interests of city dwellers who may obtain some immediate benefit as a result of the Bill. I say, "immediate benefit," because I am quite satisfied that by the application of this schedule there will ultimately be disadvantages to the consuming public if one has regard to financial circumstances and the incidence of taxation. The Bill will place a premium upon inefficiency for the simple reason that no encouragement is given for expansion, no provision is made for obsolescence or for judicious renewal so as to bring electric plants to full capacity.

The return of 7 per cent. is subject to certain conditions. Naturally, if that 7 per cent. is to be obtained by the utilisation of inefficient units, then it is going to be obtained by working on a minimum capacity

[Mr. Fadden.

as against a maximum capacity. These disadvantages must assuredly have their repercussion upon the consuming public. There is only one factor that tends to reduce the cost of producing electricity, and that is to work at full capacity—by keeping abreast of the times. In effect, the electric units should expand so as to cater for the requirements of the rural centres and the remote parts of the State. This will enable them to spread overhead costs over the greatest possible number of consumers, and accordingly provide for the maximum amount of output. Anyone who has given any study to this matter knows that electricity machinery is always improving, which, of course, means that existing machinery is becoming obsolete as a result. The expansion in electricity undertakings has been revolutionary in character. Improvements have been effected in connection with the development of electricity to a much greater extent than in any other scientific undertaking.

Let us consider the position from the point of view of taxation per head of the State. Let us consider the effect of the application of this schedule upon the Treasury, upon the people, and upon the taxpayers generally. Considering the schedule and its implications in conjunction with the report of the Commissioner of Taxes one must arrive at the conclusion that the taxable income of the people will be reduced by £157,886, which means that the revenue from taxation will be reduced by £40,344, which, spread over a total number of taxpayers, amounting to 64,372 amounts to 12s. 6d. per head of the taxpayers in Queensland. That will be the economic effect and one of the repercussions following the adoption of this schedule. It is just as well that I should quote the remarks of the Premier the other day when dealing with the people of Queensland generally. His remarks appear in "Hansard" of 5th October last, at page 537—

"In that statement we state clearly the difference of policy as between the Labour Party and its opponents."

Mr. SPEAKER: Order! The hon. member will not be in order in quoting from a speech delivered in a previous debate during the present session of Parliament.

Mr. FADDEN: I am sorry, Mr. Speaker, if I have transgressed the Standing Orders. The Premier pointed out that the Labour Party did not cater for any particular section of the community, that it considered the effects of its legislation upon Queensland as a whole.

The Minister, when introducing this Bill, stated that it was a similar Bill to "The Gas Act Amendment Act of 1933," and that the schedule was the same. That may be an excuse for the Bill, but it is not the reason, because it can be very readily broken down. There is a very vast difference between the activities of a gas undertaking and the activities of an electricity undertaking. In the first place, it is essential in an electricity undertaking to have a greater value of machinery. The importance of electricity undertakings is such that plant becomes obsolete very quickly. There has to be a greater plant kilowattage on account of these additions in order to comply with Orders in Council under which the electricity organisation works, and there are no by-products

available to an electricity company comparable with the by-products available to gas companies. As showing the value of by-products, I have obtained information from

"Jobson's Digest" showing the relationship between revenue from sales of gas and revenue from by-products of well-known gas companies—

	Gas Sales.	Residuals.	Percentage to Revenue.
	£	£	
Metropolitan Gas Company	1,160,480	180,392	15.5445
Brighton Gas Company	90,747	15,365	16.9316
Manly Gas Company	64,041	6,619	10.3355
North Shore Gas Company	243,052	45,462	18.7046
City of Newcastle Gas and Coke Company	107,118	12,298	11.48
Australian Gas Light Company	1,724,080	199,380	11.5644

Those figures definitely show the extra revenue available to a gas company as compared with an electricity company.

Let us consider the effect of this Bill upon the dividend-paying capacity of an electricity company. I hope the Minister and those supporting the measure will not for one moment be deceived into the belief that the 7 per cent. that is provided for in the Bill will permit of the payment of a dividend of anything approaching 7 per cent. In the first place, the 7 per cent. that becomes the residue available to the electric authority is calculated on a defined value of assets. The assets have to be valued, and the valuation of those assets is dependent on the attitude of the Electricity Board set up under this Bill. Then the schedule provides that the value of the assets must be reduced by depreciation. The provision right through the Bill in so far as depreciation is concerned is most obscure. Depreciation is a very important factor, and the methods of arriving at that depreciation are the subject of years of contention between accountants and engineers. There are various methods of arriving at it. There are what are known as the straight-line method, the reducing-value method, the scrap-value method, the annuity and the sinking-fund method, and so on. Yet the Bill sets up the rule that depreciation shall be allowed as a deduction in arriving at the amount which shall be available to the undertaking, and depreciation also shall be taken into consideration in arriving at the base upon which the 7 per cent. has to be calculated, having regard to the value of the assets. There is no definition, no statement, and no protection as to how that depreciation is to be arrived at. That in itself is too obscure for the investing public.

Again, the 7 per cent. specified in the Bill is to be calculated under different circumstances. A company, by prudent management and by foresight, may have built up reserves for expansion and preservation of the activity. This Bill provides that that reserve must be deducted from the book value of the assets.

That would be all right so far as the equitable depreciation proportion of that reserve is concerned. If, instead of depreciating their assets, companies maintain them at book value and set up a reserve to provide for depreciation, it is only reasonable that the book value of the asset shown on the "assets" side of the balance-sheet should be reduced to the extent of reasonable and equitable depreciation; but to transfer a reserve that may contain an appropriation of profits to provide for unforeseen con-

tingencies, for obsolescence, and for the maintenance and the expansion of the undertaking is most inequitable. Therefore, some satisfactory explanation should be forthcoming in that respect.

Companies that are not dividend-paying and are not profitable are no good to the State. We want companies that make profits, that build up reserves and provide for future development and expansion. We want companies that have directors far-seeing enough to visualise difficulties that confront such companies as electricity companies, that find it advantageous to scrap plant in favour of more up-to-date plant, and thereby reduce the cost of production to the benefit of the consumers. More of such companies are wanted in Queensland, and a penalty should not be placed on such companies, as will certainly be the case if the Bill is enacted in its present form.

Mr. FOLEY: How much profit do you think they should make?

Mr. FADDEN: I think they should make equitable profit, having regard to the circumstances of the case. An equalisation takes place in the case of public utility companies by the incidence of taxation, for such companies are differentially treated in comparison with ordinary companies, for the higher profits they make the higher the rate of tax paid and the higher the consequential contribution they make to the exchequer of this State. That, for the information of the hon. member who interjects, is the method of evening up the position.

But if we do not have profitable public utility companies in Queensland, where shall we get? We do not want companies that are insecure in themselves and whose activities are of such a nature that they cannot carry out the essential social services of this State. We want companies that can develop this undeveloped State of ours. We want public utility companies that can provide the facilities for the rural population—the people who have all the disadvantages and none of the advantages of the city dwelling community. Such developments can only take place by the encouragement of companies that are prepared to pioneer this development under a sound policy that will safeguard the future activities, not only of the companies, but also of the State and the people who depend upon them for a service.

OPPOSITION MEMBERS: Hear, hear!

Mr. FADDEN: It is interesting to note the comparative effect of taxation on ordinary companies and on public utility and

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monopoly companies in Queensland, as portrayed in the following figures:—

		Ordinary Companies.	Public Utility and Monopoly Companies.
		Tax and Super Tax.	Tax and Super Tax.
		<i>£.</i>	<i>d.</i>
If the total profits do not exceed 6% on the Capital		25-2	25-2
Exceed 6% and do not exceed 7%		28-8	32-4
7% and do not exceed 8%	8%	32-4	39-6
8% " " " "	9%	36	46-8
9% " " " "	10%	39-6	54
10% " " " "	11%	43-2	61-2
11% " " " "	12%	46-8	68-4
12% " " " "	13%	50-4	75-6
13% " " " "	14%	54	82-8
14% " " " "	15%	57-6	90
15% " " " "	16%	61-2	97-2
16% " " " "	17%	64-8	104-4
17% " " " "	18%	68-4	104-4
18% " " " "	19%	72	104-4
19% " " " "	20%	75-6	104-4

Would it not be to the advantage of this State if we had companies able to pay 104.4d. in the £1? Would it not be a factor that would bring about a reduction of taxation generally? This measure will have the opposite effect. It is eating into the avenues of taxation revenue of this State and minimising the possibility of any reduction. We are eating into those avenues in various ways—tax-free loans, the development of socialisation, and the limitation of profits of companies. I have shown that 12s. 6d. per capita of taxpayers will be the detrimental effect on the taxpayers of this State as a result of this measure. I have not had the time or material to work out what will be the advantage to the consumer; but when one takes into consideration the fact that I have demonstrated that electricity comprises only 1 per cent. of the family budget, it will be seen that the advantage is not very much, possibly 2d. per consumer per week. Is that not sectional legislation?

There is another aspect I wish to touch on. The 7 per cent. rate is arrived at after certain statutory deductions, not deductions that are incidental in the ordinary business way to such an undertaking, but all deductions that are specifically provided under the Bill. For instance, taxation is to be excluded in making the deductions; so that 7 per cent. is 7 per cent. interest on the defined capital, out of which taxation has to be paid. Having regard to the rates of tax applicable to such companies, hon. members will not be surprised when they realise that the maximum dividend that could be obtained would be 4 per cent. Taking a most profitable and efficiently managed company, whose balance-sheets and statements I have perused in company with five or six others, in order to get a proper appreciation of the effects of this aspect of the Bill, I found that on the basis of a flat rate of dividend to all shareholders—taking preference shareholders as ordinary shareholders—the maximum rate of dividend that can be paid, having regard to this schedule and the application of this Bill, will be

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4.1 per cent. If, however, the 6 and 7 per cent. preference dividends are maintained, only 3.8 per cent. can be paid; whilst if the 6 per cent. preference dividends are reduced to 5 per cent. and the 7 per cent. preference dividends to 5½ per cent., the maximum dividend that can be paid is 4 per cent. That is the ultimate effect. Having regard to the effect of this Bill and the effect of taxation in the first year the bill operates on a company such as I have described, we find that the maximum dividend payable would be 2.1 per cent. The taxation is not reduced in that year because the profits of the past year have to be provided for in that year. In the first year of application of this Bill the maximum dividend that can be paid, having regard to the overlapping incidence of taxation and the infliction of the conditions of the Bill, will be 2.1 per cent. Is that not going to have a very disastrous effect on confidence in this State? Is it not going to have repercussions on the investment of capital in this State? I say definitely that I feel sure the Minister does not realise the disastrous effects that will be produced by this Bill; and that if he did he would appreciate whether it is going to lead this State. I am sure hon. members do not realise the disastrous incidence of taxation that is inflicted upon such companies, and has to be paid out of the maximum of 7 per cent. This will militate against this State. It is the most passive method of confiscation that could be imagined. It is socialisation of industry with a vengeance.

I have investigated the case of another company and found that less than 1 per cent. can be paid, and that in the case of another company nothing can be paid if this Bill is put into operation.

Mr. FOLEY: What do you consider a fair minimum dividend?

Mr. FADDEN: Having regard to the fact that this Government charge local authorities 5½ per cent. interest, plus 1 per cent. sinking fund, namely 6½ per cent., for loan money for electrical undertakings, the hon. member can arrive at his own conclusion. Having regard to the differential conditions prescribed in this Bill in favour of local authorities—which I shall outline directly—if 6½ per cent. is a reasonable return to the Government, then 8½ per cent. is reasonable so far as private enterprise is concerned.

I desire to point out that when the original Gas Act was introduced into this House, in 1916, it provided an interest rate of 7½ per cent. And here I desire hon. members to keep in their minds my earlier remarks as to the value of the by-products of gas companies. The Bill went to the Legislative Council, and the Upper House amended it by substituting 10 per cent., having regard to taxation and to the necessity for expansion and development and maintenance generally. The Bill then came back to the Legislative Assembly, and 8½ per cent. was agreed upon. If 8½ per cent. was reasonable for gas companies in 1916, when the minimum rate of tax was 1s., and the maximum 3s.—compared with a maximum of 104.4d. to-day—an increase of 190 per cent.—I say that 8½ per cent. is reasonable.

THE SECRETARY FOR PUBLIC WORKS: The Gas Act has since been amended.

Mr. FADDEN: I care not whether the Gas Act has been amended. It has been amended to this extent—that the gas companies are allowed 7 per cent., plus their by-products, and their by-products are a very considerable portion of their revenue. I think I have emphasised that sufficiently for the hon. gentleman to appreciate the difference between gas companies and electricity companies, and having regard to the development of the latter for the advantage of the State generally. Electricity companies have gone out and pioneered the rural centres of the State. Gas companies have been content to remain in the large cities. They have provided an additional service for the city dwelling community. The electric light companies have expanded, pioneered, and as a consequence have been prepared to wait for a return on their capital. From my own professional experience, I can tell the House that electricity companies do not become profitable undertakings until after five or six years. The first electricity undertaking in the rural centres of Queensland was at Ayr, and for years Mr. Edwards, the proprietor, did not receive a return on his capital. As I stated before, we want more of these companies in Queensland; if a company is not a profit-earning concern, it is no good to any State, and much less to the Treasury of Queensland.

Bad as was Mr. Lang, opponent as he was of private enterprise, the measure he introduced in New South Wales was far better than that which we are to-day considering. In 1932 he introduced a Gas and Electricity Bill. In the first place he allowed electricity undertakings, which were to be the subject of inquiry, representation on the commission that he constituted. He did not set up a board of public servants, but one of experts—engineering and electricity experts. The board comprised a man with accountancy knowledge and a representative of the electricity undertaking. Sections 9 and 15 of his Act dealt with the fixation of prices and the limitation of dividends. The sections were made applicable to certain companies, but they were gas companies in every instance. Section 15 of the Act provided—

“That the Minister may, at the request of a gas company or electric light company not included in the schedule, or on its own volition, cause inquiry to be made by the Commission. After the Commission has inquired and fixed a standard price, the Government may, by proclamation, direct the name of the company and the price or prices mentioned in the certificate to be added to the schedule.”

It should be noted that the Act has not been extended to any electricity company in New South Wales. Section 9 of the Act provides that the profits of the gas companies or electric light companies to be divided amongst the shareholders—dividends, Mr. Speaker, not interest—a definite sum on capital—but a dividend—are not to exceed the standard dividend rate of 5½ per cent. in respect of preference capital and 6 per cent. in respect of ordinary capital.

As I proceed I shall show the difference between a dividend of 6 per cent., on the one hand, and interest of 7 per cent., out of which taxation has to be paid. Mr. Lang

was careful to avoid anything in the nature of a premium on inefficiency. He specifically provided for a premium on efficiency by stipulating—

“that if in any year the prices of gas are reduced to 6/1,000ths of a penny below the standard price, the dividend may be increased by 5s. per cent. on the ordinary capital for every 6/1,000ths of a penny reduced; and in the case of an electric light company, if the price is reduced to 1/20th of a penny below the standard price, the dividend may be increased by 5s. per cent. for every 1/20th of a penny reduced.”

This Bill, on the other hand, places a premium on inefficiency.

Let us compare a 6 per cent. dividend in New South Wales with the 7 per cent. interest permitted under this Bill. In New South Wales the rate of tax on public utility companies, including unemployment and Federal tax, is 4s. 4d. in the £1. In New South Wales public utility companies are not differentially treated. I have taken only the average rates on public utility companies in Queensland, which is 5s. 4.3d. in the £1. It will be seen that a 6 per cent. dividend in New South Wales—which is paid after taxation has been deducted—is equal to 8.31 per cent., compared with the maximum proposed to be adopted in Queensland. In New South Wales a dividend equal to 8.31 per cent. is allowed, but in Queensland it is provided under this Bill that the interest, not dividend, shall be 7 per cent. Despite the fact that Mr. Lang set out with a definite policy of socialisation of industry, and with all his harshness against private enterprise and all his desire to crush it, he recognised that there was a limit beyond which even he could not go. He recognised that it would be fair to allow the New South Wales companies to pay 6 per cent., which, calculated on the Queensland basis, would be equal to 8.31 per cent., whereas the Bill provides for only 7 per cent.

Before I leave the question of taxation, I want to emphasise the fact that in Queensland gas and electric light companies are differentially treated from the point of view of taxation compared with ordinary Queensland companies and as compared with electric light companies in the other States. On this point I shall read a table showing State income and relief tax levied on public utility companies in Queensland, the amount that would be charged on the same companies in New South Wales, and what would be the Queensland tax if the ordinary rates prevailed. My information is based on the report of the Queensland Commissioner of Taxes, and it relates to twenty-seven public utility companies in Queensland. The total amount of taxation levied on these companies in Queensland is—

	£
Income tax	61,462
Unemployment relief tax	18,268
	£79,730

If these companies were ordinary companies the total taxation in Queensland, including unemployment relief tax, would have been £68,032. So that it will be seen that these twenty-seven public utility companies are called upon to pay £11,000 more than twenty-seven similar ordinary companies in this

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State. If these companies were situated in New South Wales, whether public utility companies or not, the total taxation would be £60,566, or £19,000 less than the tax imposed in Queensland. Is it any wonder that I submit that a differential rate is essential under this Bill—compared with the measure introduced by Mr. Lang—in order to have an equitable basis of rate-fixation with advantage to the consumer, with advantage to the Treasury, and in the interests of the development, expansion, and maintenance of these industries generally?

The answer to the contentions of hon. members opposite and the logic of my case are to be found in the fact that an existing statute treats local authority undertakings on an altogether different footing. It must be remembered, in the first place, that local authorities that are electric authorities do not pay income tax. In fact, they do not pay taxation of any description—and that term, of course, includes land tax. Yet, having regard to that decided advantage, it is interesting to note that the average rates of the charges for electricity by the City Electric Light Company, Limited, and the Brisbane City Council work out to the advantage of the City Electric Light Company, Limited, to the extent of 26 per cent. In other words, the average charges of the City Electric Light Company, Limited, for electricity is 26 per cent. less than is charged by the Brisbane City Council, despite the fact that the Council has an advantage of approximately £53,000 a year in so far as exemption from taxation is concerned. The schedule of this Bill provides that section 289 of "The Local Authorities Acts, 1902 to 1932," has to be preserved. That section sets out—

"(1.) The local authority shall keep a separate and distinct account of all moneys raised by special rates for constructing and maintaining works for the manufacture or conservation and supply of gas or electricity or hydraulic or other power, and all moneys received from such undertaking, which shall be charged—

Firstly—With the principal money and interest required from time to time to be paid in respect of the loan (if any) raised for the establishment of the undertaking;

Interest and redemption is to be first provided for.

Secondly—With the cost of maintaining the undertaking in good repair, and of paying the actual working expenses thereof, and the setting aside of a reasonable and sufficient sum to provide for the depreciation and renewal of plant and buildings or the extension of the undertaking, and with all costs, expenses, penalties, and damages incurred or payable by the local authority in relation thereto.

"(2.) If at any time such undertaking becomes so profitable that the revenue is more than sufficient to defray all the expenses connected with it, and also the moneys due and payable in respect of the principal money and interest required to be paid in respect of the loan (if any) the surplus so arising shall be applied by the local authority as follows:—"

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Not in a reduction to the consumer but towards the following purposes:—

"(i.) Until the total amount of the loan (if any), together with interest accruing upon it, has been paid, it shall be paid to the Treasurer, and shall be applied by him in liquidation of the loan; or if the loan was raised by the sale of debentures shall be placed to the credit of a sinking fund to provide for the liquidation of the loan;

"(ii.) Thereafter it shall, at the discretion of the local authority, either—

(a) Be applied in providing a reserve fund by setting aside such money as the local authority may from time to time think reasonable, and investing the same and the resulting income thereof in stock or other securities of the Queensland Government, and accumulating the same at compound interest until the fund so formed amounts to one-tenth of the aggregate capital expenditure on the undertaking, which fund shall be applicable to answer any deficiency at any time arising in the revenue of the local authority from the undertaking, or to meet any extraordinary claim or demand at any time arising against the local authority in respect of the undertaking; and so that, if the fund is at any time reduced, it may thereafter be again restored to the prescribed limit, and so from time to time as often as such reduction happens; or

(b) Be placed to the credit of the local fund:

Provided that if the surplus in any year exceeds ten pounds per centum upon the aggregate capital expenditure on the undertaking, the local authority shall make such a proportionate reduction in the charge for the supply of gas, electricity, or hydraulic or other power as in its judgment will reduce the surplus to the said maximum rate of profit."

Mr. Speaker, compare those provisions! Compare the necessity of the local authority having to provide for all sorts of contingencies, destruction by cyclone, obsolescence, development, and every other possible contingency, including repayment of capital expenditure, with the maximum allowed to private enterprise under this Bill, whereby 1 per cent. per annum with a maximum of 10 per cent. only is permissible.

Even Mr. Lang made this provision in his legislation—

"The Act also provides that any gas or electric light company may appropriate as part of the expenditure on revenue, a sum not exceeding 3 per cent. of the amount expended out of borrowed and share capital on the buildings and manufacturing and distributing plant belonging to the company to a special purposes and depreciation fund." The maximum amount standing at any time to the credit of this fund is not to exceed 5 per cent. of the borrowed and share capital of the company, inclusive of premiums.

"The fund is applicable for charges certified to by the commissioner as being—

(a) Expenses incurred by reason of accidents or circumstances which due

care and management could not have prevented; or

(b) Expenses incurred in the replacement, renewal, or removal of plant or works other than expenses requisite for maintenance and repair of plant and works."

Quite apart from the differential treatment prescribed for local authorities by section 239 of the Local Authorities Acts, and for private enterprise by the Bill now introduced, we have to remember that the 1 per cent. is totally inadequate to provide against inevitable obsolescence in the ever-improving electric light undertaking. It is totally inadequate, especially for electric light undertakings situated in the cyclonic belt of the State. What adequate provision does it give against a cyclonic visitation that may be the cause not only of putting a town in darkness, but also of keeping it in darkness so far as electricity is concerned, when the reserve is insufficient to provide for the rehabilitation of the undertaking after partial or total destruction?

Then again, in arriving at the totally inadequate figure of 7 per cent., I shall point out in the Committee stages that various assets are not provided for. No provision is made for essential capital—in financing sundry debtors, electric authorities have to give credit. No provision is made for working capital in order properly to buy stock, nor for railway sidings or for electrical appliances that may be hired out. Nor is any provision made by way of allowable deductions for the expenses of an inquiry. So I could continue to enumerate the omissions if time permitted; I shall have ample opportunity to develop that argument at the Committee stage.

This Bill can be summed up as a direct attack upon private enterprise to the disadvantage of this State. It can be termed passive confiscation of property to the ultimate advantage of local authorities, having regard to the definite differential conditions as between the two classes of organisations. Is it the intention of the Government so to depreciate electric light undertakings owned by private or public companies in which the public of this State have invested that it will be advantageous for local authorities to acquire their undertakings? If that is the scheme of the Bill I regret to say that the Bill will achieve its object. Of that I am certain. Further than that, the very mooted of this Bill has had a very disastrous effect upon investments in shares in this State, upon stock exchange transactions, and upon the confidence of the investing public generally of the State. Is the attack on the electric light authorities to be the first and only attack so far as the investment of capital in private enterprise is concerned, or are other companies, carrying out beneficial services to the State and providing a goodly sum of taxation, to be on their guard, to trim their sails, and to reconcile themselves to the fact that their turn may be next? I take this opportunity of stating that many shares in electricity undertakings form the basis of security for loans and overdrafts in this city and throughout Queensland. Values have been depreciated as a result of this Bill and a further depreciation will take place if the maximum return is to be 7 per cent., subject to the payment of income tax and to the general provisions of this Bill.

This is one of the gravest and harshest measures introduced into this Parliament for many a day. It is a direct attack on private enterprise, and its repercussions will be to the disadvantage of the State generally.

OPPOSITION MEMBERS: Hear, hear!

Mr. GLEDSON (*Ipswich*) [5.54 p.m.]: I desire, first of all, to congratulate the hon. member for Kennedy on the very capable manner in which he has handled his brief for the public utility companies in this State. I do not think they could have got anyone to put their case in a better light than he has put it. During the time at my disposal I will not talk about the sanctity of capital in public utilities, but I will speak about the rights of the consumers, the people who are finding the money to carry on these undertakings. Judging by some of the remarks made by the hon. member for Kennedy one would imagine these companies were public benefactors who brought their capital here and carried on an enterprise in order to pay taxes with their own capital, and graciously provide electric current for the convenience of the people of Queensland. Who is it that finds the money to pay the taxation imposed upon these companies? Who is it that finds the money for repairs and renewals of these big undertakings? I admit that a fair return should be allowed on the capital outlay of any undertaking. The major portion of the speech of the hon. member for Kennedy centred round the fact that 7 per cent. is allowed to the companies over and above their working costs. That provision was contained in the Electric Light and Power Act Amendment Act passed last session, and is not the subject-matter of this Bill. The hon. member waxed wroth and stated that this Bill amounted to passive confiscation. Confiscation of what? Confiscation for the consumers of their rights in connection with this matter!

Let us consider the Bill and see what it is all about. An examination discloses the fact that it is a simple measure, as the Minister stated. It is brought forward to allow the 1933 Act to operate as far as public lighting is concerned, and to enable the board set up under the 1933 Act to go into the matter of the charges by electric light companies to local authorities for the purposes of street lighting. Is there anything wrong with that? Surely nobody can justly say that is not a right thing to do? The hon. member for Kennedy read out a number of figures showing where certain percentages of increases had been made in dividends paid by other industrial undertakings, and showing that no percentage increase had taken place in connection with electricity undertakings. I say definitely that there has been an increase in electricity charges, notwithstanding the fact that there has been a reduction in all other charges. I refer to the Ipswich Electric Supply Company, Limited, which practically obtains its supply of current from the City Electric Light Company, Limited, of Brisbane. That company has operated for seventeen or eighteen years in the Ipswich district. Under the Order in Council under which it commenced operations it undertook to build works in that area, but that was not done. Permission was obtained to get a supply from the City Electric Light Company, Limited, in Brisbane. No objection can be

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taken to that; but we find that when that company commenced operations it charged 8d. per unit, less 20 per cent. for payment in thirty days, and at the present time it charges 8d. per unit, less 10 per cent., which demonstrates that there has been an increase of 10 per cent. in its charges notwithstanding that wages were reduced from £4 5s. to £3 5s. a week, and the prices of coal, oil, and freights have been reduced.

By the reduction in the discount allowed by that company the price to the consumer has been increased just as much as if it were a specified increase per unit. I am not aware of any other town of similar size where 8d. is being charged in comparison with the metropolitan charges. The hon. member stated that the City Electric Light Company, Limited, was charging 26 per cent. less than the Brisbane City Council. Of course, I am not in a position to refute or affirm that statement, but I claim that so far as the ordinary consumers of light are concerned, the Brisbane City Council is selling current just as cheaply as the City Electric Light Company. I understand the present price is 5d. per unit, with no discount, as against 8d. per unit less 10 per cent. discount in Ipswich. The price charged by the Ipswich Electric Light Company, Limited, for domestic power is 4d. per unit up to twenty units per month. Over that number of units the price is 2d. per unit. We claim that even at 2d. per unit the company would be getting a good price for the current supplied for domestic power. I have already quoted the prices charged by other companies for domestic power, and if I remember rightly they run from 1½d. to 2d. per unit. I am not aware of the price charged by this company for current for industrial purposes. There is no set schedule, and it is a matter of arrangement between the company and the industry supplied. I am aware of the fact that they do charge a very big consumer 1½d. or 1 1/10d. per unit. The latter is the charge to the Railway Department, which takes a great amount of current from this company, and was the price arranged between the company and the department during the time of the Moore Administration. I am not aware of the prices being charged to other industrial concerns.

The hon. member for Kennedy, in reply to an interjection, stated that the prices charged by the companies were evened up by the incidence of taxation imposed by the Government. He has stated, in effect, that the company evens up the charge that it makes to the consumer by paying taxation from the proceeds supplied by the consumers. Why should the consumers have to pay the taxation of the companies? If the consumers have to pay the taxation, then the consumers should receive the credit for that, and the company should not receive any credit for having made these payments. We claim that the people who are really paying the taxation are the people who are using the current, and not the company at all.

The hon. member for Kennedy also claimed that if the schedule were applied the taxpayers would be placed at a disadvantage to the extent of 12s. 6d. per taxpayer. What does that mean? If it amounts to 12s. 6d. per head of the taxpayers, then how much does it mean financially to the company itself? I understood the hon. member to say that the taxation paid by the company

amounted to 25 per cent. If that is so then the company receives 50s. per head, and it has no right to it. I am taking the hon. member's own figures. He said that public utility companies pay taxation amounting to 25 per cent., and 12s. 6d. is 25 per cent. of 50s. The companies must have been reaping an enormous harvest out of the consumers of this State when that was allowed to continue so long.

The hon. member also described the schedule as passive confiscation. Are the Opposition more concerned about the public utility companies than they are about the public? They have no consideration for the public who find the money to carry on these enterprises by paying their accounts from month to month. That is what we should consider. The hon. member complained that, in calculating a dividend of 7 per cent. on the value of the assets of the company required for the conduct of its electricity business, the schedule was providing for confiscation. The hon. member also contended that the companies should be allowed a dividend of 7 per cent. on its reserves. An ordinary individual who invests his money in a Commonwealth loan, say at 3½ per cent., receives only 3¼ per cent., but the hon. member for Kennedy suggests that the company should also be allowed a dividend of 7 per cent. on the credit balance of its reserves. He claims that in respect of reserves the company should receive 3¼ per cent., and that the reserve should not be subject to the operations of the schedule to the Bill. The Bill provides that the company shall be entitled to dividends on the asset value of the actual undertaking itself. Anyone who would contend that that provision is unfair has not considered the position at all, and certainly has not considered the consumers or the people of Queensland. The reserves of the company are not the capital of the company. The reserves have been built up out of profits made out of the people who have purchased the electric current in the past. The company is not entitled to 2½ per cent. or 3 per cent. on these reserves lodged in a bank, or 3¼ per cent. where they are invested in a loan, in addition to a dividend of 7 per cent. A more ridiculous assertion was never made in this House. They are asking for the right to declare a dividend on capital including reserves. Why should the company be allowed to treat reserves built up out of profits as sacrosanct and not liable under the schedule of the Bill? I repeat that these reserves have been built up out of the purchases of electric current by the people.

This Bill only provides what is fair and right. The schedule provides that the whole of the costs of operating electric plants, including the generating of electricity, shall be taken into consideration in the fixation of the price of the current. The depreciation of property is also taken into consideration. According to the hon. member for Kennedy, depreciation should be taken into consideration in the fixation of the price and also allowed in considering the assets. We have never heard such a fallacious argument adduced in this Chamber before.

Mr. MOORE: Why should they be so different from local authorities?

Mr. GLEDSON: It is all very well to mention local authorities, but local authorities are in themselves a public utility. The

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representatives of local authorities that operate public utilities in the interests of the people are elected by the people themselves. They have no private rights, and any profits made by a local authority are paid into that local authority's fund. Such a course leads to a reduction in the cost of the public utility to the people or a reduction in the taxation that is imposed to carry on public improvements. There can be no questioning the statement that a private utility company cannot be compared with a local authority in that respect, because the latter makes no profit, or should not, and all its moneys go into the local authority funds for the benefit of the people.

Let us analyse the position in regard to local authorities. The hon. member for Kennedy quoted from a section of the Local Authorities Acts which enables those bodies, in certain cases, to charge up to 5½ per cent., and also to make provision to the extent of 1 per cent. for a sinking fund. He then argued that that was equal to allowing them to make a profit of 6½ per cent. I do not know how he could argue that a sinking fund, which is established for the purpose of wiping off a debt, is one and the same thing as the profit of a private company. It is not a dividend in any sense of the word.

Some of the schedules or formulae set out in other places—I am speaking more particularly of the English Act—show the costs to be taken into consideration in arriving at the cost of electricity. Electric light companies in Queensland have operated in given areas under Orders in Council. They are thereby protected from any opposition by any other company. These companies have had that protection in Queensland for years. Therefore, we say, they should confer on the public equal rights and give them fair treatment. Can any one determine how an electric light company is operating? How many difficulties are placed in the way of determining what the costs of operating the plant and generating electricity are in order to determine what is a fair price to be charged for electricity? When I made the statement in this House on a previous occasion that the cost of generating electricity was .7d. per unit it was immediately challenged by the hon. member for Hamilton. I asked him to produce any evidence that the cost was greater than .7d. per unit. He could not do so. All we can do is to base our costs on what has taken place in other parts of the world under similar conditions, and what is taking place in Queensland in order to get the actual cost of production. Take the company operating in Battersea, England. Its formula is set out, together with its allowable costs, in the Act under which it operates. The formula provides for the itemising of costs associated with the generation and distribution of electricity, the figures being—

	Per unit.
	d.
Coal and other fuel26
Wages08
Repairs and maintenance12
Rent, rates, taxes09
Management, legal, office, and insurance expenses17
Total working expenses72

	Price charged.
	d.
Private consumer	1.48
Public lighting	1.20
Bulk supply35
Average price for supply	1.37

Units per head 189 units

The Bill makes special provision concerning the price to be charged by an electric authority for all electricity supplied to public lamps, so that in future local authorities will be charged only a fair and reasonable price. Opposition members contend that such a matter should be left to agreement between the parties, and that in actual practice municipal and other councils do agree with electric authorities. The fact is that councils have no option but to agree, for the pistol is pointed at their heads to "Agree or disagree." Let me give you the experience of the Ipswich City Council in its transactions with the Ipswich Electric Supply Company, Limited, so far as street lighting is concerned. Seventeen or eighteen years ago, when the company took over the supply of electric current in Ipswich, it agreed with the council to supply street lighting at so much per light per annum, and the liability of the council consisted of—

	£	s.	d.
406½ 50-candle power lamps at £5 5s. each	2,134	5	0
143½ 100-candle-power lamps at £6 18s. each	990	3	0
1 special 400-candle power lamp at £12 12s.	12	12	0
	£3,137	0	0

On the expiration of the first fifteen years of its franchise the company was approached by the Ipswich City Council for some relief from the payment of this enormous sum of money for street lighting. The company said, in effect, "We have an agreement, but we will agree to give you certain relief. We will substitute for the 50-candle power lamps 100-candle power lamps, and will reduce the price by £182 7s. 1d." That still left approximately £3,000 as the annual cost for street lighting in Ipswich, with a comparatively small number of ratepayers to contribute to that cost. The council would not agree to the proposal, viewing the annual charge of £3,000 for the lighting of its streets as a ridiculously high figure. Nothing was agreed upon, and the council is still paying the higher amount, because the company insists upon continuing an agreement that was made eighteen years ago. No remedy was available until the Government were approached to pass legislation in the matter, so that the ratepayers of Ipswich would be given a fair deal. I cannot see why any hon. member should object to a Bill that gives a square deal to local authorities, to ratepayers, and to the people generally.

Another matter dealt with in this Bill is in regard to the method of supplying accounts to the people. For some considerable time consumers have experienced difficulty in ascertaining whether they have been charged for the exact number of units consumed by them. It is most difficult for anyone who is not conversant with the method adopted of calculating the number of units

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to read a meter correctly. When representations were made to the Ipswich Electric Supply Company, Limited, the people were told that they could read the meter for themselves when its employee went round reading meters. Most of the meters have four different sets of figures—fractions of units, units, hundreds, and thousands—and it is difficult for people who are not familiar with meters to calculate the number of units consumed. For some considerable time after the company first started operations in Ipswich the meter reading for the preceding account was stated on the current meter account, and people were enabled to ascertain easily whether any mistake had been made in the calculations made by the company. That was a fair method and, I understand, is in operation in Brisbane. This amending Bill will provide for the preceding reading to be placed on the account in all cases.

The schedule of the Bill is fairly comprehensive, and provides for all matters mentioned by the hon. member for Kennedy. It provides for the total cost of producing electricity. Consideration is given to the capital in the undertaking, but not the capital that is not sunk in the undertaking. That is where we differ from hon. members opposite. We say the capital in the undertaking is the only capital that should be taken into consideration, other than the cost of production, in fixing the charge for electricity. The Bill also provides for transmission of lines, for repairs, maintenance, and management costs.

Mr. KENNY: What about unforeseen expenditure?

Mr. GLEDSON: That is also provided for. Everything is definitely laid down; and the cost can be determined the same as it can be determined in connection with every other electrical undertaking in the world. This is not the only place where the matter of electric charges have been inquired into. Inquiries in this regard have taken place in other countries over a number of years. When a monopoly gets control of a public utility such as electricity, and exploits it for the purpose of increasing dividends for its shareholders, legislative action has to be taken in order to ensure that the public shall get a fair deal. Members on the Government side of the House deem it their duty to watch the interests of the public; and whilst we believe in giving a fair deal to these companies, at the same time we consider that the consumers should get a fair deal also; in other words, that the scales should be evenly balanced between the two parties.

Mr. BRASSINGTON (*Fortitude Valley*) [7.29 p.m.]: From the point of private enterprise, the hon. member for Kennedy made out an excellent case; and in that regard I can only say that his marked ability could have served a better cause.

Hon. gentlemen opposite have shown a keen interest in this debate, and have displayed great enthusiasm in stating a case why the prices of electricity should not be reduced. Their marked activity in that regard to-night is quite in contrast with the lackadaisical manner in which they have attended to their duties during this session. Synchronising with that activity we have the fact that the managing director of the

City Electric Light Company, Limited, is present here to-night, and is keenly interested in the progress of this debate

OPPOSITION MEMBERS: Why should he not be here?

Mr. SPEAKER: Order!

Mr. BRASSINGTON: The activity of hon. members opposite, with the presence of the managing director of the company, suggests that hon. members opposite have received their brief and are here to-night in the interests of private enterprise and vested interests generally throughout the State. In bygone days, during the peak period of the power of hon. members opposite when the Labour Party was in opposition we had occasion to point out that time and again the secretary of the Graziers' Association was present in the lobby of this House whenever important legislation was being put through. We were then led to the conclusion that that gentleman was present to direct the policy of hon. members opposite. A similar thing can be said to-night, and it definitely shows that the Opposition are fighting for a definite set of interests and are prepared, as far as possible, to obstruct this measure and misrepresent the contents of this Bill in order to endeavour to delude the people.

The case presented this afternoon for the vested interests may be rather involved and may be difficult to understand, but the case for the consumer, the people in general, can be stated briefly and to the point. The case for the consumer is that there is a good and sufficient reason why prices charged for electricity should be reduced substantially. When I make that statement allow me to bring to my aid a few facts. The City Electric Light Company, Limited, which has a franchise for the major portion of the metropolitan area, has through the years shown considerable profits. I shall deal with that matter at greater length at a later period. The balance-sheets of that company disclose the profits made in the past and also why it should be in a position to make a sacrifice at present. The point I desire to make is this: Seeing that this company has in the past made enormous profits and is continuing to make high profits, and seeing that the cost of electricity to the consumer has not fallen to any great extent, whereas there has been a very definite fall in price levels, in wages—particularly when hon. members opposite were in power—and a very definite fall in the conditions of the people generally throughout the State, one can argue in all sincerity that there is a definite necessity for the introduction of this measure. There is a definite argument why the prices charged for electricity should be reduced.

The Bill makes provision for a maximum profit of 7 per cent. by companies operating throughout Queensland. In the light of past experience and also of the fact that the City Electric Light Company, Limited, has made enormous profits, that seems to me a very fair substantial rate of profit and one with which the company and hon. members opposite, representing that company, should be very well pleased. Hon. members opposite, in accordance with the brief they have received to make out a case in this Assembly, are misstating facts. They are endeavouring to mislead the people into the belief that the policy of the Government is a definite

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attack upon legitimate business throughout the State. That is not the fact. The policy of the Government in this regard is in keeping with their policy during the past two and a-half years, and is based upon the principle of giving a fair deal to the people and also to this and other companies controlled by this measure. The measure is justified. I sincerely hope that when it becomes law, and is put into effect, it will bring about a very definite and substantial reduction in the prices charged for electricity to the consumers throughout the State.

In approaching this subject one must naturally take into consideration the fact that hon. members opposite, when demanding that the Government should allow private enterprise to continue without interference, should not forget that those who now control such companies throughout the State secured their franchises at a very low cost. After securing them they erected plant and machinery and so forth. They eventually put their works into production, and the majority of the balance-sheets disclose that through the years the companies have earned substantial profits. Is it not, therefore, fair and reasonable that we should ask of them from this side of the House that, having made those profits in the past, the present is a time when they should make some sacrifice on behalf of the people of the State? Is it not fair that we should ask of the City Electric Light Company, Limited, and other companies that they come forward and make these sacrifices without seeking the aid of hon. members opposite to endeavour to put forward a case that cannot be sustained?

I propose to place before the House and before the people generally figures relating to the operations of the City Electric Light Company, Limited, over a period of years, and I do so because the hon. member for Kennedy gave the impression that this and other companies had not received a fair deal in the past and that the measure would be grossly unfair to them. In 1916 the company had a paid-up capital of £231,037, which with other liabilities amounting to £6,970 made a total liability of £237,101 as against assets amounting to £258,628. In 1934—according to its last balance-sheet—it had considerably improved its position, and it had made substantial profits—the paid-up capital amounted to £1,398,226, which with other liabilities amounting to £43,595 made a total liability of £1,441,821, whilst the assets amounted to £2,396,097. A comparison of the figures for 1934 with those of 1916 will show that the company developed enormously between those years. Despite what hon. members opposite may say there is no reason why this measure should not become law at the earliest possible opportunity. I have some figures here relating to the company that I propose to quote so that the general public will know the real position. I propose to give a summary of its activities which appeared in the "Wild Cat" monthly, published during April, 1934. That is a very reputable financial journal in this country, and one that must be accepted as a guide for the people in general. These figures show the amount of profit, the amount of dividend declared—in round figures—the percentage of dividend on ordinary shares, and the percentage of dividends on preference shares—

Year.	Total Profits.	Percentage Dividend		Total Amount of Dividend.
		Ordinary Shares.	Preference Shares.	
	£	Per cent.	Per cent.	£
1915 ..	22,012	15	6	20,588
1916 ..	37,039	10	6	19,876
1917 ..	10,640	16	6	25,163
1918 ..	38,378	10	6	31,508
1919 ..	43,054	10	6	35,383
1920 ..	57,284	10	6	42,503
1921 ..	62,204	10	6 and 7	58,234
1922 ..	99,588	10	6 and 7	77,431
1923 ..	113,270	10	5 and 7	90,898
1924 ..	132,887	10	6 and 7	106,392
1925 ..	150,260	10	6 and 7	106,162
1926 ..	190,078	10	6 and 7	104,823
1927 ..	217,261	10	6 and 7	115,714
1928 ..	214,479	10	6 and 7	117,273
1929 ..	229,322	10	6 and 7	120,303
1930 ..	230,366	10	6 and 7	128,297
1931 ..	226,265	9	6 and 7	122,170
1932 ..	171,833	8	6 and 7	110,208
1933 ..	181,967	8	6 and 7	110,208
1934 ..	126,487	8	6 and 7	110,208

Mr. BEDFORD: In 1929 the dividend paid equalled the original capital.

Mr. BRASSINGTON: The profit of £230,366 was a record in the history of the company. It is noticeable that up to the year 1930, whilst the profit increased the dividends practically remained the same. One might well ask why the dividend remained the same in view of the fact that the profits since this rate of dividend was first declared had more than doubled? Whilst in the latter years there has been a

falling-off in the profit, nevertheless it is enormous, and justifies the arguments we are making. It is very noticeable that from 1915 to 1934—a period of nineteen years—this company made a profit of approximately £2,560,000. Yet when we, on behalf of the people, ask this Assembly to pass a measure having for its effect a reduction in the electricity charges, hon. members opposite present a brief on behalf of the company and endeavour to have this measure misrepresented, and have declared that it is impossible, with the object, of course, of having

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it withdrawn at all costs. It is also interesting to note that the amount of dividends distributed for the nineteen-year period I have just quoted totalled approximately £1,650,000. The question of reserves has been referred to. Hon. members opposite will argue that a certain sum each year has been set aside for the purposes of depreciation—that is, to meet any other untoward costs that might arise. The reports of the company disclose that the amount passed to reserve and now standing at the credit of the accumulated reserves fund has reached the enormous total of £898,172.

That is the financial position of a company for which hon. members opposite are to-night making a fight, which they are defending, and on whose behalf they are asking for further profits and further concessions. Representing as I do a metropolitan constituency, I naturally speak on behalf of metropolitan people, and in advancing an argument for the people I represent I necessarily present the affairs of this company for examination, so that when the time comes for people outside to form an opinion they will not be misled. If the average person who supports the Labour Party were to read the speech delivered by the hon. member for Kennedy, a speech full of high-sounding financial terms, a conglomeration of figures, and a series of conflicting arguments, he would be forced to the conclusion that the company referred to, and the electric light companies in general, were being done a grave injustice by the measure now before the House.

OPPOSITION MEMBERS: So they are.

Mr. SPEAKER: Order!

Mr. BRASSINGTON: Hon. members opposite consistently espouse the cause of vested interests. What do they care for the unfortunate men and women living in my electorate, many of whom by reason of the ruinous policy adopted by the previous Government in a period of depression are unfortunately on unemployment relief? Whom do they represent in this Parliament? Is it the people they would attempt to mislead, or only the vested interests?

Mr. MAHER: You did not think of that with your Australian Workers' Union ticket costing 25s.

Mr. SPEAKER: Order!

Mr. BRASSINGTON: If I were to reply to the hon. member in the terms that his interjection warrants, I should be called to order because the subject is not now under discussion; but I would emphasise that a statement in plain and unvarnished figures of the enormous profits made by this company, which has a franchise over the major portion of the Greater Brisbane area, is absolutely necessary so that the average man in the street can understand the position and decide for himself the merits or otherwise of the Government's legislation now before this Assembly.

Mr. SPARKES: Is it any wonder capital will not come to Queensland?

Mr. BRASSINGTON: That interjection is in keeping with the views of hon. members opposite. It cannot be said that on any occasion the present Government have treated a fair proposition unfairly. We can always say that we at all times stand for everything that is fair and reasonable, but

we do demand and stand on the principle that our policy is for the people first. All we ask is that the people shall receive justice; thereafter private enterprise and the interests that hon. members opposite represent shall receive their just deserts. That is a fair statement of the Labour Party's general attitude towards the unceasing criticism and misrepresentation of hon. members opposite.

In an endeavour to discredit the Government's legislation, hon. members opposite will doubtless argue that the gentlemen who formed this company took a certain risk in the investment of their capital. I do not claim to be a business man, but I claim to be able to recognise and to state a plain fact, and in reply to the probable argument of hon. members opposite let me say that those who invested their capital in this concern did not take such a grave risk after all. A franchise extending over many areas, comprehensive in every shape and form, was secured, and from the point of view of investment, their money was represented by a gilt-edged security. Thus, no case that hon. members opposite can advance to-night can justify their opposition to this Bill.

Mr. KENNY: How much of its capital did it lose?

Mr. BRASSINGTON: If the hon. member desires to make himself a parrot for vested interests outside this Parliament, that is his business. I submit that on the figures shown the legislation is sound. I indict the Opposition on their endeavour during this debate to force the hands of the Government, to misrepresent the public, and to put up a fight for private enterprise throughout the State. Hon. members opposite always twit this Government with being unfair to private enterprise. There is no necessity for me to repeat what I said in this House a few weeks ago that, so long as private enterprise will obey the laws of this land it will receive fair and just treatment from this Government. In view of the overwhelming case put forward in justification of the action of the Government in introducing this Bill, I ask hon. members opposite, as responsible members of this Assembly, to support this measure and assist to make it law, because that is what is desired by those people who have given them a brief to be here to-night. As I said earlier in my remarks, I do not claim to be an authority on business matters, but I desire to state a few plain facts for the consideration of the people whom I represent.

Before I conclude I take the opportunity of again expressing that which has often been expressed in the past, that the sooner all worth-while public utilities are brought under the control of the public generally—(Opposition dissent).

Mr. MAHER interjected.

Mr. SPEAKER: Order! The hon. member for West Moreton has been repeatedly warned, and I hope he will desist from further interruption.

Mr. BRASSINGTON: As I was saying, the sooner all utilities that are of vital interest to the public are controlled by them the better; hence the loud roar of dissent from hon. members opposite. Once again they demonstrate that they stand for vested interests. The points that I have raised here to-night should provide food for thought. The fact that an enormous profit

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of £2,560,000 has been made by this concern over a period of nineteen years prompts the question: would it not be better for the people in general to enjoy that profit instead of its passing into the hands of vested interests? As a representative of the people I affirm the principle that the people should enjoy the profits earned by public utilities; and the way in which they can enjoy those profits is by way of a substantial reduction in the price of the commodities consumed by them. That is a fair and just argument. I will always defend that principle, because it is one that is worth while and is in the interests of the people generally. Hon. members opposite are pleased to sneer and misrepresent any attempt made by the people to control their own utilities.

Let us take the case of the Brisbane City Electricity Department. A Labour Government gave the Brisbane City Council an opportunity of creating that department, and it should be remembered that during the years that that department operated in a manner which reflected credit on the people of Brisbane, it provided an efficient service in the interests of the people, and we can proudly point to the fact that it has done good work on behalf of the people in the Greater Brisbane area. If that can be accomplished in the case of one utility it is a weighty argument why all public utilities should be brought under public control. No matter how much hon. gentlemen opposite may misrepresent and mis-state the position they cannot get away from that salient fact, nor can they get away from the fact that the day will come when all great public utilities will be brought under the direct control of the people. I repeat that the great giant of electricity should be controlled by the people. In recent years electricity has revolutionised the economic life of the people in various countries. Electricity has taken the place of coal, oil, and other fuels in industry with resultant advantage to the people. The wide range of the usefulness of the great giant of electricity to mankind is demonstrated by the fact that it provides power for great factories, and at the same time heats the humble electric iron in the home, which is cogent evidence that the time is ripe when this commodity should be controlled by the people in their own interest.

It is not too much to say that in the years to come electricity as a motive power will play an enormous part in the development of this State. It is not too much to say that the possibilities in that direction are almost unlimited. Were hon. members asked to make a prophecy, they would be very hard put to it to make a suggestion as to the future development and achievements of electricity. I consider the whole system should come under the control of the people.

Mr. SPARKES: Like the State stations?

Mr. BRASSINGTON: The hon. member on questions dealing with land matters is the one-eyed leader of the blind. He looks at all questions from the viewpoint of the land, and consequently his mane interjection cannot serve any other purpose than to waste valuable space in "Hansard." I was on the point of saying that the expansion of the uses of electric power in this State is a matter of time. As we discuss this important question to-night probably one may be pardoned for suggesting that in the near

future the Government will have to consider very carefully the possibilities of electrifying the suburban railway services of the Greater Brisbane area. That has been done in the other capital cities, and it is a worthwhile policy. Electrification of our suburban railway system would mean a fast, up-to-date, and clean service, and would be in the interests of the people. As that day must surely arrive, it is wise for us to-night to advocate a policy that will give any Government the right to draw their electricity supplies from one central power-house owned and controlled by the people. My remarks may be futuristic, but the majority of hon. members will see the day when that will be an accomplished fact. We are consequently justified in anticipating the future and the policy that must be put into effect, and advocating that policy with all the strength we possess. I trust this measure is but the preliminary to great progress along the lines I have mentioned. I hope that in the near future a complete survey of the whole of this problem will be undertaken. The sooner we have greater development in the direction I have suggested the sooner will the people reap the great benefit it connotes, and the sooner will this great State advance.

I desire to give my support to the Bill, because it will mean to the majority of people whom I represent a saving each week. When speaking to the brief for the electric companies, the hon. member for Kennedy asked the question, "What effective saving will this Bill be to the average consumer?" He said it might mean 1d. or 2d. a day. With my calculations that amounts to 1s. 2d. per week, and let me say this to the hon. member for Kennedy and other hon. members opposite, that the saving of 1s. 2d. a week is a substantial saving to a large number of unfortunate people who are not in the best of circumstances. If this Bill does nothing further than bring about a saving of 1s. 2d. each week, according to the hon. member for Kennedy, to the relief workers throughout this city, then its passage is worth while. Apart from that, however, I anticipate that the Bill will mean a substantial saving to the community, and it will receive the support of the people generally. I greatly regret that hon. members opposite, unfortunately, could show no enthusiasm when discussing legislation earlier in the session, but this afternoon they are like men rejuvenated. They are enthusiastic, their remarks are spirited because they are fighting the good fight on behalf of vested interests, as against the people's welfare.

GOVERNMENT MEMBERS: Hear, hear!

Mr. PLUNKETT (*Albert*) [8.5 p.m.]: I desire to address myself to this Bill because I am personally interested, but before doing so I might say that I am rather amused at the hon. member who has just resumed his seat. He said several times that hon. members on this side were enthusiastic in their fight on behalf of vested interests, but so far only one speaker has spoken on this side of the House. Statements to the effect that hon. members on this side stand for vested interests are all humbug, and are not borne out in fact. I am opposed to the Bill on principle, but because hon. members on this side dare to oppose the Bill on principle they are accused of fighting the fight of vested interests. I hold the view

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that if any person or company is in receipt of excessive profits they should be reduced, but I cannot agree that this Bill provides the proper methods of achieving the end desired. I do not agree with the policy of the Government providing for the socialisation of industry, and I claim the right to oppose that policy. I refute the suggestion so often made by the hon. member for Fortitude Valley that I stand for the capitalistic class. That is not true. Hon. members opposite glibly refer to the capitalistic class and to vested interests, but can hon. members point to any other Government who so gleefully avail themselves of the money provided by the capitalistic class? The Labour Government are the greatest spenders of any Government in history, and where would they get their money if there was not a capitalistic class? It is borrowed money that keeps the Labour Government in power; yet they are prepared to say on all occasions that the capitalistic class—vested interests—is ruining the country, and that industries must be socialised. Hon. members opposite can achieve their ends without becoming vindictive.

The hon. member for Ipswich claimed that the Bill had been introduced in the interests of the consumers, and held it to be his duty in this House to look after their interests. We are all consumers, and when we pay we receive a service. If we did not receive a service then we would not pay. That is the essence of the system under which we live, but for party political purposes the impression is sought to be conveyed that hon. members on this side are here to watch the interests of the capitalistic class. The remarks of hon. members opposite amount to political propaganda, and they do not get us anywhere at all.

I am particularly concerned about the prospects of a local authority that has established its own electric lighting system, and I call upon the hon. member for Ipswich and the hon. member for Fortitude Valley to support me in my argument in favour of this local authority, because it is an argument in favour of the consumers of electric current. In order to establish its own electric lighting system the local authority concerned had to establish a benefited area, in which the land was loaded with a special rate of 7d. in the £1 to pay interest and redemption on borrowed money. The hon. member for Fortitude Valley said that he represented the people in his electorate, and that it was his duty to watch their interests. The hon. member should take a wider view, and he should realise that he has a bigger duty to perform—to watch the interests of the whole of the people of Queensland, and not only those of the people of his electorate. If we are to be so circumscribed in our outlook that we are prepared to guard the interests only of the people in a certain locality, then we are going to bring a considerable amount of trouble upon ourselves. That is my case. Under this Bill the people in that area are going to be penalised. I shall refer to that matter again a little later on, but at the moment I desire to outline the case of the local authority that I have in mind. The local authority borrowed between £11,000 and £12,000 to establish its plant, and commenced by supplying direct current. The consumption of electric current within

the area is small, which naturally means that the cost to the consumer is fairly high. At the outset the rate was 1s. 3d. a unit, but to-day the net price is 1s. 1½d. a unit. That charge is fairly high, especially when one considers that the landholders in the area have to bear a special rate of 7d. in the £1 within the benefited area. There does not appear to be any likelihood of increasing the consumption to any material extent.

These people are doubly penalised because no extension of their franchise can take place. The law prevents any extension of direct current for more than 5 miles. If the local authority extends its plant beyond that radius in order to get additional users, it must put in another current, and that means additional expense. Therefore, it cannot operate profitably to the people. A certain electric light company is able by means of mass production to supply current at a cheap rate, and has offered to supply the necessary lighting for that area. It has a franchise for an adjoining area. The hon. member for Fortitude Valley would have us believe when we talk about a franchise that somebody in the past had done some great wrong in granting it. When we give a franchise or tenure it is in order to give the recipients some protection under which they will recover interest and redemption on their capital outlay. The hon. member himself on his election to Parliament obtained a tenure for three years, and if he did not get that tenure of office he probably would not desire to offer himself for election. There is nothing in the idea that hon. members opposite attempt to create that when a Government gives a franchise that it has done something wrong. The company that I speak of has a franchise to supply current within two and a-half miles of the town of Beaudesert. The people in that area are getting power for 6½d. a unit, while the people in a district a few miles away are paying 1s. 1½d. The local authority in the latter district has endeavoured to reduce the cost to consumers, but finds it impossible to do so. Yet, right alongside of them, they have the possibility of obtaining current at 6½d. per unit. The Government claim to befriend the consumers, yet under this Bill they are seeking to prevent the consumers of Beaudesert from getting electric current at 6½d. a unit instead of their present price of 1s. 1½d.

Mr. WATERS: How will it stop them?

Mr. PLUNKETT: This Bill will stop them from getting cheap current. No company will desire to embark on an enterprise of giving cheap current to the people when hamstringing legislation like this is introduced, which limits its profits below a reasonable level and compels it to carry all responsibilities. Within the last few years the people in the country districts that I represent have secured this form of lighting, which is just as essential and necessary to them as it is to the people in the city. They are getting it at the Brisbane price, plus 10 per cent. The result is that the people in many of the small towns such as Beenleigh, Pimpama, Coomera, Tambourine Mountain, and now Canungra have taken advantage of the privilege at a very low cost. At the same time the people in a local authority a few miles away are struggling with their own plant, paying 1s. 1½d. a unit, are taxed in a benefited area to the extent of 7d. in the £1 of their ratable property, and are

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forced to undertake all responsibilities for plant renewals. They are paying more than 100 per cent. more for their current than the people in the adjoining district.

Hon. members opposite talk about taking away all the profits of the City Electric Light Company, Limited, because it has made over £2,000,000 in nineteen years, and if they believe what they say then the Government are in duty bound to take over and control every business in the State that has made a similar profit or paid 8 or 10 per cent. dividends each year to its shareholders. Let us see whither we are going! If the Government are going to create that atmosphere in this country—that the more efficiency a business displays and the more profit it makes the sooner will it be placed under Government control—then the Government will bring all businesses under the spell of Government control, and so surely will this country commence to decay, because the people who have any money to invest will not invest it in this State. The Government are the last people in the world who should seek to control industry of any description. It has been proved that they cannot control or direct as efficiently as private enterprise. There is a personal touch with private enterprise that makes its undertakings a success, but is not obtained under Government control. We had an instance of that in the State enterprises established by the previous Labour Government.

I desire to draw another picture of the people in the country. The Government at all times claim to desire greater efficiency and to be eager to place people on the land. The Secretary for Agriculture has taken £4,168 from the producers because he says he wants to put that back into industry in order to create efficiency. That is a sound argument from his point of view. Now, efficiency, as I see it in this case, must be this: Any one who can supply an identical service at 100 per cent. less cost must be more efficient. Why is he more efficient?

Mr. GLEDSON: Other people have to pay.

Mr. PLUNKETT: I do not know about charging people more, but I do know that mass production methods and the extensive ramifications of a concern of this nature make for efficiency. I do not speak on behalf of this concern. Possibly because of the capital at its disposal it is able to embark on extensive propositions, but the fact remains, and it is apparent to the observant person, that the expenditure of much money and labour is involved in most of these undertakings. On the Government who claim to be watchful in the best interests of the producer I place the responsibility of preventing the Beaudesert people and all farmers who desire each year to become more efficient by the use of electrically-driven milking machines from obtaining power at a lower charge than is possible elsewhere. The Government who, on the one hand, ask the producers to become more efficient are not taking steps to that end.

Mr. WATERS: That is a boggy!

Mr. PLUNKETT: It is a most serious state of affairs from my point of view. The whole district I represent is aroused. Probably the people do not realise the full significance of this measure, but I can see clearly that if the Bill is passed in its present form it will impose control upon

those who would otherwise embark on undertakings. If we get to the position of so interfering with private enterprise that the Government must take it over, then all I can say is, "God help us!"

Mr. LLEWELYN (*Toowoomba*) [8.20 p.m.]: I desire to express my warm appreciation of the introduction of this measure. It will be remembered that in the amending legislation last year provision was made to enable the Government to investigate the affairs of any company supplying electricity and to delegate to officers an investigation as to whether the cost to the public could be reduced. At the same time ample protection was afforded to the electric light companies to make application in respect to the fairness or otherwise of the charges decided upon.

The principles contained in the measure now before the House will meet with general approbation at least from that section of the public who find it necessary to use electricity in any form. The city of Toowoomba will hail this measure with great delight. In this connection I desire to make reference to the position of the Toowoomba company, which, to judge from the accounts published periodically in the "Government Gazette," is in a very sound financial position and does not appear to have suffered any of the hardships that other trading concerns have had to meet during the last few years of the depression.

It is interesting to note that this company has built up substantial reserves which, on 31st December, 1933, amounted to £48,026 1s. 6d., or 55 per cent. of the total paid-up capital. The dividends returned to the shareholders of this company have also been exceptionally satisfactory. According to a statement published some time ago there has not been any year during the last ten years when the interest has been less than 8 per cent. During the worst depression years—1929-30—this company returned a dividend of 10 per cent., and in the years 1931, 1932, and 1933, it returned a dividend of 9 per cent. each year. On those figures it will be readily observed that this company has been particularly fortunate. The object of the Premiers' Plan has not been attained as far as this company is concerned. Despite the application of the Premiers' Plan to other sections of the community, the directors of this company have continued to collect maximum fees in addition to receiving their share of the profits. Despite that favourable position no serious attempt has been made by this company to reduce the price of their commodity to the Toowoomba consumers, the great bulk of whom were compelled to suffer drastic deductions in their earnings, and in many instances, owing to unemployment, had to exist on their hard-earned savings.

An OPPOSITION MEMBER: What did it charge?

Mr. LLEWELYN: 3d. a unit. The Toowoomba City Council, by an Order in Council, obtained permission to supply electricity for the city of Toowoomba; but so far no action has been taken.

Mr. ANNAND: Don't be silly. Our franchise covered the area outside the city.

Mr. LLEWELYN: I am talking about the city of Toowoomba. Apparently the council is content to allow private vested

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interests to reap large profits from a commodity that rightly belongs to the people. It will be remembered that the amending Bill that was passed last session eliminated power to charge for meter rents or, as some companies designate it, service charges. In this connection I am happy to say that a saving of no less than £3,000 has been effected to the consumers of Toowoomba. The fact must be appreciated that Toowoomba is a progressive centre; and there is every reason to believe that other progressive provincial centres, not to mention the metropolis—are as favourably circumstanced in this connection as Toowoomba. It makes one wonder why the domestic consumers of electricity in the closely populated area supplied by the City Electric Light Company, Limited, of Brisbane, have to meet higher charges than those made by the Brisbane City Council's electricity department. In this connection I should like to mention that while the hon. member for Kennedy was speaking this afternoon he had a good deal to say regarding the amount of money accruing to revenue by way of taxation, making profits in that case a virtue.

I would mention that although the Brisbane City Council does not pay anything out of its profits by way of income tax it must not be forgotten that the installation of its plant took place at a time when machinery had to be purchased from overseas at an exchange rate of 25 per cent. It also had other very heavy commitments. I consider these facts more than counter-balance the tax that has to be paid by the Brisbane City Electric Light Company, Limited, and notwithstanding that fact it is able to supply current to the people of Brisbane at a rate considerably below that of the company. In older lands, particularly in America, a considerable amount of energy has been displayed on behalf of vested interests. I ask permission to quote Mr. Donald Richberg, a member of the Chicago Bar, who has specialised in public utility and labour law, and who is the author of several books, concerning the electrical industry of the United States. In reading this extract I do not wish it to be understood that I am casting any aspersions on hon. members. Far be it from my mind to do so, but at the same time I consider it desirable that I should read to hon. members this passage—

"We find here also an industry dominated by an un-American labour policy, denying the historic freedom of American life to its employees, and at best subjecting them to a degrading sort of paternalism. Worst of all, we find that this industry has produced the newest, the latest, and perhaps the largest crop of private regulators of government who have, as an industrial policy, deliberately sought to control government and public opinion through a systematic corruption of public officials, and through persistent methods of poisoning the sources of public opinion, and even public education. These are not rumours that I repeat. This is knowledge gained from personal experience. For years the electrical industry in Chicago and Illinois has nourished a political government of gangsters and grafters. The future of this industry under such a leadership, is not bright with a promise of advancing the general welfare."

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Fortunately, in this young country, with its comparatively small population, we have been more or less free from these troubles that have beset the other countries, but unless the regulation of the electrical industry is established on a sound basis we may, in future, have to cope with corruption under our own laws.

There is one feature I desire to mention as regards the constitution of the board appointed to regulate these matters and to act as the authority of the Government. I consider the Minister has been particularly fortunate in the selection of the personnel of the board. We have on it as chairman Mr. Sorenson, and as members Mr. Grier, a competent electrical engineer, and Mr. Ross, an accountant. Mr. Sorenson has so far proved his fitness for the position inasmuch as he has amply demonstrated that he will not permit himself to be brow-beaten or stampeded by representatives of the vested interests or their agents.

I consider this Bill is in the interests of the people, and I trust that no amendments will be allowed in the Committee stage. I have much pleasure in supporting it.

Mr. NIMMO (*Orley*) [8.35 p.m.]: Personally I have no objection to the profits of public utility companies being restricted to a reasonable amount—that is, that the public should pay a reasonable charge, and the company should receive a reasonable return on its capital. It is obvious that the Government are not out to restrict the profits of the companies, but they are out to confiscate the assets of all the electric light undertakings in this State. Whether the Minister is responsible for the Bill or whether he has been badly advised is not for me to say, but if he has not officers who are competent to draw up a Bill to protect the interests of the people of this State, then it is time that something was done in the department.

The SECRETARY FOR PUBLIC WORKS: I have first-class officers.

Mr. NIMMO: Any one who reads the Bill will decide that by its introduction the Minister has done this State a great disservice. How often have we heard working people boast that if they had the power they would do this or they would do that? The Government have simply decided that as a certain company made huge profits in the past they are going to smash the company. The hon. member for Fortitude Valley mentioned the profits that had been made by the City Electric Light Company, Limited, over a period of years, but he failed to refer to the lean years when the company was endeavouring to establish its business, the years when no profits were made at all. Nor did he tell us what amount of taxation had been paid by this company to the Queensland Government. He neglected to tell us that over a period of ten years it had paid over £500,000 in taxation.

Mr. O'KEEFE: It paid it out of profits.

Mr. NIMMO: It certainly paid it out of profits, but it is a tremendous amount, and what is more the undertaking has been maintained in a state of efficiency. The hon. member for Fortitude Valley also failed to tell us that the company was one of the very few companies in Queensland that called upon the shareholders when fresh capital was required, and that the shareholders always paid 20s. in the £1 in

respect of that capital. Why is this company being singled out for attack? It would be all right if the Bill provided that the maximum dividend that the company could pay should not exceed 6 per cent., but the Bill is so far-reaching in its character that the company will be able to pay only 3 per cent. Is that fair treatment for a company that has served this State for so many years?

The SECRETARY FOR PUBLIC WORKS: You have not read the Bill.

Mr. NIMMO: I have read the Bill, and I know that the gross amount that the company can earn, based on the actual value of certain assets, is 7 per cent., but out of that 7 per cent. taxation and other payments have to be made before the dividend actually reaches the shareholders.

Mr. WATERS: You are reading from a brief prepared by the company.

Mr. NIMMO: I am certainly not reading from a brief prepared by the hon. member. If I was so stupid as to do that I should not be in this House. When the hon. member for Ipswich was speaking it occurred to me that he may have assisted the Minister to draft this Bill. He made some outrageous statements, and he inquired as to who would find the money to pay the dividends. It is perfectly obvious that he was going to answer—the people or the consumers. Who pays the interest on the money that the Government are squandering to-day in order to keep themselves in power?—the people. I say very definitely that the Government are out for the confiscation of the assets of the electric light undertakings of Queensland. What is going to be the effect of their policy? Last week a very big mining show considered the prospect of investing capital in this State, but it eventually informed the brokers that it would not invest money in Queensland because it could not trust the Government in power. It was afraid that the Government might take by taxation 75 per cent. of the profit even after it had risked its all in trying to locate gold. That is a very definite case, and one known to more than one Minister to-day.

I venture the opinion that no finer speech was ever delivered in this Chamber than the speech delivered on this Bill by the hon. member for Kennedy. It was free from venom and vindictiveness. He clearly set out the case against the Bill in a calm and dispassionate way. He did not plead the case of any individual company, but he outlined the facts from the point of view of the people as a whole. I am sure that the Minister must have felt that he had gone too far in introducing a measure like this. The speech was full of meat, it was full of instruction to hon. members, and it did not exaggerate the position in any way.

He also quoted Mr. Lang's Bill, which disclosed that Mr. Lang, although a Radical and a Socialist, did not attempt to do anything that was unfair to any individual in that State. The Bill we are considering contains provisions as drastic again as Mr. Lang's Bill. The Minister may laugh to keep up his courage, but I understand that unanimity does not prevail on the Government benches on this Bill. As a matter of fact, the Bill was brought back into the party room again recently for consideration to see if it could not be altered. When we

look round the back Government benches we can readily understand how a Bill of this nature has been forced through this Chamber. Some of the hon. members sitting there imagine that this Bill will cheapen electric current to the people of Brisbane.

The SECRETARY FOR PUBLIC WORKS: That is the object.

Mr. NIMMO: It will defeat its own object.

Mr. BEDFORD: You definitely say quite a lot of nonsense, too.

Mr. NIMMO: It will defeat its own object for the same reason that the Brisbane Tramway Purchase Act defeated the object for which the Brisbane Tramways Trust was compelled to take the utility over by the late Government.

Mr. WATERS: How?

Mr. NIMMO: If the people of Brisbane had not been compelled to take over the tramways they would have had an efficient omnibus service running through the city to-day, whereas now that the people own the trams the motor buses cannot enter the city. The tramways will eventually become an obsolete means of communication, and the ratepayers of Brisbane will be saddled with a debt of £2,000,000, which it cost them to take over the service.

It is all very well to say that electric current will be the system of lighting for the future, but who can say that the method of supplying power to industry and current for domestic purposes will not be revolutionised? Who can tell that in the very near future the whole machinery that is required to produce electric current will not be superseded? If the ratepayers are compelled to take over the City Electric Light Company's undertaking they will be saddled with that expense, which will be a drag on the people, whereas if some new form of power came into vogue only the shareholders of the company would suffer.

The franchises secured by electric light companies is a certain form of inducement to investors, and Cabinet Ministers have advised some of their best friends to invest in shares of the City Electric Light Company, Limited. Even ministers of religion who have saved a certain amount of money for their old age have been advised to buy these shares. I do not know how some hon. gentlemen opposite will explain their present action to their friends. Many people have invested their hard earned savings in shares in the company because they felt that in the franchise under which it was working they were afforded a certain amount of protection, even though the price of current was regulated. This action by the Government will drive the company out of business. It is very wrong not only from the point of view of the Government but also from the point of view of the whole State. The hon. member for Fortitude Valley said the profits should be reserved for the people. It is very questionable what profits could be earned by the company's undertaking if it were under Government or municipal control, because it is a well known fact that any undertaking governmentally controlled has proved an absolute failure. The same hon. member quoted the Brisbane City Council as having done wonderfully well with its electric undertaking.

Mr. BEDFORD: How long have you been under Government control? You are the

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most unprofitable thing I have ever listened to.

Mr. NIMMO: The hon. member for Warrego is always making interjections with a marble in his mouth. It would be very much better if he absented himself from this Chamber altogether, for he never puts forward anything constructive. The "Telegraph" put him in his place and there is yet a possibility of the "Telegraph" finishing him.

Mr. BEDFORD interjected.

Mr. SPEAKER: Order!

Mr. NIMMO: Would the people get any of the profits, as is suggested by the hon. member for Fortitude Valley? We know that with loan money being constantly poured into the semi-Government electric undertaking carried on in Brisbane, that undertaking can carry on up to a certain point, but if the competition with the company were once eliminated, it would be found that the rates charged to the consumers would soar. As a matter of fact, the Government do not know just how to tackle this question of reducing the charges for electricity, because if the charge is reduced to a certain figure the city council undertaking will lose, whilst the greater efficiency of the company will enable it to carry on and make a reasonable profit. The Government, not knowing how to tackle the question, are now attempting to socialise the whole business.

The PREMIER: Your suggestion is that we are treating it too liberally.

Mr. NIMMO: I cannot see there is much liberality in it when it is being made impossible for the company to carry on.

The PREMIER: If there is anything in the argument you have just used, that is what it means.

Mr. NIMMO: Not so. My argument is that if two utilities were functioning, one a State or semi-Government body, and the other a private enterprise—the semi-Government body would have to close down.

Mr. BEDFORD: You are as indefinite as any other prophet ever was.

Mr. SPEAKER: Order!

Mr. NIMMO: As a matter of fact, any profits I have got have been got honourably.

Mr. BEDFORD: You have got them secretly, too!

Mr. SPEAKER: Order! Hon. members should be allowed to make a speech without continual interjections or interruptions. I urge hon. members to play the game.

Mr. NIMMO: The policy that seems to be adopted by the Government is to bring about Socialism by a gradual process. Their action is on all-fours with that of the Germans in the war period. They thought they could tackle France first and give the French a hiding; then take on Britain, and later on the United States of America. The Government are taking on each company or trade separately. Those people who say that the Government will not go too far do not realise that the Government are gradually white-anting the whole of private enterprise throughout the State. Following the line of argument of the hon. member for Fortitude Valley, the next thing to be

tackled by the Government will be the drapery trade. Some of the drapery firms are making good profits, and the Government taking note of the profits made over a period of, say, ten years, will confiscate the drapery trade; then the woollen trade, and possibly after that the breweries. They have practically confiscated the dental business, and will go on white-anting trades and professions until everyone is roped in as a member of the Socialist order. At a conference the Secretary for Labour and Industry said, "If we cannot bring Socialism in at once, we will have to bring it in gradually, so that its coming will not be noticed." (Interruption.)

Mr. SPEAKER: Order! If the interruption does not cease, I shall have to stop the debate for ten minutes, and thus draw public attention to the fact that an hon. member is not being permitted to state his case.

Mr. NIMMO: No hon. member will deny that prosperous companies make for employment. If we could encourage companies to become prosperous we should have a more contented State, and conditions would be better. We are not likely to get prosperous companies when the Government simply say that every company showing a reasonable return on its capital is to have its business confiscated. The policy of the Government in that regard is altogether wrong. The lavish expenditure of loan money may carry us on for a certain period, but it will get us nowhere in the end. The army of unemployed men will be greater than ever when that loan money is expended. The only way in which we can solve the problem of unemployment is to encourage industry in every possible manner. If the matter of electric light charges had been grappled with reasonably and intelligently, the price to consumers could have been reduced and at the same time the companies allowed to carry on with a reasonable margin of profit. When one sees the value of shares reduced by £250,000 in one week owing to the action of the Government one is forced to realise the gravity of the position. The stock and sharebrokers could tell hon. members that for the last twelve months they have had requests for shares in companies functioning in the South. The demand for shares in our companies has not been in the same proportion to the demand for shares in southern companies. The Premier knows what I am saying is absolutely correct. The demand for shares in the South has been enormous, but our companies in Queensland are in the doldrums.

A GOVERNMENT MEMBER: That is not.

Mr. NIMMO: It is not rot. There are very few companies in Queensland whose shares are commanding a good price. I think the Queensland Cement and Lime Company, of Darra, which has a monopoly, Finney, Isles, Limited, Gibson Howes, Limited, and other sugar industry shares command a good value, but the shares of the majority of our companies which should be doing well are selling in the vicinity of 3s. 6d., 5s. 6d., and 6s. 6d. Queensland is very definitely in need of a lead from the Government to demonstrate that investments are secure in this State. Private companies should receive encouragement in every way possible. Certain companies have been singled out for attack in this State. Certain members on the Government side of the House have made

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statements that the Bill has been brought forward simply for election purposes, and it will be shelved. If that is the case, what a terrible thing has been done! I notice some sales in shares have been taking place in the vicinity of 26s., and if this Bill is put through—

Mr. SPEAKER: Order! I have afforded the hon. member every protection during his speech, but if he insists on trailing his coat in that manner I am afraid I shall not be able to protect him any longer.

Mr. NIMMO: There are very few fields for investment in this State at the present time. There are very few companies in which people can invest their savings in this State to-day. The only way to relieve our unemployment position is to build up industry. I have quoted the amount of taxation paid by the City Electric Light Company, Limited, as being £500,000 in ten years. Whilst I admit that was paid out of profits, it indicates the Government have taken their "whack" out of the high prices which they say have been charged. What is the amount of the electric light bill for the ordinary household? I use electric light in my own home very lavishly, and my bill amounts to about 12s. a month—(Government interruption.)

Mr. SPEAKER: Order!

Mr. NIMMO: We use it not only for lighting purposes but also for ironing, and we use it for the wireless, and the bill is always under £2 a quarter. I ask hon. members opposite what benefit is gained by driving companies out of business in an effort to reduce prices of electricity?

The PREMIER: Tell me how you fix your meter.

Mr. NIMMO: I am not a betting man, but I am prepared to bet that the Premier's electric light bill is under £2 a quarter.

The PREMIER: It is over £5 a quarter.

Mr. NIMMO: The people who invest their money in this industry are not very wealthy people. I was astonished one day about two years ago when I perused the register of the City Electric Light Company, Limited. It was almost like an electoral roll. It revealed an astonishing number of small shareholders holding from ten to 100 shares. These people got 6 per cent. to 7 per cent. by investing their money in this company, whereas in the Savings Bank they got only 3 per cent. to 3½ per cent. I admit there were some large shareholders. The Government are bringing in a Bill of this nature simply because the hon. member for Ipswich is anxious to placate certain people in that town by confiscating the Ipswich Electric Supply Company, Limited. Their action is damaging the credit of the State, and very little good will accrue to the consumers of electric current. Better methods could have been devised to deal with the price of electricity. I know the Premier knows that a different method could be adopted, and I say definitely that unless the Bill is amended in Committee very materially it is going to damage this State, not only as far as the investing public is concerned, but also morally in the eyes of the people.

Mr. RUSSELL (*Hamilton*) [9.1 p.m.]: The present position reminds me very much of a similar situation that occurred away back in 1923. We know that the shareholders of this company are very panicky

over present happenings, and we also know that there has been quite a slump in the value of the shares. It is rather tragic that a great number of shareholders should see their investments so seriously depreciated when there is no reason for it whatever. This company has rendered extraordinarily good service to the city. No one can say that its charges have been exorbitant when compared with those of other electrical authorities. It will be admitted that the prices it has charged for current have been uniformly fair. As its business grew and its expense ratio decreased proportionately, it has made concessions to the public. When we investigate its financial transactions since their inception I think it will be admitted that its business has been conducted in a very fair manner indeed. It does not suffer in comparison with other electrical authorities. We know that this company has been a *bête noir* to the Labour Party for many years. It has been looked upon as a great monopoly that was exacting huge profits from the consumers. Various devices have been tried from time to time with a view to breaking down the so-called monopoly. In 1923 the present Premier, who was then Secretary for Public Works, stated that the intention of the Government of that day was to set up a metropolitan electricity supply board with the object of taking over the company's undertaking and placing the control of the generation and supply of current under a commission representative of the various local authorities. At the time that created a good deal of consternation, and the value of the shares fell away, similarly to the falling away that occurred just recently, but nothing came of the agitation. It was feared by the shareholders that the Government of the day contemplated some very drastic action for the purpose of depreciating the value of the shares in order that the undertaking could be taken over at a moderate value. I should like to know if that is the motive behind this present Bill: so to reduce the profits of the undertaking and the share value that the Government may be enabled to take over the whole of the enterprise at a very much lesser sum than its actual worth. I know very well that in the early days of the Greater Brisbane City Council the question of the taking over of this undertaking received a good deal of attention. At that time the tramway power-house had outlived its usefulness and the council was debating whether it was advisable to purchase current in bulk from the City Electric Light Company, Limited, or erect its own power-house. Various experts were called in and asked for their views.

Naturally, as happens with all experts, they differed in the conclusions that they arrived at. I remember very well that reports were obtained from two noted authorities in Sydney, Mr. Brain and Mr. Donoghue, and that both of those gentlemen were of the opinion that it was advisable at that time to buy the current in bulk from the company rather than erect a separate power-house, but the engineer of the Tramway Department, Mr. Nelson, was strongly of the opinion that in the long run it would be more profitable to the council to erect its own power-house, and thus we see to-day the new power-house at New Farm. I took the view at the time that it was a mistake to have two super power-houses in Brisbane. I might say at

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the outset that I have always advocated the control of this public utility by the municipality. I do not believe in State control of enterprises of this nature, which properly should be controlled by municipalities. Prior to the establishment of the present Brisbane City Council the suburban councils were in the habit of buying their current in bulk from the company and retailing it to their clients. They made very good profits out of the electric current that they purchased in that way. The Brisbane City Council took over the separate enterprises of the various councils it superseded and, as we know to-day, it constituted an electricity department under the control of Mr. Hindman. I admit that it has done extremely well; nevertheless we have in Brisbane two power-houses competing for the business when one power-house would be sufficient.

If it is the Government's idea that by reducing the profits of this company they will force it into such a position that it will be glad to sell out at a low price, this is a wrong way to go about the problem altogether. This company, by its enterprise, has built up a wonderful undertaking, one of the finest electric undertakings in Australia with a very fine power-house, situated in a very favourable locality. It is quite competent to take care of the whole of the business of Brisbane and the outlying districts, but, unfortunately, as is very commonly the case in Australia, we have two authorities competing one with the other for the business that should be controlled by one. If the Government are sincere in their pretensions that the generation and distribution of electric current should be controlled by the community, then why not do the honest thing, why not do the British thing—that is to say, buy out this company? I advocated that when I was on the Brisbane City Council, but, unfortunately, there was a big disparity between the idea of values on the part of the council and the price quoted by the company. The parties were never able to come to terms. They became somewhat obstinate and negotiations fell through. The council went on with its own project. I always considered that was a great mistake and that at the time the council should have been pressed to submit the matter to arbitration, so that the whole of the undertaking of the company could have been controlled by the people of Brisbane. They would have received value for the money at the time. I believe that the position is the same to-day. The company has 1,200,000 shares distributed amongst 2,000 shareholders, some of the holdings being very small. The shareholders are 100 per cent. Australian, and 93 per cent. Queensland. Some attempt should have been made by the Government of the day to bring the two parties together so that the undertaking would have been owned by the people of Brisbane to-day. If that had been done we would not have the unseemly dispute that recently occurred in connection with the company. At that time the company had a very lucrative business, and I am quite satisfied that if arbitration had resulted in the fixing of the value of this undertaking, round about £2,000,000, the shareholders of the company would have accepted council debentures bearing a moderate rate of interest, and the council would be earning money for many years, and setting aside solid amounts year by year for the redemption of the cost

of the undertaking. That, to my mind, is the only way to settle this trouble.

The PREMIER: The Brisbane City Council turned that proposition down.

Mr. RUSSELL: It did. It offered £1,500,000 "on the blind." It was a mistake. No investigation was made as to the actual value of the undertaking. The company, on the other hand, was just as obdurate, and asked £1,000,000 more. It was a great pity that these negotiations were prevented by the obstinacy of the two parties from coming to a successful issue.

The PREMIER: It is a fact that the City Electric Light Company asked for value greater than existed.

Mr. RUSSELL: Of course it did. I admit it asked for £2,500,000 and the council offered £1,500,000. Both offers were absurd. The matter should have gone to arbitration. The company offered to submit it to arbitration, as I always advocated, but the council did not have the courage to do so. This undertaking should be owned by the people of Brisbane, for there is room for only one and not two plants in this city.

The PREMIER: You don't agree with the hon. member for Oxley, then?

Mr. RUSSELL: No, I do not. I agree with him up to a point, and that is this legislation is framed on wrong lines altogether. I consider that the two parties—the Government and the company—should have conferred and seen if some basis satisfactory to both could not have been arranged.

The Minister gave us no information excepting the statement that this House agreed to the basis of the Gas Act Amendment Act, in which 7 per cent. was fixed as the profit which could be earned on the capital, but as the hon. member for Kennedy pointed out, the profits of an electric light authority and a gas company are dissimilar, inasmuch as gas companies are allowed to retain residuals which must amount to 10 or 15 per cent. of their total income. That is extra profit to them. Moreover, as pointed out very pointedly, gas companies confine their operations to a few large centres, and do not branch out into the country and engage in the pioneering work that electric authorities do. The latter take a great risk, and invest large amounts of capital in pushing their overhead wires into the country awaiting for development to take place. Surely they are entitled to extra consideration on that account! Therefore, they are not getting as good treatment as a gas company. They are entitled to that at least, and certainly a great deal more. If it is true that the City Electric Light Company, Limited, is making exorbitant profits, the Government may be justified in endeavouring to fix a fair ratio of profit to the capital. I do not agree with the system set out in the schedule, because many of the major items of expenditure, particularly the question of obsolescence, are dealt with on an arbitrary basis and strongly in favour of the Government. When it comes to fixing a formula, and if there is any doubt, then the benefit of the doubt should be given to the aggrieved party. It is not for the Government to take

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advantage of every point as they have done in the schedule they have framed.

Something is needed to disabuse the minds of shareholders that it is the intention of the Government purposely to depreciate the value of the shares of the City Electric Light Company. When we find that the shares in this company have dropped on the market from 32s. 9d to 26s., there is a discrepancy which is too great for us to pass over lightly. These people should not suffer this tremendous loss on their shareholding. If the Government had been fair they would have recognised that an undertaking like this carries an enormous risk, together with the enormous depreciation that must occur with electric machinery, and a rapidly decreasing value of all other assets, and instead of allowing the profit of 7 per cent. they would have allowed 2 per cent. or 3 per cent. more.

This undertaking is in direct competition with the power-house of the Brisbane City Council, but it must be recognised that the local authority pays no taxation at all. The schedule states that income tax must be paid out of the 7 per cent. The Queensland Income Tax Acts are the most stringent in the Commonwealth to-day, and particularly drastic in regard to what are termed "public utility companies." If an undertaking earns 7 per cent. it is called upon to pay 2s. 3d. in the £1 income tax, plus 30 per cent.; and if it makes 8 per cent., which it would be allowed to make because under the schedule it can set aside 1 per cent. of its profits to reserves, the income taxation will be 2s. 9d., plus 20 per cent. On top of that is the 1s. in the £1 Federal income tax. Thus, the company is at a great disadvantage in having to pay such heavy taxation out of profits, and the position in that regard is strongly in favour of the concern run by the Brisbane City Council. The latter should get no differential treatment. It has a franchise in respect of its own suburbs in its own hands, where the customers are mostly people who pay higher rates for lighting purposes. The City Electric Light Company, Limited, has franchises for the city areas where a great number of its customers are purchasers of power at a very much lower rate than that at which the Brisbane City Council undertaking is selling its electricity. Such conditions must continue for many years until the franchises expire, so that I make a plea that the profit to be allowed in the schedule be based on a much higher scale than is proposed. Of course, the crux of the Bill is the formulæ dealing with costs, showing how cost of production, distribution, and management is to be calculated, and depreciation and miscellaneous expenses dealt with. I take it that the depreciation allowed will be on the original cost of the plant and not on the diminishing value. I know authorities differ as to the right method to adopt, but unless depreciation is based on the prime cost of the plant it will mean that the machinery against which the depreciation is credited will never be written off at all. How is this depreciation to be based—on the prime cost or on the diminishing value year by year? In regard to the distribution account, the Opposition would like to see a great number of items included, and I hope the Government will see fit to take a favourable view of the amendments that we intend submitting.

The PREMIER: The Government always accept reasonable amendments.

Mr. RUSSELL: It is all very well for the Premier to say that, but my experience is that the Government will accept none but amendments on minor matters. We have given a good deal of attention to this Bill, as we are concerned that consideration should be given to a company which has done so much for Brisbane. We want to see that its shareholders are not unduly penalised by the drastic reduction of the dividends that will ensue. As the hon. member for Kennedy pointed out, if the taxation is deducted from the 7 per cent., then the actual dividends will only run to between 3½ per cent. and 4 per cent. I examined the figures to-day to see exactly what would occur to these unfortunate shareholders in future. The capital of the company consists of 125,000 £1 preference shares carrying 7 per cent., 20,000 £1 preference shares carrying 6 per cent., and 1,253,226 £1 ordinary shares fully paid up. My figures are subject to correction, but I think they are fairly right. The value of the fixed assets is £1,859,056, but according to the formulæ set out in the schedule the assets that will be taken into consideration on which to base the 7 per cent. profit will amount to only £1,019,902, 7 per cent. on which amounts to £71,393.

If we add 1 per cent., which is carried forward and placed to reserves, we must add to it a further sum of £13,982, making a total allowable profit of £85,375. If we deduct the Federal and State income taxes and unemployment relief tax, amounting to approximately £17,375, there will remain for distribution as dividends a sum of £68,000. On a paid-up capital of £1,398,226 that is equivalent to just under 5 per cent. If we deduct 1 per cent. set aside for reserves, that will reduce the dividend to not more than 4 per cent., and it probably will not exceed 3½ per cent. My figures are roughly taken out, and although they do not exactly coincide with the figures of the hon. member for Kennedy, they are suitable for the purposes of comparison. What case can the Government put up to these shareholders when they find that instead of drawing 6, 7, or 8 per cent., they will have to be satisfied with 4 per cent.? By an arbitrary act of the Government not only will those assets be depreciated immensely, but the shareholders, who looked upon this investment as a gilt-edged security, will find they will only receive 4 per cent. I can quite imagine the consternation that will create among shareholders. I protest against that arbitrary method of deliberately depreciating the value of this undertaking. If the Government want to get possession of it, let them go about it in the right way. If profits are exorbitant, let them be assessed on a fairer basis than is proposed under this Bill. Many of these shareholders are men and women of very small means. A number of trust estates have invested money in this company, as they considered it was the best investment in which money could be sunk. In the early days of the life of this company when it had very little capital, the employees were content to take out their salaries and wages in shares. That is how most of these employees became opulent, and nobody begrudges them their success. They took

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the risk in the first place when it was difficult to get capital, and when the majority of people with capital scoffed at the idea of an electric light system in Brisbane. By their application to business these people have developed a very fine undertaking, and we have no right to rob them of the fruits of their labour. In times of stress such as we are passing through, there may be some justification for asking them to accept reductions in dividends until such times as conditions improve. That could be done under an Act similar to the Financial Emergency Act. It was done in the case of bondholders. A very solid reduction in interest was imposed on bondholders, and they accepted the position with composure; and I believe that if a similar method were adopted with the shareholders of the company there would be more satisfaction, and there would be an absence of that consternation and inconvenience that are being caused to-day. I wish to preserve the rights of the shareholders who have invested their money in this venture in the belief their investments were quite safe.

One remarkable feature about this Bill is there is no provision for appeal, which I think it should contain. The final determination as to the valuation of the assets and the method of assessing profit is to be left entirely within the discretion of the Electricity Board. Whilst I understand these gentlemen are well versed in electrical enterprises, I think the company should be called into consultation with them to see if these things could not be arranged amicably instead of the Government resorting to such extreme legislation, against which there is no appeal. The sting of the Bill, of course, is in the tail—the schedule. The main part of the enactment appears to be fairly innocuous. It is the schedule that contains the obnoxious provisions of the measure. The amendments that we shall propose will have for their object the remedying of these unwise provisions. First, we desire to see the rate of profit increased.

The PREMIER: You want to increase the rate of profit?

Mr. RUSSELL: I hope so. I think the method should be to offset the very burdensome taxation that this Government has imposed on public utility companies. Of course, hon. members are aware that the income tax legislation imposes a very heavy tax. I consider some redress is required in that quarter. We shall also have to see to it that the formulæ are so framed that the company will receive ample protection in regard to its assets and the assessment of depreciation—the inclusion of obsolescence, and so on. I hope that the Minister in charge will see to it that these obnoxious provisions are so modified as not to inflict on this company a measure so drastic that it must certainly bring in its train a good deal of suffering to its shareholder.

Mr. WATERS (*Kelvin Grove*): I move the adjournment of the debate.

Question put and passed.

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

The House adjourned at 9.32 p.m.

[*Mr. Russell.*]