

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 8 OCTOBER 1940**

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Mr. SPEAKER (Hon. E. J. Hanson, Buranda) took the chair at 10.30 a.m.

QUESTIONS.

FEEs ON VEHICLES USING PRODUCER GAS.

**Mr. MACDONALD** (Stanley), for **Mr. WALKER** (Coorooora), asked the Premier—

“1. Has the Government decided, or is it proposed to make any reduction in the registration fees on motor vehicles using producer gas as fuel?”

“2. If so, what reductions?”

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

“1. No. However, the Government has already decided that the producer and its appurtenances shall not be taken into account when calculating the tare for the purpose of arriving at the registration fee.

Further, by reason of the fact that producer gas is not liable to petrol tax as is motor spirit, the user of a vehicle propelled by such means is placed in an advantageous position, and he does not contribute towards the petrol tax, which is used for the construction of roads which producer gas vehicles may use."

"2. See answer to No. 1."

CONCESSIONAL DEDUCTIONS, INCOME (STATE DEVELOPMENT) TAX.

**Mr. EDWARDS** (Nanango) asked the Premier—

"Will the Government give consideration to making allowances for dependants and other concessional deductions in respect of income (State development) taxation similar to those under the Income Tax Acts?"

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

"Yes."

PROPOSED QUEENSLAND DAIRYMEN'S ORGANISATION.

**Mr. EDWARDS** (Nanango) asked the Secretary for Agriculture and Stock—

"1. Is it intended to take a referendum of dairy farmers or any other action in connection with the formation of a Queensland Dairymen's Organisation?"

"2. If so, what is proposed?"

The **TREASURER** (Hon. F. A. Cooper, Bremer), for The **SECRETARY FOR AGRICULTURE AND STOCK** (Hon. F. W. Bulcock, Barcoo), replied—

"1. No request has been received for the holding of a referendum on the question of the establishment of a compulsory dairying organisation. Consequently, the matter has not received consideration."

"2. See answer to No. 1."

EXPENDITURE ON REFORESTATION, 1939-40.

**Mr. MOORE** (Aubigny): I desire to ask the Secretary for Public Lands whether he has an answer to the following questions which the hon. member for Cooroora addressed to him on 3 October:—

"What was the expenditure on reforestation in 1939-40 under the following headings:—(a) From consolidated revenue, (b) from the Loan Fund, (c) from other sources?"

The **SECRETARY FOR PUBLIC LANDS** (Hon. E. J. Walsh, Mirani) replied—

|                                   |          |   |    |
|-----------------------------------|----------|---|----|
| "(a) From consolidated revenue .. | 143,965  | 3 | 0  |
| (b) From Loan ..                  | 132,712  | 2 | 9  |
| (c) From other sources            | Nil      |   |    |
|                                   | <hr/>    |   |    |
|                                   | £276,677 | 5 | 9" |

PAPER.

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

Report of the Police Investment Board for the year 1939.

GOVERNMENT EMPLOYEES.

RETURN TO ORDER.

The following paper was laid on the table:—

Return to an Order made by the House on 21 August last, on the motion of Mr. Nicklin, showing the number of Government employees, at 30 June, 1940 (all departments), paid from consolidated revenue, Trust Fund, and Loan Fund, respectively.

STATE EDUCATION ACTS AMENDMENT BILL.

INITIATION.

The **SECRETARY FOR PUBLIC INSTRUCTION** (Hon. H. A. Bruce, The Tableland): 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 State Education Acts, 1875 to 1912, in certain particulars."

Motion agreed to.

LEAVE OF ABSENCE TO MEMBER.

MR. JOHN DASH.

The **PREMIER** (Hon. W. Forgan Smith, Mackay) (10.37 a.m.): I move—

"That leave of absence for this session be granted to Mr. John Dash, member for the electoral district of Mundingburra."

The reason for this motion is the state of health of the hon. member for Mundingburra. Although his health is improving, it is not known whether he will be able to resume his duties during the session or not. The carrying of this motion will not prevent his attendance in this House if he is well enough, but as a precautionary measure, in accordance with Standing Orders, I have moved the motion.

**Mr. MAHER** (West Moreton) (10.38 a.m.): I merely called "Not formal" to this motion, as when I was in Townsville during the Federal election campaign I heard Mr. Dash was not in the best of health. I merely wish to say I sincerely hope he will soon be back in his place in the House, restored to good health.

**Honourable Members:** Hear, hear!

Motion agreed to.

EXTENSION OF HOURS OF SITTING.

The **PREMIER** (Hon. W. Forgan Smith, Mackay) (10.39 a.m.): I move—

"That during the remainder of this session, unless otherwise ordered, the House

may, on the days allotted to Supply, continue to sit until 10 o'clock p.m. Each of the periods between 10.30 o'clock a.m. and 4 o'clock p.m., and between 4 o'clock p.m. and 10 o'clock p.m., shall be accounted an allotted day under the provisions of Standing Order No. 307. All provisions of Standing Order No. 307 and of Sessional Orders of 21 August and 2 October last shall, as far as they are applicable, continue to apply."

This motion is the usual one in connection with the Estimates. We hope it will not be necessary to use it to any great extent. We shall not use it any more than is necessary.

**Mr. MAHER** (West Moreton) (10.40. a.m.): Mr. Speaker, this is a motion which I have invariably objected to; and I do so this year with greater force than ever for the reason that there is no real necessity for the House to sit double days.

The Treasurer, when moving to report progress on Thursday evening last, said he wanted the Financial Statement debate to terminate to-day—a most unusual course—which means that we must sit on until there is no speaker left to-night.

**The Premier:** I think he was expressing a pious hope.

**Mr. MAHER:** That means we must sit on until the last speaker has contributed to the debate. Why is there all this rush? In past sessions the Financial Statement has been debated in an orderly way for three or four days, and so long as there were members to speak we went on from day to day. Why should there be this acceleration? Why should the House be called upon to sit perhaps till midnight to-night in order to complete the Financial Statement debate? There are no circumstances at present that would warrant it. I am only trying to look at the matter from a common-sense angle. If there were any urgency, if there were any necessity for the House to accelerate for the dispatch of business, I should be only too pleased to co-operate with the Government in the matter; but there is nothing of the kind.

Here we have a very light business-sheet. There are only three Bills to be discussed in Committee, and the Secretary for Public Instruction has given notice of an amendment to the State Education Acts. That is all the business on the sheet at the present time, so why the rush? Why this helter skelter?

Then again, why take power to sit double days? I submit there is no justification for that. The Estimates can be discussed in a leisurely way. We are to sit an extra day in the week on Friday, and surely with four sitting days in the week and a minimum amount of business on the business-sheet there is no need to sit double days at all.

**The Premier:** I hope there will not be.

**Mr. MAHER:** The Premier expresses that pious hope every year but nevertheless we

find that we sit at least one double day a week and towards the end of the session two double days a week. That is all very well for some hon. members who take things easy in a political sense, but it is very hard on those who have to keep pace with the rapid movement of debate. It certainly imposes a very big strain on me to try to keep up with the different matters that come up for discussion. I have little or no leisure when I have to be in the House constantly night and day. That is the point. I am willing in the cause of duty to work every night and all night if need be, but when the need does not exist why should we knock ourselves out in this way? There is no reason at all why the House should hurry through these Estimates in the way this motion proposes. I think the health of hon. members is entitled to some consideration. A heavy strain is imposed on everyone who has to sit here day after day and night after night, at the same time trying to attend to the requirements of our constituencies and visit our electorates during the week-end. All those things take toll of the human body. If it is necessary, well and good; but when it is not necessary I do not think we should be asked to do it.

I merely submit that view on the basis of common sense. If the need is there let us do it, but when there is no need—and there certainly is none in these circumstances—I think the House should not be rushed off its feet in this way, and that more leisurely consideration should be given to these important Estimates.

Another important matter hinges on this question. I think it is time the House gave some consideration to the important point, in discussing the Estimates, of having the Trust and Special Funds and the Loan Fund as they affect each department discussed on the Chief Office vote.

That reform is long overdue. Each year we have the ruling that Trust and Loan Funds cannot be discussed on the general Estimates. No amount of skill or leadership on the Opposition benches can ever enable us to get to the Trust and Loan Fund Estimates. Invariably they come last. If we decide not to debate certain Estimates then speakers on the Government benches certainly will, and they stonewall to such an extent that it is impossible to reach these Estimates.

Even if it is argued that these Estimates can be discussed on the Financial Statement, I point out that a limited time only is allowed for that debate, and thus it is quite impossible to cover the whole field of Loan and Trust Fund expenditure in that debate. The need, therefore, exists to discuss these Estimates under the Chief Office vote of each department, and if the Government are sincerely wishful for a proper discussion of them they could agree to such a course and thereby make it easy for this discussion to take place.

**The Premier:** I am willing to discuss that with you.

**Mr. MAHER:** I am glad to hear that from the Premier, and I shall certainly go into that matter with him.

**The Premier:** That is, as far as is permitted by the Standing Orders.

**Mr. MAHER:** I realise that. Since I have been leader of the Opposition, there has never been any discussion on the Estimates of Trust and Loan Funds. Large sums of money are involved, and an opportunity should be given to discuss these important Estimates.

That is all I have to say, but I intend to oppose this motion for the reasons I have stated, and if the Government carry it all I can ask is that the power they will hold will not be exercised unduly.

**Mr. YEATES (East Toowoomba) (10.48 a.m.):** I support the Leader of the Opposition. The Government rush through the business each session, but on this occasion we were told, according to the Press, at any rate, that there would be a short session on account of the war. I desire to know from the Premier or some responsible person what private members are supposed to do after the conclusion of the session if the business is to be rushed through. Is it the intention that we go out and co-operate in the war effort in the Federal sphere—that we be leaders of thought and address meetings throughout Queensland? If that is the reason for the motion, it is reasonable. We should be prepared to go wherever we are asked to go, even by the Premier. If the hon. gentleman asks us to go to Carpentaria or some other place and lead a Red Cross rally it is our duty to do so. However, nothing has been said as to what we are to do when the session ends. We are merely told or at least it is strongly hinted that we are to hurry on with the business, sitting day and night, for no purpose. If the Premier said that we were required to do other important jobs in connection with the war effort I should be willing to work the night through. I am very disappointed that there is a possibility that some of the Estimates, especially the Trust and Loan Fund Estimates, will not be discussed, and on behalf of the electors of East Toowoomba I enter an emphatic protest against that result.

**The PREMIER (Hon. W. Forgan Smith, Mackay) (10.50 a.m.):** in reply: We have no intention of rushing business through unduly.

The statement attributed to me by the hon. member for East Toowoomba certainly does me too much honour. That is a statement made by the Press. On occasions, of course, the Press knows things before they actually happen. I have never said that this would be a short session, but there is a general understanding between the Leader of the Opposition and me that business will not be prolonged unduly and that, having regard to the conditions that obtain to-day, business that is not essential will not be brought on. The Government are doing a good deal of work, however, apart altogether from the work that they do in the House; and it has to be done. That work is not the subject of debate

in this Chamber. Developments that have taken place recently make it necessary to do certain further things. If those things are not required then so much the better, but it is necessary to be prepared, so far as that is humanly possible.

Double days are not a new thing. I think they were introduced by the Moore Government.

**Mr. Moore:** No, by the McCormack Government.

**The PREMIER:** In any case, the hon. gentleman's Government continued them.

**Mr. Moore:** I do not think your memory is as bad as all that.

**The PREMIER:** The hon. member for Aubigny carried on the tradition, anyhow. He gave his endorsement to the principle, so he cannot claim not to be equally affected.

The Leader of the Opposition raised the matter of discussing Trust and Special Funds when the votes for the respective Chief Offices were being debated. I have no objection to that, so far as the Government are concerned, but the Standing Orders are the obstacle. As you know, Mr. Speaker, we never presume to make an arrangement that is an infringement of the Standing Orders, but I am willing to discuss the matter with the Leader of the Opposition. I have no objection to any fund's being debated at all. If an arrangement can be made to amend the Standing Orders and it will not affect you in other ways, then probably the House may agree to it. I point out, however, what happened in a certain court quite recently. One of the judges asked an advocate if he would be content if the court did a certain thing, and the reply was, "No, it is not our business to be content with anything." I think the Leader of the Opposition might take up the same attitude, because, if we brought on the Trust and Special Funds first, or debated them with the relevant Chief Office votes, then the discussion might take so long that we might not get to some of the Estimates in Chief at all, and there would be a grievance attached to that. It would be merely a transfer of grievance. However, I am willing to discuss that point with the Leader of the Opposition, and, as usual, act in an entirely reasonable way.

Question—That the motion (Mr. Smith) be agreed to—put; and the House divided—

AYES, 35.

|                |                   |
|----------------|-------------------|
| Mr. Bedford    | Mr. Jones         |
| " Brassington  | " Keyatta         |
| " Brown, J. I. | " King            |
| " Bruce        | " Lacombe         |
| " Clark        | " Mann            |
| " Collins      | " Marriott        |
| " Conroy       | " McLean          |
| " Cooper       | " O'Keefe         |
| " Copley       | " Power           |
| " Dunstan      | " Smith           |
| " Farrell      | " Taylor          |
| " Foley        | " Walsh           |
| " Gair         | " Williams, H.    |
| " Gledson      | " Williams, T. L. |
| " Hanlon       |                   |
| " Hayes        | <i>Tellers :</i>  |
| " Healy        | " Duggan          |
| " Hislop       | " Hilton          |
| " Jesson       |                   |

NOES, 12.

|             |                 |
|-------------|-----------------|
| Mr. Dart    | Mr. Nimmo       |
| " Deacon    | " Plunkett      |
| " Edwards   | " Russell       |
| " Macdonald |                 |
| " Maher     | <i>Tellers:</i> |
| " Massey    | " Clayton       |
| " Moore     | " Yeates        |

Resolved in the affirmative.

## SUPPLY.

COMMITTEE—FINANCIAL STATEMENT—  
RESUMPTION OF DEBATE.

(Mr. King, Maree, in the chair.)

Debate resumed from 3 October (see p. 518) on Mr. Cooper's motion—

"That there be granted to His Majesty, for the service of the year 1940-1941, a sum not exceeding £300 to defray the salary of the aide-de-camp to His Excellency the Governor."

**The PREMIER** (Hon. W. Forgan Smith, Mackay) (10.59 a.m.): Mr. King, since the Treasurer presented his Financial Statement there has been considerable debate, both in this Chamber and in the newspapers, concerning it. From that debate two very widely separated concepts of economic and financial policy emerge. I propose in the time at my disposal to outline Labour's policy and give broadly the results of the application of that policy.

Speaking on behalf of the Labour Party in 1932, I said in my policy speech—

"Labour will pursue a financial policy in keeping with the resources of the State, which will promote the wellbeing of our people, and secure an adequate return for the expenditure of the State funds. We will demand that whatever funds are available from the Loan Council, that Queensland secures her proper share, and the public expenditure generally will be devoted to those activities which will increase employment, develop industry, and increase the State's capacity to meet its obligations."

If I were writing a speech to-day, on a similar situation, I should not add one word or take away anything from what I said on that occasion. It is a clear and succinct statement of the Labour policy in regard to the situation that then existed. Furthermore, it is a declaration of major policy suitable to the proper economy of any State.

The reversal of the public policy that prevailed in 1932 before Labour was returned to power has never been understood by our opponents, as is clearly indicated by speeches delivered by the Leader of the Opposition and his supporters. They believed that economic restoration would result from the cutting of everything to the bone, and when Labour reversed that process they prophesied that ruin and collapse would follow. You will recall, Mr. Speaker, that all those things were written and said in the Press and on the platform. Hon. members opposite did

not appear to have heard of the age-old homily that runs—

"If somebody stops buying  
Somebody stops selling.  
If somebody stops selling  
Somebody stops producing.  
If somebody stops producing  
Somebody stops working.  
If somebody stops working  
Somebody stops earning.  
If somebody stops earning  
Somebody stops buying."

That old English homily presents a complete picture of the situation as it existed in 1929-32, and it is a complete answer to the case submitted by our opponents who have criticised the Budget. They have the idea that retrenchment and the curtailment of expenditure will bring about better results than those that have been achieved, whereas all the facts of life and all the results that have been achieved by the policy of the Labour Government are against their contentions. The simple homely words that I have quoted very clearly establish the fact that diminished purchasing power results in diminished spending, and increased unemployment follows the closing up of factories and the shutting down of markets.

What I have quoted is defined by economists as a vicious circle, and Labour's policy was called into being with the idea of breaking that vicious circle so as to achieve more for mankind. We recognised the need for a new direction of our national effort; we knew that the goal of economic restoration could be achieved only by putting people to work. I said that in my policy speech in 1932, and I say it again to-day in this Chamber. Nothing is of any value other than putting people to work so that they can earn their own livelihood, increase the volume of wealth produced, and also increase the volume of real wealth in circulation. It has been proved that our judgment in this matter has been sound, and that by every test Labour's policy has been undoubtedly correct.

On 30 June, 1932, we had, as a legacy, a deficit of £2,075,180. By the end of the following financial year we reduced that deficit by £426,000, and in another five years had wiped it out, leaving a surplus of £14,046. Again, this year we finished with a surplus of £15,755. We reached Budget equilibrium by the adoption of methods to which I have referred. We had increased employment and wealth production, and all the essentials that go to make a nation great. As I said in my policy speech in 1932, before a Budget of a State can be balanced the domestic budget in the home must be balanced.

**Government Members:** Hear, hear!

**The PREMIER:** The policy pursued over the past eight years indicates the methods that we adopted to obtain Budget equilibrium. It has been obtained, and another surplus is expected for the present financial year. Of course, no-one can tell in these uncertain times what may happen between now and the end of June next. We can only deal with

normalities, but should normal conditions continue Queensland will continue to build up her financial strength, which is the greatest of any State in the Commonwealth.

Reference has been made to the public debt. The fact is that the public debt has been increased less during our eight years of office than in any similar period during the last 30 years. The increase in the public debt for the eight years 1924-32 was £20,783,189, or 22.8 per cent. In the following eight years, during the period this Government have been in power, the increase in the public debt has been £17,121,432, or 15.3 per cent. All the State's debt of 1927 will be wiped out in 52 years from that date and the same applies to debts incurred since.

This decline in the figures for the public debt indicates that the claim that interest will overtake revenue is without foundation. One hon. member made the statement in this Chamber that owing to lavish expenditure the public debt was increasing at such a rate that the interest charges would overtake revenue and the State would become bankrupt. That man evidently spoke without knowledge of the figures I have just given or of the operation of the Financial Agreement. The total debt as it stood in 1927 is repaid in 52 years from that date, and any new debt incurred since then will, owing to the operation of the sinking fund and investment by the National Debts Commission, be accompanied by a provision for a like result. But the main basis for safety is the gradual reduction of new-loan indebtedness carried out by this Government, indicating a reduction during the eight years under review of the amount that I have mentioned.

That result, Mr. King, was produced by the stimulation of industry, which in turn made revenue buoyant. Obviously, the State cannot obtain revenue unless people are earning income. Men must be working and wealth must be produced if the State is to get revenue. That is elementary. It is true that favourable seasons and favourable conditions have contributed to the buoyancy of revenue, but there can be no doubt also that the policy we adopted in 1932 of starting the wheels of industry again in a forward direction had a great deal to do with the results that have been achieved. Had the contrary been the case, we should have been given the whole of the blame. Year after year steady progress was recorded everywhere. In 1938-39 all-time production records were made in many Queensland industries. However, 1939-40 was the State's most prosperous year. The export figure of £31,600,000 was the highest on record. The volume of cheque clearing, indicating buoyant business, exceeded all previous figures. In every avenue of production and distribution the return shows record increases. For 1939-40 exports increased over the previous year by 10 per cent., reaching the figure I have mentioned of £31,614,000. Sugar production was valued at £14,000,000, an increase of £2,225,000, wool production was valued at £11,800,000, representing an increase of £3,800,000, meat production was valued at

£10,500,000, representing an increase of £500,000 over the previous year. The return for the dairying industry was £9,585,000, a figure only slightly lower than the figure for the record year of 1938-39. Bank clearings for the year 1939-40 were an all-time record of £240,227,000. In the year 1935-36 the figure was £184,527,000, so that the increase has been very marked indeed. Bank clearings are a very sound index of the volume of business done. Bank clearings are an indication of the volume of business in any community. If they increase an increase in the volume of trade is indicated; if they diminish, depression is indicated and unemployment will follow. One of the easiest means by which to observe the trend of business within any country—apart from other indexes—is the monthly return of bank clearings.

The volume of national income and its distribution are also of great importance.

In 1932-33 the national income was £99.6 millions, in 1938-39 £148.3 millions, and in 1939-40 £153 millions, as estimated by the Statistician, which, I am informed, is a conservative estimate.

The volume of wealth production has increased but the average return for individuals has also increased. There can be an increase in the national income with riches and poverty side by side, but the per-capita national income of Queensland has increased in greater ratio than the national income itself, so that a better distribution of wealth is being obtained in the community than ever before. That is one of the real tests that economists apply to any country.

Taxation has been dealt with in this debate. To hear hon. members opposite speak one would imagine, Mr. Speaker, that no reductions in taxation had been given by this Government. They must be taken into account in any review of the period I have taken. The average annual saving resulting from the reductions in the rate of the income (unemployment relief) tax, later the income (State development) tax, is estimated by the Statistician at £1,458,000.

**Mr. Yeates:** Is it not time we were rid of it altogether? If it is a relief tax it should have gone by now?

**The PREMIER:** The reductions were—

|      |    |    |    |              |
|------|----|----|----|--------------|
| 1935 | .. | .. | .. | 1d. in the £ |
| 1938 | .. | .. | .. | 2d. in the £ |

and for those in receipt of the basic wage and less the whole of their income (State development) tax has been remitted. During the period of the Moore Government every person was subject to the unemployment relief tax, irrespective of how small or large his income was. Charwomen and others in casual employment were dragged into the net.

**Mr. Yeates:** I bet you were glad you were not in office then.

**The CHAIRMAN:** Order!

**The PREMIER:** The Leader of the Opposition dealt with taxation, and I should like

to remind him that with the introduction of the income (State development) tax on 1 January, 1939, not only was exemption increased from £89 to £211, which was then the basic wage, but the rate of tax was reduced by 2d. in the £1 on all grades above £211, i.e.—

|                  |
|------------------|
| From 5d. to 3d.  |
| From 8d. to 6d.  |
| From 11d. to 9d. |

The equivalent of a reduction of—

|                |
|----------------|
| 40 per cent.   |
| 25 per cent.   |
| 18.2 per cent. |

Those in receipt of incomes of less than £219 have received a reduction of 100 per cent. That indicates that very substantial reductions have been made in taxation by this Government.

The expenditure from the State development tax moneys is as follows:—

|  |            |
|--|------------|
| For the first six months that it operated the expenditure in real employment under the various headings was .. | £698,839   |
| For the following year, 1939-40, it was .. .. .  | £2,030,847 |

In other words, without using Loan Funds, which in any case were not available, and increasing the public debt, thereby increasing annually the Budget charges by a large amount, a great deal of employment has been given and a great deal of development has taken place.

It is idle to try to distort the position. Those are the facts. They stand out in the Treasurer's Tables and cannot be combated in any way. So that from the financial viewpoint you can see that the principle outlined in the policy speech of 1932 has been the guiding principle from the time we attained office until the present day, and the results that have been achieved, with which I have dealt briefly, are directly attributable to that new policy.

Evidently hon. members opposite cannot grasp the basic essential fact that if you stop buying you stop employment, and a general depression takes place, but if you set the wheels of industry in motion in a forward direction by judicious expenditure in a country that is awaiting development, then all sections of the community, primary industries, secondary industries, and the professions, obtain a benefit, as is indicated by the figures I have given.

The overseas position with relation to trade is of great importance in that it has not only an effect upon employment and the internal economy of our country, but also a great deal to do with the balance of trade. Queensland has the most favourable balance of trade of any State in the Commonwealth. Furthermore, Queensland's balance of trade is very largely responsible for the Commonwealth's favourable trade balance. So that our export trade is of

great importance not only to Queensland but also to the Commonwealth as a whole.

I have not only prepared figures to show the total figures for export trade, but I have divided them to indicate the effect our policy has had in expanding primary industries. The highest figure relates to the sugar industry. In September, 1939, I announced in Parliament the conclusion of the agreement with the British Sugar Control Board for the purchase of the remainder of the season's exportable surplus—approximately 290,000 tons. On the outbreak of war, there was a consequent economic disturbance. There was also consequent alteration in the policy of the British Government. They adopted a system of bulk purchase within the Empire wherever that was possible. That arrangement was made in Sydney with a representative of the British Sugar Control Board. It was the first agreement of its kind that was ever made in Australia, and it was the first one to be put into effect. It has been of material advantage to Queensland.

On 17 October of the same year, I announced that further negotiations had made it possible to sell 30,000 tons of sugar direct to New Zealand. That was the first sale of its kind to our sister dominion.

In March of this year, I took up with the Agent-General the question of the renewal of the previous year's agreement, and I suggested the inclusion of New Zealand in what is known as the free market, as well as an increase in the volume of sugar to be sold to the Dominion of Canada. Under the International Sugar Agreement, Canada agreed to take a given amount of sugar from Empire sources. New Zealand was not in what was known as the free market with Great Britain. I took this matter up with the Agent-General in March of this year, and he, with the Commonwealth High Commissioner, carried on negotiations with the Food Control Department of the British Government. There were many communications between Australia and Great Britain, with the result that ultimately 500,000 tons of sugar were sold on a satisfactory basis, 300,000 tons going to Great Britain, 80,000 tons to New Zealand, and 130,000 tons to Canada. Canada increased her quota by the figure I mentioned, but New Zealand for the first time came into the free market. The agreement with New Zealand is between New Zealand and the British Government of the first part and Queensland of the second part. In other words, the British Government buy sugar from us for New Zealand; we send it to New Zealand direct, and are paid in sterling. Of course, much depends upon the availability of shipping as to whether the whole of the sugar will be exported within this financial year or not. Up to the present very satisfactory arrangements have been made with the British Government for shipping the sugar, a splendid tribute to the British Navy, the Air Force, and the forces generally of the Empire. The sea-lanes have been kept open, and this has enabled that volume of material

to go from Australia to Great Britain for the use of her people.

**Honourable Members:** Hear, hear!

**The PREMIER:** It is an indication of the tremendous power that has welded into one the parts of the Commonwealth of Nations to which we belong, and it is something that we must assess on the credit side when viewing the war situation. It is wonderful to realise the sea power of the British Navy in keeping the sea routes open so that goods from Australia may be delivered to their destination.

I mentioned the arrangements about New Zealand in a communication to the British Government. I received a reply from the Agent-General, stating that the Dominions Office was of the opinion that a visit to New Zealand by me would materially assist in the adoption of the proposal, which it favoured. In other words, the proposal was to get New Zealand to agree to come into the British Empire pool for sugar. I left for New Zealand on 1 April, 1940. After negotiations with the Government of that dominion, I received the following letter from Mr. Nash, Minister for Finance:—

“Following your representations during our discussions in Auckland, the Government completed its investigation of the sugar supplies, and decided to fit in with the Empire’s supply scheme, and I subsequently wrote to the High Commissioner for the United Kingdom, informing him that the New Zealand Government would co-operate with His Majesty’s Government in the United Kingdom with a view to utilising to a maximum supplies of sugar available from Empire sources.

“This means that New Zealand sugar requirements will be obtained through the Ministry of Food in the United Kingdom. New Zealand will pay the same price as the United Kingdom less any saving in freight rates to New Zealand as compared with rates to the United Kingdom. We are assuming, as mentioned to you, that our supplies will come from Queensland and that the Colonial Sugar Refinery Company Limited will act as our agents in connection with the purchase.”

That is, the purchase by the New Zealand Government.

“This arrangement will probably be completed by an exchange of letters with the United Kingdom, and when this is done I will be pleased to advise you further.

“May I again thank you for the help and advice you were able to give on the sugar question, which has been particularly advantageous to the New Zealand Government.”

**Government Members:** Hear, hear!

**The PREMIER:** Those arrangements brought in the sister Dominion of New Zealand as a buyer of Australian sugar and they completed the scheme for finding a market for our sugar within the boundaries

of our own British Commonwealth of Nations. That is not only a very good policy during wartime, but one that I believe must be followed in the future if national security is to be maintained. There will be much economic adjustment after this war. I believe implicitly that the British Commonwealth of Nations will emerge victorious.

**Honourable Members:** Hear, hear!

**The PREMIER:** I also believe that in the future our national security will depend to a very large extent on the degree to which we co-operate with one another in an exchange of goods and an exchange of investments within the British Commonwealth of Nations.

The volume of employment is another measure of the progress that is being made under the present Government. In 1931-32 unemployment stood at 23.3 per cent., but after the adoption of Labour’s helpful policy which I have described unemployment was reduced progressively until it stood at 5.8 per cent. last year.

An excellent test, and indeed an infallible test of the number of people in employment under award conditions, is the contribution to the Unemployment Insurance Fund. For the three months ended July last there were 61,300 more contributors to the fund than in a similar period ended July, 1932. If we add to the volume of employment represented by those figures the employment not covered by awards of the Industrial Court we are entitled to assume that to-day about 100,000 more people are employed than there were when Labour took office in 1932.

**Mr. Yeates:** Things are different altogether now.

**The PREMIER:** Mr. King, I move—

“That the hon. member for East Toowoomba be no longer heard.”

**Mr. Yeates:** I have not said anything.

Motion agreed to.

**The PREMIER:** Critics of the Treasurer’s Budget dealt also with loan expenditure, which they contended was increasing at an alarming rate. I propose to give the figures of loan expenditure on development during the period under review: They are—

|         |    |    |    | £           |
|---------|----|----|----|-------------|
| 1932-33 | .. | .. | .. | 2,188,021   |
| 1933-34 | .. | .. | .. | 3,166,481   |
| 1934-35 | .. | .. | .. | 4,785,700   |
| 1935-36 | .. | .. | .. | 4,219,630   |
| 1936-37 | .. | .. | .. | 3,760,300   |
| 1937-38 | .. | .. | .. | 3,521,486   |
| 1938-39 | .. | .. | .. | 3,392,641   |
| 1939-40 | .. | .. | .. | 3,844,381   |
| Total   | .. | .. | .. | £28,878,640 |

It was possible during 1939-40 to use for works and development the full allocation made by the Loan Council, as no provision was necessary to meet a deficit in the Revenue Account. In addition to expenditure from

Loan Fund on developmental and works projects for the last 18 months, £2,929,686 was spent from State development tax.

The figures I have given of expenditure do not represent an increase in the national debt. We are in a position, Mr. King, to provide 54 per cent. of our own loan requirements annually without going on the market at all. In other words, from repayment and other sources we are able to finance 54 per cent. of our loan expenditure. Happily, because of that, we are in a better position than other States. That percentage of our loan expenditure is, therefore, a revolving fund available each year for new works. Works to that amount can be carried out without increasing the national debt. Generally speaking, this represents a very creditable effort by the Treasury. In 1939-40, the loan expenditure was £3,050,663. This was spent on soldier settlements, main roads, land settlement, forestry, rural development, mining, railways, loans and subsidies to local authorities, hospital boards, the Stanley River Dam, and Brisbane River improvement works. Other expenditure includes £793,718, made up of buildings, workers' dwellings and homes, and sundry works. This makes a total of £3,844,381 expended for the year ended 30 June of this year.

From the Consolidated Revenue Fund the expenditure for the last financial year was as follows:—

|   | £                  |
|---|--------------------|
| Interest, sinking fund,<br>and exchange .. ..   | 5,150,256          |
| Social services .. ..   | 1,968,025          |
| Education .. ..   | 1,810,922          |
| Full-time employment,<br>ration relief assistance,<br>&c. .. ..                           | 2,030,847          |
| Agriculture, forestry<br>lands and surveys,<br>water supply, harbours<br>and rivers .. .. | 555,312            |
| General services .. ..  | 1,307,409          |
| <b>Total ..</b>   | <b>£12,822,771</b> |

Approximately 69 per cent. of the expenditure from consolidated revenue is for social services, education, interest, sinking fund, and exchange.

Now, we are surely entitled to ask those who charge us with having been guilty of lavish expenditure, which of those items they would reduce. You cannot save money unless you reduce expenditure; and of those who argue that we should spend £1,000,000 less than we are spending we are entitled to ask: "Where would you make the cuts?"

The Leader of the Opposition airily says that it is wrong to assume that certain expenditure is uncontrollable expenditure. "It can be controlled," he said. In what direction does he intend to control it? Does he intend to reduce wages and salaries? Does he intend to diminish the social services we give? Does he intend, for example, to reduce the hospital vote? Does he intend to constrict the avenues that are available for education? All those things are involved when you analyse

intelligently the Treasurer's Budget, on which I take this opportunity, Mr. King, of congratulating him very sincerely.

No-one can with justice accuse the Government of not getting value for the money expended or of spending unnecessarily. As a matter of fact, it is the policy of all Governments in Australia to increase the volume of employment. Not only must that be done in normal times, but the volume of employment must be maintained during the war. There are some people who have the idea that normal expenditure can be reduced, because it is more than made up by Commonwealth expenditure on defence. Analysis does not prove it to be altogether correct. Because men are moved from one occupation to another, it does not necessarily follow that an increased number of men are employed. A good deal of work in private and public enterprise is being held up at the present time, because engineers and other skilled artisans have been sent into munition factories to produce the essentials of war and defence. It does not follow that because so many men are employed on defence works they are an addition to the number employed on normal works. As a matter of fact, the volume of employment has not increased in Queensland to any material extent because of the war.

Of course, that is very largely due to the low level of defence expenditure in this State. On a per-capita basis the defence expenditure in Queensland is the lowest of all the States in the Commonwealth. We do get some advantage because we claimed it in the loan allocation to counterbalance that fact to some extent, but to obtain an intelligible picture of employment and unemployment, one must be careful not to add the volume of employment on defence works to the normal employment that exists within a State in normal times.

Let me take Ipswich, for example. There are some textile factories in that city that are working on military clothing, an essential and very valuable work, but had they not been working on that the same employees would have been working probably producing blankets, singlets, and so forth. It is therefore wrong, I repeat, to take without examination any increase in defence expenditure as in itself representing a proportionate increase in employment.

We have figures to show the advantage of our policy in wages and working hours. Since 1932 we have been able to maintain the highest effective basic wage, and the shortest working week in Australia. The "all-items index" figures of the various State are—

|                         |     |
|-------------------------|-----|
| New South Wales .. ..   | 968 |
| Victoria .. ..          | 959 |
| Queensland .. ..        | 902 |
| South Australia .. ..   | 929 |
| Western Australia .. .. | 945 |
| Tasmania .. ..          | 929 |

From those figures it will be seen that we have the lowest cost of living of any of the

States in the Commonwealth, and therefore the highest basic wage. We have the highest basic wage, the highest volume of employment, the shortest working week, and the highest per-capita national income.

The Leader of the Opposition also quoted the Commonwealth Grants Commission against the Treasurer's Budget, taking certain figures from it to show that Queensland, far from having less Commonwealth money spent here than was collected, actually had more. His figures are set out in the "Telegraph" of Friday. One must understand how figures are compiled in order to use them properly. The Leader of the Opposition always has a difficulty with his figures, and he misunderstands the table of the Commonwealth Grants Commission and the method of compiling those figures. These figures are a mere arbitrary spread of expenditure on a per-capita basis over the total population of Australia. They do not purport to be in any way a correct index of the amount of Commonwealth revenue and Commonwealth expenditure within a State. For example, Queensland is credited with a benefit of £141,000 from the Commonwealth railways. Will anyone say that that should be taken into account by any statistician in assessing the income and expenditure of the Commonwealth in Queensland? Included in the Queensland figure is an alleged benefit to Queensland of £141,000 from the Commonwealth railways!

The commission also assumes that Queensland gains £216,000 from the £1,484,000 of losses on Canberra and the Northern Territory.

The commission concludes that Queensland benefited from £1,856,000 of defence expenditure in 1938-39, whereas less than half that amount was spent in Queensland.

The commission also says that Queensland is the net gainer by £90,000 as a result of post-office transactions. We know that the post office makes a far greater profit than £90,000 in Queensland, but it is not spent in Queensland. The General Post Office in Brisbane bears silent testimony to that fact.

The real difficulty about the figures used by the Leader of the Opposition is that they constitute an arbitrary distribution of Commonwealth expenditure over the whole of the Commonwealth, including the Territory. They are not intended to be a correct statistical return of revenue and expenditure within any State. That is further proven by the fact that they do not take into account the sum of over £20,000,000 that has to be spent by the Commonwealth in interest payments under the various headings.

It will be seen that in dealing with the reports of the Commonwealth Grants Commission, or any other semi-governmental authority, an hon. member, unless he takes the trouble to study how the figures are compiled, is liable to be led astray. I submit that the quotation of figures from that table contained in the Commonwealth Grants Commission's report is another indication

of how the Leader of the Opposition has been led astray by figures.

Figures have to be studied and their effects assessed very carefully. The conclusions set out in the Budget can be sustained to the fullest possible extent.

In the time at my disposal I have given a brief outline of the results of this Government's policy. I stated in the beginning a principle upon which the Labour Government went to the country and received a mandate. I have shown that as the years went on employment, production, and exports increased, and that by every rule by which prosperity within a State is measured, the Government's policy has been entirely justified. We intend to continue that policy. What is the alternative? It is a reversion to the policy carried out by the Moore Government, a policy that was tried and found wanting. No Government in Australia to-day would give a hearing to such a proposal.

It is only the Opposition in Queensland who advocate a return to the former position, the idea being that if you produce less you will have more to distribute. One need only state the principle in that fashion to show how absurd the contention is. People are entitled to earn their living in this country; there are many people who have the idea that they are entitled to a living without earning it. I do not agree with that proposition. I say that it is the duty of the State, so far as is humanly possible, to give all able-bodied citizens the opportunity to earn their living. Those who are not physically fit have to be maintained by what we call social services, but the principle I have enunciated is the principle of the Labour movement. The right to earn, the right to enjoy, and the right to freedom are bound up with the conception of an intelligent democracy as understood by this Government and the Labour Party.

**Government Members: Hear, hear!**

**Mr. RUSSELL (Hamilton) (11.57 a.m.):** We have all heard before what the Premier has just said. He has thrown no new light on the present position or the so-called Labour policy of 1932. We have heard it all before. The Premier at the Loan Council meeting in 1932, after his election as Premier of Queensland, thought he was instrumental in reversing the then existing policy of Australia, but the facts will not bear out that contention. We know very well that prior to 1932 Australia went through a very severe depression and every Government had great difficulty in making ends meet and keeping their people in employment. We know the period of disaster we suffered under the inept Scullin Government; we have an example of what can be done under reckless Labour administration in New South Wales headed by Mr. Lang. The position became desperate, and all Governments between 1929 and 1932 had to devise methods of reducing expenditure in order to meet commitments. This was due to the fact that there was a complete loss of confidence in Australia by the public. After

the dismissal of Mr. Scullin and the advent of Mr. Lyons to the national Parliament as Prime Minister, the first indication we had of the new policy devised for Australia was in April, 1932, when the first public loan was floated for the relief of unemployment. In the allocation of the money raised in 1932 Queensland received £620,000, which was distributed amongst various projects for the relief of unemployment. In that agitation for the creation of a new policy the then Premier, Mr. Moore, played a very big part. The policy pursued by this Government was instituted in April, 1932, when the hon. member for Aubigny was Premier of Queensland, and that policy has been followed ever since by his successors in office.

It is idle to contend that the Premier was the instigator of the policy. I think all sensible men recognise that in times of depression, when private enterprise gets out of gear, it is essential that all Governments should regard it as their duty to encourage employment of the people and that they must give a lead by the adoption of developmental measures. That has been done. But while it is essential that that policy should be adopted in times of depression, when we get through the depression and live in prosperous times, there should be a relaxation of that policy. Instead, this Government have pursued the other course ever since.

The Premier contended this morning that the State had made wonderful progress since 1932. That progress is due, firstly, to the instigation of the policy I mentioned under Mr. Moore's leadership, and, secondly, because the advent of good seasons in Australia enabled us to increase our output tremendously. There was also a restoration of confidence in our institutions, and, generally, every State has benefited by the altered conditions. We seem to have reached the peak of things to-day; let us hope that they will remain there. However, as prudent men, we must take stock of what has occurred in the past and prepare for what may follow. That is not being done to-day. One newspaper said that the Budget was a very fine one, while another leading newspaper alludes to it as a Budget of cold comfort. The Leader of the Opposition was taken to task because he criticised the Budget. While the Opposition do not exist merely to oppose things, they possess the undoubted right of criticism. After reading the Budget very carefully, I experienced several reactions.

In the first place I was extremely disappointed with the general tenor of it. For instance, despite the protestations of the Government of their desire to co-operate with the Federal Government in their war effort, I must confess that I see a complete lack of sincerity in that respect. The Treasurer, to his credit, be it said, inserted this in the last paragraph of his Budget—

“Our earnest hope, I am sure, is that the great crisis which now confronts the British Commonwealth of Nations will speedily pass away, and that the cause of

democracy and freedom will emerge triumphant and never again be challenged or denied in the years to come.”

We are all absolutely in concurrence with that sentiment. We must all be united in this crisis and I sincerely believe that as the result of our united endeavour the present disastrous state of affairs will soon pass away. However, I say quite plainly that throughout the entire Budget I fail to see any gesture other than that paragraph that the Government are willing to help the Federal Government to their utmost in their present task.

One very important phase of co-operation that occurred to me is that a splendid opportunity exists to-day for all the States and the Commonwealth to adopt a uniform basis of taxation of the citizens of this country. To-day we are faced with manifold systems, each differing from the others, and the time is ripe when all the systems should for many good reasons be brought into conformity.

The desire of the Federal Treasurer is to bring about uniformity in taxation so that every taxpayer in Australia will feel its incidence equally. In times of crisis that is absolutely essential. In order to show that we are especially willing to make some sacrifice to help the Federal Government in this great crisis all the States should be willing to surrender their powers of taxation of income to the Federal Government so that the Federal Treasurer would be able to put into effect a uniform system of taxation that would touch everyone in Australia according to his ability to pay. On the contrary, it may be said, no State is willing to forgo such a valuable avenue of revenue as income taxation, and all before they did so would demand their quid pro quo. I quite agree as to that, of course. While it is essential that there should be one authority to bring about uniform taxation, so that all taxpayers should pay according to ability, on the other hand the Commonwealth should be willing to take over from the States some of their spending departments as a set-off to the surrender of their powers to tax income.

**The Treasurer:** Unification!

**Mr. RUSSELL:** I am not a unificationist.

**The Treasurer:** You sound very much like it.

**Mr. RUSSELL:** I am not a unificationist. I am, in fact, a strong advocate of the complete converse of the present Federal system. I should prefer that the powers of the State should be fixed and the remainder of the powers should pass to the Commonwealth, as under the Canadian Federal system. To-day the powers of the States are unspecified; they are the residue of powers after certain specified powers are transferred to the Commonwealth Government. I am anxious to bring about uniformity in many matters, but I am not willing to surrender to the central Government the government of every tinpot item in our everyday life. The States should preserve some part of their sovereignty. That is, they should have dominion over their own land, police, and

local-authority matters. In big departments, such as transport, trade, and commerce, it is essential that a united people should have uniform administration by one authority, but government by a central authority, such as at Canberra, on all matters affecting us is very repulsive to me. I have seen too much of the complications that ensue and the delays that occur because of red tape to agree that government by one authority over such a large area as Australia would be satisfactory.

The Federal Treasurer is endeavouring to raise more taxation, principally on incomes. The rates of taxation on individuals and companies have been raised for war purposes. The endeavour of the Federal Treasurer, in all his measures, has been if possible to see that the taxation of incomes shall fall most heavily on the richer sections of the community. That is wise, because the first canon of taxation is that it should fall on the shoulders of those best able to bear it. All the States have already made taxation of high incomes their special province, with the result that high incomes in Australia are heavily taxed to-day. Therefore, it has not been possible for the Federal Treasurer to exact very much more revenue from them. Consequently, the burden of income taxation has fallen mostly on middle-class incomes. It is essential that every citizen in Australia should contribute taxation according to his ability to pay. It is impossible for the Federal Treasurer to bring that principle into effect because every State is exacting a very high rate of taxation from the higher incomes.

During the Federal election campaign the Menzies Government were charged with purposely delaying the introduction of the wartime profits tax. It was alleged by Labour speakers that this was done in order to placate the vested interests in Australia. Why was the wartime profits tax delayed? For a very good reason. As you know, Mr. King, the main feature of the wartime profits tax was that companies that made more than 8 per cent. on their invested capital should pay higher income tax on a sliding scale, and it was felt that a great number of the large corporations would escape taxation altogether; but, what is more important, the smaller companies with small capital and working on a big turnover would have their profits penalised in the extreme, particularly in Queensland, where the taxation on the small companies is absolutely vindictive.

We find that our system of taxation is entirely different to that which rules in the other States and the Commonwealth. There the tax on companies' profits ranges from 1s. 5d. to 2s. 3d. in the £1 for a flat rate of income taxation, whereas in Queensland the rates of taxation on companies' profits range from 2s. 1d. to 6s. 4d. in the £1. Therefore, it will be seen that had the original intention of the Federal Treasurer been applied, a great number of the Queensland companies would have been paying very high rates and a great number of them would probably have been

put out of business. That is why the wartime profits tax has been delayed—in order that a more reasonable and more equitable system may be devised.

**Mr. Jesson interjected.**

**Mr. RUSSELL:** It is true. If the hon. member will only read the Budget speech of Mr. Spender he will see it is the reason why the wartime profits tax has been delayed. We may depend upon it that that taxation will be brought forward in the forthcoming session.

**The Treasurer:** That is a good reason, but there is the real reason.

**Mr. RUSSELL:** It is necessary to raise taxation to finance our war effort. We know the system of the Federal Government is to raise the extra money by loan, taxation, and mild inflation of the currency. All those measures have been adopted, and in the scheme of company taxation the Federal Treasurer will certainly bring in a measure before very long to exact more from the trading companies in Australia.

**A Government Member:** Why should they not?

**The Treasurer:** High time.

**Mr. RUSSELL:** The Treasurer is not a disciple of my doctrine of company taxation, but before he is much older, he will come round to my way of thinking.

To-day taxation in Queensland is acting diametrically against the trading interests; it is stopping the increase of secondary industries in this State. That is the main reason why secondary industries have not flourished in this State. Very small struggling companies are highly taxed—

**The Secretary for Labour and Industry:** They do not pay a tax unless they make the profits.

**Mr. RUSSELL:** Tell us something you know something about.

**The Secretary for Labour and Industry:** It is true.

**Mr. RUSSELL:** It is not true. It is a foolish thing to tax the instrument of production. You should tax the recipient's income. Every man should be taxed according to the size of his income, but do not tax the instrument of production of income. I defy contradiction of the wisdom of that statement; and before the hon. gentleman is much older he will come to my way of thinking, and fall into line with the system operating in every other State in Australia and the Commonwealth.

**The Secretary for Labour and Industry:** The instrument is allowed a fair return.

**Mr. RUSSELL:** The hon. gentleman knows as well as I do that a company with small capital producing a large income by personal exertion pays a higher rate of income tax than a joint-stock company that is content to make 6 to 8 per cent.

At 12.15 p.m.,

Mr. JONES (Charters Towers), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

**Mr. RUSSELL:** A rate of 6s. 4d. in the £1 can be exacted from a small tinpot company that earns its money by personal exertion. Is that fair? The poor shareholders are taxed to the advantage of the rich shareholders. That is the reason why the Federal Treasurer, Mr. Spender, has delayed the introduction of the Wartime Profits Tax Bill.

**The Secretary for Labour and Industry** interjected.

**Mr. RUSSELL:** The hon. gentleman does not understand what he is talking about. There is a moral obligation on every State, not to reduce the means of employment of our citizens, but to endeavour to reduce expenditure in some direction, in order that the money so saved can be directed entirely to the war effort. That is a complaint I have against the Budget of the Treasurer. The whole theme of his Budget Speech is: "Raise as much as one can and spend every shilling raised." Not only have we had the highest revenue in the history of Queensland, £20,750,000—and during the present year it is expected to exceed that by £434,000—but the Government have decided that they will spend every shilling they raise. There is a moral obligation on them to see in what direction money that should be diverted to the war effort can be saved. It is either that or reduce taxation, so that the Federal Government will have additional avenues through which to raise the money that they so badly need to-day for the war effort. But Queensland must have its pound of flesh, and the Commonwealth can "go hang."

**The Treasurer:** That is not true.

**Mr. RUSSELL:** That is the theme that runs throughout the Budget. My other reaction to the Budget is that there appears to be a veiled threat that the Government, in conjunction with their confreres in the other States, are very anxious indeed to change the economic order. In fact, the Treasurer states in his Budget Speech that this is a period of transition from one economic order to another. As usual, Labour, when it speaks about economics, currency, or banking, is very vague, and we can only surmise its real desire. I contend that as all Labour leaders spoke in a similar strain during the recent election campaign, the assumption that we can draw is that their objective, when they get the opportunity, in the control of government and particularly of banking institutions, is to put into effect a socialistic objective, i.e., the socialisation of industry and particularly of banking and currency.

As far as I can understand from the Budget, the Labour objective is this: a constitution of a collective State, with the gradual breaking down of private initiative, on the plea of orderly planning. Very much support has been given to the conception that the State should exercise more power over

the individual, on the plea that the individual may obtain greater security. In fact, the Socialists believe that the individual exists for the State. I do not believe in any such thing. The State exists for the individual. On one occasion I heard the Premier declare that man is greater than the institutions that he creates. If he believes that he believes in something that is diametrically opposed to the objective of the Labour Party. In Queensland we are subscribing to a benevolent despotism. At every turn we can see evidence of this, and therein lies the danger of the growth of a dictatorship the dictatorship of the proletariat, that is, the dictatorship of the manual labourer. Many prominent Labourites believe in that, and we know that that is the objective that has been urged by a very large section of the Labour Party in New South Wales, who have many adherents in Queensland.

Under the system that has grown up we have seen the enormous growth of the public service, an increase in the functions of the State, and a gradual encroachment on the domain of private enterprise in the guise of caring for the public interest. The policy that is now being followed by the present Government owes its origin, no doubt, to the impact of the world depression during the aftermath of the Great War, when private enterprise was thrown out of gear, so that it was necessary for the Government to take a hand in the rehabilitation of industry. It is all right for Governments to help in the rehabilitation of industry, but once the wheels of industry are going properly, and directly we meet prosperous times there should be a substantial relaxation in that policy. Having arrived at fairly prosperous times to-day, we should allow each citizen to work out his own destiny according to his lights. The duty of the State, to my way of thinking, is to see to it that even justice is done and that no man is allowed to exploit his fellowmen.

Speaking about dictatorships—and I suppose I must be very careful in my allusions to this question—we find that the dictators of modern Europe—Lenin, Stalin, Hitler, and Mussolini—were all originally ardent Socialists or Communists, but if we range them all up we find that there is very little difference between the policies of any two of them. Unless we check this present movement there is just the danger that we shall drift into a similar position.

The objective of Communism is the abolition of individual ownership, a condition attained for a time by the Russian Soviets, the profitless sharing of labour and goods by the workers and peasants. The system was so futile that it ended in the industrial organisation of the State as the sole owner or employer, thus becoming in effect State Socialism. The real power in Russia is a small oligarchy of Communists running a population of something like 180,000,000. Socialism seeks the redistribution of wealth and property, with State regulation of industry and finance, the State having a monopoly of all industries.

I referred to Hitler just now. He owed his start in Germany to the Labour movement. He himself was a strong Labour Socialist, but as soon as he got power trade unions were abolished and a totalitarian State was established, bringing with it the regimentation of capital and labour. That is the trend at present in Australia and we cannot shut our eyes to that fact. Neither Socialism nor Communism can have any place in a truly democratic society. Socialism itself—and our friends on the other side say they are Socialists—is constantly preaching class hatred, which has affected the mentality of the masses to such an extent that it borders on fanaticism. I can only ascribe to the growth of this doctrine the occurrence of so many strikes in our community. Here we have in every State of the Commonwealth splendid arbitration laws to deal with disputes between employers and employees, but despite that we find various strikes raging in our own State in defiance of the law. We cannot have it both ways. As sensible men we have agreed to settle our differences by arbitration, and it is high time that the awards of the Industrial Courts were upheld by the State Government. But every Labour leader crawls into a hollow log when a strike occurs. Our friends opposite talk about democracy—

**Mr. Brassington:** We are the only democratic party.

**Mr. RUSSELL:** They do not understand what true democracy means. Their idea is a dictatorship of the proletariat. Is that democracy? The present drift of the Labour Party towards collectivism, aided and spurred on by their communistic allies, is a direct challenge to the true ideals of democracy. I should say that the ideals of democracy are equality of opportunity for all citizens irrespective of status, calling, or creed, freedom of speech and of worship. Amongst all the conflicting ideologies of to-day we must steer a clear course towards the consummation of the highest ideals of democracy, conserve what is good in the present system, and adopt what we think is best suited to bring about the greatest good for the greatest number. That is the way to realise the true ideals of democracy.

**Mr. Power** interjected.

**Mr. RUSSELL:** Be quiet.

**Mr. YEATES:** I rise to a point of order. In my opinion the hon. member for Baroona is disorderly. A little while ago the Premier did the same thing. I want proceedings in this House conducted properly.

**The TEMPORARY CHAIRMAN:** There is no point of order.

**Mr. RUSSELL:** I do not mind interjections. I think the words of Harry L. Stimson, a member of the Roosevelt Cabinet, bear repeating—

“If freedom within the body politic rests upon the development of social justice, it also opens to the individual the untrammelled spaces in which the mind can range at will, the world of creative thinking, by

the exercise of which comes mastery. Therefore the heritage of freedom is the opportunity of the future, if we but keep our trust inviolate.”

As I said at the beginning of my remarks, the policy of the Government is to spend, and to spend as fast as they can—grab all they can from the taxpayer and take care that all is spent. The estimated revenue for last year was £20,310,735, but the Government collected £444,770 more. All this went up in smoke because the expenditure was increased by £364,313 over the expected expenditure. The revenue they received was the largest in the history of Queensland. This year more is expected to be received. Against that it is expected that expenditure for the current year will increase by £456,000 and the Treasurer will take care that when his term of office is up he will have a credit of only about £5,000. No attempt is being made to check this continual growth of expenditure. Savings could be made without interfering with the growth of this State.

**Mr. Power:** What would you cut out?

**Mr. RUSSELL:** I would cut you out. The so-called development tax brought in £2,255,000 and the expenditure on full-time employment and ration relief was £2,030,000, leaving a benefit to consolidated revenue of £225,000. We have received no information as to what the expected expenditure on ration relief may be this year, because the Minister has refused to give us figures, sheltering himself behind the statement that we must wait for the annual report.

Judging by the amount spent last year I should imagine that the expenditure on ration relief this year will be between £500,000 and £600,000 and that cannot be called expenditure on development work. We are certainly bound to take care of the indigent people in the State who are not able to work, but the money that is required for their upkeep should not come out of the State development tax. Whatever money is raised for development works should be spent entirely on those works, but year by year, under the plea of development, we are feeding the needy and the indigent from the revenue raised by the State development tax. The amount spent on ration relief will be, say, £600,000; it should be spent on development work. Then there is the sum of £224,000 which is paid into consolidated revenue on the plea that consolidated revenue is entitled to some part of the tax to meet the charges of the various departments. At any rate, these charges should not amount to anything like £224,000.

Year by year, too, the Government are feverishly destroying our forests and the revenue therefrom is looked upon as ordinary revenue. I have raised this matter before and while I think it is wise to market our mature timber I am also of the opinion that the net profit should not be treated as ordinary revenue. The net profit of the Sub-Department of Forestry last year was about £350,000, but it was regarded simply as revenue. If we add that to the surplus from State development tax we get a sum of £789,000 which has

been used to relieve consolidated revenue. Therefore, it will be seen that the State did not have a genuine credit balance at all.

This system has been going on year by year. The figures have been purposely manipulated, may I say, in order to delude the people into believing that the finances of this State are in a splendid condition, whereas our system of bookkeeping is very defective. The whole of the money raised by the sale of our assets in the way of timber should be earmarked for the creation of new assets and not placed to the credit of consolidated revenue. There is no doubt that this State actually has a big debit balance instead of a credit balance. This system has gone on year by year and we have one newspaper actually lauding the Treasurer for his Budget that forecasts a modest credit balance.

On top of that, we have the annual grab from the Main Roads Fund of £250,000. This money is raised for a certain purpose, but every year £250,000 is allocated from it to consolidated revenue. If we add that amount to the figures I have already given, there is a debit balance of over £1,000,000, and that is actually the state of the finances of Queensland to-day. Instead of there being a credit balance of £15,000 we should actually have a debit balance of £1,000,000 if the departments were run on proper lines. There is nothing to make a noise about in that direction. The whole system is a hollow sham and mockery and it is time the public knew how the Government created these credit balances year by year. First of all, they starve the unemployed by taking £600,000 that should be used for development work. Then they knock down our forests and sell a rapidly diminishing asset, which last year produced £350,000, and which they regard purely as revenue, and then they take £250,000 from the motorists to produce their credit balance.

I am trying to show that this is not a genuine balance at all, and that, on the contrary, Queensland had a huge debit balance. The Treasurer lays a good deal of flattering unction to his soul because he says unemployment has decreased to an average of 5.8 per cent. for the State for the year. He, as well as the Premier, ascribes that to the so-called reversal of policy in 1932, which I have just explained is an absolute myth. I further contend that the figures contained in the "Economic News" are not a true reflex of the unemployment position in Queensland. Although figures show that unemployment is less in this than any other State, we must remember that has always been so. We have always shown a lower ratio of unemployment than any other State in the Commonwealth because, mainly, we are not highly industrialised like New South Wales and Victoria, where fluctuations in trade and industry cause great numbers of men to be thrown out of employment in secondary industries. Queensland's bona-fide secondary industries, on the contrary, are, comparatively speaking, insignificant. In compiling these figures from trade-union returns, account is not taken of the thousands of unskilled workers unattached to unions.

Every hon. member knows that in every electorate he meets with cases of distress unbelievable in these times of so-called prosperity. Much of that is due to the fact that men are on dead-end jobs and living from hand to mouth and from day to day. What is being done to assist these people? In my electorate, which is supposed to be one of the most prosperous in Queensland, I meet with these cases every day. That being so, how many must there be in electorates where the population is congested, and the people are living on lower incomes? We had the fact the other day of 240 applicants assembling at the Labour Bureau for 68 sewerage jobs. Yet we hear hon. members opposite say, "We have remedied unemployment."

**The Premier:** There were no jobs to be had when you were in power.

**Mr. RUSSELL:** That position was caused by the hon. gentleman's predecessors who plunged this country into the awful mess we found it in.

I find further support of my statement in the report of the fourth annual conference of the Unemployed Workers' Council held in April last, when the following motion was carried unanimously:—

"Owing to the failure of the present Government to fulfil its promises in regard to the deplorable conditions existing concerning unemployment, we can no longer advocate the return of the present Labour Government."

That resolution comes from a body of men who know the horrors of unemployment and starvation. They say at last they have lost confidence in this Labour Government, who have not carried out their promise to find jobs for them.

**Mr. McLean:** You are simply the ambassador of the Tory forces.

**Mr. RUSSELL:** That is a futile remark, it has no sense in it. At this conference representatives were present from Toowoomba, Mackay, Maryborough, Bundaberg, Bowen, and Brisbane and the suburbs. In addition, there were 22 representatives from 11 trades unions. I say that is proof positive of my statement—the hon. member for Bundaberg should take note—that the claim of the Government that they have reduced unemployment does not hold water. There still exists a great amount of distress in Queensland, and it is our duty to see that the men out of work get work. I do say that we should spend the taxation collected for their relief on them, in addition to buying provisions for the needy.

I should like to know from the Treasurer what has become of the Taxation Inquiry Commission, whose appointment was gazetted on 20 January, 1939, to examine the incidence of State taxation in its various aspects. What is the matter with it? Have its members, in common with the Labour leaders, gone into a hollow log, or has the

Premier received the report and is holding it back till before the next election?

I am not going into the pros and cons of taxation at this juncture, but there is no doubt there is a strong demand that our taxation system should be revised. All over Australia the taxation system in Queensland has been condemned by people who understand the subject. The Premier is either obtuse or obdurate, and will not in any way give any redress of the injustice of the incidence of this taxation, which is causing much hardship to this State. The Taxation Inquiry Commission appears to be simply eyewash to deceive the electors, and lead them to believe that the Government are going to do something. I say it is a disgrace that a commission that was appointed as far back as 20 January, 1939, should not have delivered its report by this time and thereby given the country some idea as to what reform should be instituted in order to put the incidence of taxation in this State on a more equitable basis than exists.

I should like to know, also, what the Government are doing about the unemployment of youth in this State. We have heard recently of the scarcity of skilled artisans. It unquestionably exists. No skilled man has any difficulty in getting a job, but there exists a large number of men without any training. One reason for that lack of training is that our apprenticeship legislation and our awards in regard to the employment of apprentices and juniors have been too restrictive, so that to-day when skilled men are wanted, particularly for war work, there is a difficulty in obtaining them. This scarcity is due to the constant agitation by Labour men to restrict the employment of youths in greater proportions in the trades that are necessary to the war effort. It is the duty of the Government to see that boys are trained usefully, and that legislation dealing with the training of apprentices and juniors should be modified to give all the boys a chance of earning a livelihood.

The Treasurer made some remark about the small proportion of money allocated to Queensland for defence and war purposes. The hon. gentleman went to great pains to show that Queensland had been badly treated in this regard. We know very well that a special loan was granted by the Loan Council as an offset to the position that the Premier made the basis of his charge. I also take strong objection to the querulous note in the Treasurer's Budget. After all, who is the best judge as to where this money should be spent—the Queensland Treasurer or the Federal Treasurer? I should say the latter, certainly.

**The Secretary for Public Works** interjected.

**Mr. RUSSELL:** What does the hon. gentleman know about it, anyhow? In the allocation of moneys I am willing to leave it to the experts. Certainly the State must co-operate.

As to the Loan Council discussions, the following paragraph appears in the Treasurer's Financial Statement:—

“In the course of the Loan Council discussions, the Premier of Queensland drew attention to the fact that Queensland was entitled to special consideration because of the disproportionate level of defence works expenditure in Queensland as compared with certain other States.”

That matter was dealt with by the Minister for the Interior, and I think it is only right, in defence of him and the Government who have been attacked by the Treasurer, to quote Senator Foll's actual words when dealing with this absolutely futile charge—a charge without any foundation in fact whatsoever. As recently as 16 September Senator Foll said of the Commonwealth Government's policy—

“The Government's policy is being implemented, not on a local, but on a broad national basis. To be available and effective, every defence undertaking, irrespective of its nature, must constitute a link in a strategic chain. Defence works and measures are dictated not by artificial boundaries of the various States, but by the requirements of air, military, and naval strategy.”

Can hon. members deny that? The policy behind the expenditure on our Army, Navy, and Air Force should be dictated by considerations of strategy and not circumscribed by State boundaries—so much to be expended here, and how much to be spent there. As a matter of fact, owing to our stupid policy of preventing the growth of secondary industries, we are the least industrialised State in Australia. The other States have plant and facilities for the production of the necessary goods greatly in excess of Queensland's.

“For instance, the defences of Darwin and Port Moresby, which have been greatly strengthened, and upon which large sums have been spent, are designed to ensure the safety and security of Queensland, but the expenditure on these undertakings is not included in the figures for Queensland. £907,906 has been spent on defence works in Queensland during the last three financial years. £1,383,000 will be spent this year.

“Air Force stations and training schools have been established, notably at Amberley and Townsville, military camps built, coastal batteries erected, aerodromes improved, naval depots constructed.

“In addition, important road construction is being carried out. The Queensland Main Roads Commission is building the inland strategic road with the help of Commonwealth funds. It is also responsible for the central section of the strategic highway across Central Australia from Tennant's Creek to Birdum.

“At least 1,000 workers are employed in Queensland on defence constructional work, and a much greater number are engaged in supplying and in manufacturing the materials required.

"Between 1 September, 1939, and 21 August, 1940, £1,281,534 was spent in purchases from Queensland firms of clothing, footwear, provisions, &c.

"Contracts for over £900,000 are being placed for the manufacture of armaments and munitions, expected to give employment to 1,500 workers. Orders placed in ship-building approximates £1,000,000."

Sir Frederick Stewart, Minister for Supply and Development, made a statement at Ipswich, and gave the figures as to the money being spent in Queensland. He answered the charge that not enough money was spent in Queensland on defence requirements. The fact is that, for most of the goods required by the department, tenders are called, and Queensland cannot expect to get a preference over the other States, in one instance amounting to 100 per cent. Each State must take its chance; the Commonwealth Department cannot be expected to pay Queensland contractors higher prices than those asked for similar articles in the other States. The reason for this is that our manufacturing costs are much higher than those of the other States, principally owing to the higher rate of taxation here. Of course, there are also the higher wages. The Commonwealth Government endeavour to be uniformly fair in the allocation of money spent in the prosecution of the war effort, and I do not think that Queensland should get greater consideration merely because it is another State. The main consideration is not boundary, but strategy.

I desire to refer now to housing conditions. I notice in the Budget that certain loans have been arranged for the State Advances Corporation. For years I have argued in this Chamber that the Government could very well fall back on the resources of the financial institutions to finance the requirements of the State Advances Corporation, and the Government money so released could be utilised in other directions. Now the Government have embarked upon that policy, and I take credit for having educated them up to the right way of thinking. We know that certain loans have been arranged with the Australian Mutual Provident Society at moderate rates of interest. I support that policy, because I think that in the past we have not spent enough in providing good housing accommodation for our people. I believe that if a man lives in a good environment he is a better citizen than if he lives in a hovel. I agree with the making available of every facility to would-be home-builders.

While this policy has been of great benefit—and it will be of still greater benefit—to house-builders who are on fixed incomes, a fact that assures the department of a reasonable chance of repayment of the loan, it must not be forgotten that there is a great section of our community who can never hope to take advantage of the provisions of our home-building legislation. I have always had great sympathy for those poor unfortunates who are in receipt of low and irregular incomes, and who are denied the privilege of obtaining homes for themselves, or of enjoying good living conditions. The policy of the

Government is to play up to those in receipt of regular incomes. No provision is made to enable those who are on the breadline or those who have no regular income to enjoy any of the good things of life. We know that there are thousands of people in this State—many of them married men—who are not able to do heavy physical labour on State developmental works, but who could probably do light work in secondary industries if we had them; unfortunately, we have not got them. As we have not enough secondary industries to absorb them in employment, some provision should be made to enable those men to enjoy better living conditions than they have at present. How can we expect them to live on the meagre allowance made to them by the Government? Why, it is hardly enough to keep body and soul together! I suppose rent is the biggest bugbear of these unfortunate people, and it is very difficult for them, out of the meagre allowance they get from the Government, to pay their rent and have enough left to live on. I want some provision made for those people. The Government could initiate a scheme similar to that operating in New South Wales now, whereby those in receipt of low incomes can obtain a home at moderate cost. Even out of the meagre Government allowance they could under such a scheme set aside enough to pay for their homes by small instalments. A handy man could be given the materials to erect his own home, being allowed to pay for it by small instalments spread over a long period. I want all these people removed from the hovels that are to be seen in many of our suburbs to-day, despite the progress that we say has been made in this State. I make a plea for better conditions for those people. Whilst we are catering for the man on the fixed income let us not forget the poor unfortunate who has no prospect of a fixed income and who is suffering great privation. I hope the Government will take note of what I say.

I have tried to show the sham of all this talk about healthy finances. As a matter of fact, if the proper system were applied to the various departments of government, all this pretence by the Government would be exposed and the people would see that there was nothing solid behind it. The present Government have not done one whit in the way of reducing deficits. I am no Jeremiah, but I say that it is our bounden duty to pick holes in the Budget, and explain to the public in what direction some reform should take place, so that they can get the full benefit of the taxation levied upon them in this the highest-taxed State in the Commonwealth.

**Mr. BRASSINGTON** (Fortitude Valley) (12.57 p.m.): This Parliament recently lost the services of two excellent members in the Hon. Percy Pease, Secretary for Public Lands, and Mr. J. Keogh, the hon. member for Merthyr. The late Mr. Pease was indeed a true Queenslander, and was sound in his administration of his office, and all I desire to add to the motion of condolence with his relatives, already passed, is that the things he achieved for North Queensland will be a

monument to his memory. The late Mr. Keogh rendered loyal service to the Labour movement in Queensland. He was a very genial gentleman and had a smile for all, even in adversity. This party is indeed poorer for the passing of these excellent men.

I listened with a great deal of attention to the remarks made by the hon. member who has just resumed his seat and I must say that I never thought the day would come when we should see the hon. member for Hamilton adopting the attitude he did and shedding crocodile tears for the people for whom he has had no political sympathy at any time. I should like to remind that hon. member and hon. members generally that he is a member of a party that has been uncompromisingly opposed to all efforts to improve the lot of the people of this State. They have bitterly and consistently and without shame opposed giving the people of Queensland a better deal. I feel that I am right in reminding hon. members that we had the spectacle last week of the hon. member for Hamilton, the Leader of the United Australia Party, holding a brief in this Chamber for the insurance companies, endeavouring to show why the Government should not pass legislation to protect the people so far as insurance premiums are concerned. The people outside know the hon. member for Hamilton only too well; they know the party he represents, and they know his political association with this House. His attempt here to-day to enhance his political prestige by shedding crocodile tears for the people will, in my opinion, cut no ice with them nor alter the opinion of anybody outside this Assembly.

At 2.15 p.m.,

The CHAIRMAN resumed the chair.

**Mr. BRASSINGTON:** The speech by the Leader of the Opposition on the Budget was gloomy in its outlook and spelt hopelessness for the people. It reflected the general outlook of hon. members opposite and it explains why they have been so long in Opposition, and why they are faced with the prospect of remaining there for many years to come. I listened carefully to his diatribe against the Government, but in view of all that the Government have done for this State I have come to the conclusion that they should obtain at least two copies of the hon. gentleman's speech and send them free of cost, one to Hitler and the other to Mussolini, to give them some idea of the woe and ruin preached by the Leader of the Opposition, and thus bring them to the view that this State is not worth owning, and that we are better left to ourselves. I suppose the hon. gentleman does not realise that unconsciously he has done a service to this State in that connection, but I should like to impress upon him that the policy of hon. members opposite of continually painting a gloomy picture of this State is not in the best interests of our people, and that it is high time that they were asked to do the proper thing in this time of crisis. It is their duty to boom the State to the utmost,

so that a spirit of confidence will inspire our people and they will irrevocably decide that the State is worth fighting for and defending. I recommend that point of view to hon. members opposite, because their attitude up to date has not been in the best interests of this State, and is not to the credit of what is supposed to be His Majesty's Opposition in this Parliament.

**Mr. Maher:** Are the Government above criticism?

**Mr. BRASSINGTON:** Of course, we do not object to criticism, but we object to the persistent policy of decrying the State, because it is harmful and unfair and tends to give a wrong impression to people in other parts of Australia and perhaps overseas.

Despite what the Leader of the Opposition may have said about the Budget, the facts are on the side of the Government. I am pleased to be able to say that the Government have shown a surplus during the past two fiscal years, and that is an achievement that cannot be claimed by any other Government in Australia. Before they set out to criticise this Government they should at least be fair by admitting that the Government in the other States have failed to balance their Budgets as we have done. In spite of the continual criticism of the Government, the fact remains that this State has the lowest cost of living of any other State in the Commonwealth. Here are the cost-of-living index figures for all items for the quarter ended June last—

|                   |    |    |     |
|-------------------|----|----|-----|
| Queensland        | .. | .. | 902 |
| New South Wales   | .. | .. | 968 |
| Victoria          | .. | .. | 959 |
| South Australia   | .. | .. | 929 |
| Western Australia | .. | .. | 945 |
| Tasmania          | .. | .. | 929 |

It will be seen that the cost of living is lower in this State than in any other, and that consequently, from that point of view, the people of Queensland are in a much sounder and better position than are the people in the rest of the Commonwealth.

We have, too, the highest basic wage but I sincerely trust that the leaders of the Labour movement will not rest there, and that wherever it is possible to do so they will secure greater benefits for the people. I emphasise this point to show that Queensland leads in this, as in all other forms of political activity—political and social. We find, despite the statements of the Leader of the United Australia Party, the hon. member for Hamilton, that we have the lowest level of unemployment for many years. These factors must be taken into consideration when the contents of this Budget are being considered. They must be taken as indicating the true position of the State, and to show that its people enjoy the best conditions of all in the Commonwealth, and, furthermore, that this Government have faithfully, resolutely, and consistently applied a policy of progress and advancement in the interests of the people. I sincerely hope that the people, with their good sense, will enable

the Government in the years to come to continue this policy, so that we can advance to greater social achievements.

I listened very earnestly to the remarks of the hon. member who leads the party opposite. The part of his speech that interested me greatly was that in respect of taxation. He argued that it was too high, and that it should be reduced as early as possible, that all our efforts should be in the direction of prosecuting the war effort, and that the present policy of this Government should, so to speak, be jettisoned. Similar statements about taxation have been made for years and years by hon. members opposite. They have been merely general statements, and have not been followed by practical particular suggestions whereby it could be shown that the Government could reduce taxation without seriously affecting the machinery of government.

To gain some information from hon. members opposite, and to clarify the points made by the Leader of the Opposition, I am going to ask at least four questions. First, if the hon. gentleman's party was in power, where would he start to reduce taxation and yet give the same services as are given to the people to-day by the Government in power? This is a very pertinent question. After all, it is easy to criticise and make rash statements in Parliament, but we demand that hon. members opposite show how their claims could be given effect to if they were in power. We are justified in asking for proof as to how they would legislate if they were in control of the Treasury benches. I ask the Leader of the Opposition, if he were in charge of the Government, where he would economise in the State instrumentalities I am about to mention. First, let me take wages and salaries of State employees, which last year amounted to £8,345,000; secondly, let me take the expenditure on education, which last year totalled £1,777,000; thirdly, the expenditure of the Department of Health and Home Affairs, which conducts the policy of health, hospitals, and other social services, and last year expended on behalf of the people approximately £1,705,000; and, fourthly, but not least, we are justified in asking if the hon. gentleman, if he were in the position, would bring about a reduction in the expenditure from revenue, loan, and trust moneys now used to carry out the development of this great State? We are justified in asking these questions in view of the general statements made by hon. members opposite. I have submitted these four items, and if the Opposition advocate a substantial reduction in them, well, it is their responsibility and not ours. We believe these activities of the State must be carried on and this is not the time to curtail them because the people would suffer grievously as a result.

Probably the Leader of the Opposition has in mind the policy that he so loyally and enthusiastically supported when he sat behind the Government led by the hon. member for Aubigny. The hon. gentleman will remember that that Government viciously attacked the conditions of State employees in Queensland,

wages were reduced, retrenchment was enforced, and, generally, the conditions of the people working under awards were attacked in such a way that the State was in a very bad way indeed. I ask the hon. gentleman: does he mean by his speech that he would favour a return to that policy, to those conditions that he so enthusiastically supported when he was a supporter of the Government then in power?

**Mr. Maher:** No. Do you hear that?

**Mr. BRASSINGTON:** The hon. gentleman says, "No." Then we should like the hon. gentleman to tell us what he meant when he spoke in this Assembly the other day. He gave voice to a long string of generalities designed to mislead public opinion so that votes might be gained when the political parties face up to the ballot-box at the next State election. It is enough for me to say that we must not overlook past performances of the hon. gentleman. We must not overlook the fact that he supported a Government whose policy produced record Budget deficits and brought about the highest level of unemployment ever known, and, last but not least, political and industrial chaos throughout the length and breadth of Queensland. Again I say I am justified in asking the hon. gentleman to explain, in view of his speech and in view of his association with that Government, what he really meant when he argued for a substantial cut in the taxation of this State.

Let us go on and ask the hon. gentleman if he is in favour of cutting the vote that is used year after year for education in this State? Let me say that this policy of fostering education in this State is indeed a great contribution to the welfare of the people of Queensland. Knowledge is power, and if the people can raise their cultural level it must naturally follow that they will then be in a better position to face the problems that confront us and solve them and thus march forward along the road of progress.

For the guidance of hon. members opposite, I wish to quote the memorable words of Lord Brougham on education, who said—

"Education makes the people easy to lead but difficult to drive; easy to govern but impossible to mislead."

I can remember the time—it is not very many years ago—when education was the privilege of the children of the wealthy only and when the children of the working people throughout this State—

**Mr. Deacon:** How old are you?

**Mr. BRASSINGTON:** I am old enough to have common sense and to know that for many years the hon. member has misrepresented the people who have returned him to this Parliament.

As I was going on to say, in those far-off days education was the privilege of the children of the wealthy only; and it is to the credit of this Government, with their progressive national policy, that a wonderful system of education has been built up in this

State. Why should not all those children who are industrious and intelligent, and who desire it, obtain a first-class education that will enable them to climb to the highest positions obtainable in this land?

The Government will continue with the splendid policy that has been enunciated. It is no secret that Conservative Governments believed very definitely that education and learning were dangerous to the welfare of the children of working people, and I ask the Leader of the Opposition if when he made an attack upon the Government and made a demand for a reduction in taxation it was in the minds of hon. members opposite that it would be well to return to the time when education was more or less relegated to the political background? That was the idea of Governments prior to the advent of a Labour Government. We are justified in asking that question of the hon. gentleman. We are justified in knowing where he stands.

**Mr. Maher:** Would you be happy if I said, "No"?

**Mr. BRASSINGTON:** I was waiting for that answer.

**Mr. Maher:** I am sorry to disappoint you.

**Mr. BRASSINGTON:** The hon. gentleman has not. I am endeavouring to find out upon what the hon. gentleman would reduce expenditure and thus reduce taxation. He has denied that he desires it to be done on two of our outstanding social activities.

I will now examine him on the policy of the Government relating to health and hospitals. From the point of view of social service the policy of the Government is the most progressive in the world to-day; it is not too much to say that. In my spare time I take the trouble to study works written by those who understand medical questions. I do some research and I have done enough to realise that the policy of the Government in these matters is entirely progressive and, as I have said previously, is probably the most progressive of its kind in the world.

My view as to the importance of these things has the endorsement of such men as Lord Beaconsfield, who years ago stated that the health of the people is really the foundation upon which all their happiness and all their powers as a State depend. To that I add that a healthy virile people are in a position to grapple with the problems of the development of the State and also the social problems confronting them.

The Government have implemented a sound health policy. For the use of the people they have erected magnificent hospitals and baby and other clinics, and established other useful adjuncts to a public health system. That is all in keeping with their splendid policy applied over the years, which in the interests of the people must be continued so that they will benefit. The Government are entitled to great credit for this policy, and to the Hon. E. M. Hanlon, who is in charge of this work, I say, "Keep on keeping on." Whereas the people of to-day enjoy the benefits,

posterity will enjoy greater benefits. As such a large sum of money is voted each year for the purpose of maintaining our hospitals and clinics and implementing our health policy I now ask the Leader of the Opposition: Is this the avenue he proposes to follow to obtain the reduction of taxation that he has demanded, not only on this occasion, but for so many years?

**Mr. Maher:** If I again say "No," will that satisfy you?

**Mr. BRASSINGTON:** Turning now to the development of this State, of which I think the Government can very well be proud, I put this question for the consideration of hon. members opposite: In their crusade to reduce taxation is it their desire to reduce the sum being used for the development of the State? If that is the basis of their policy, it is indeed anti-Australian, unpatriotic, and deserving of the most severe condemnation by the people.

At this juncture it is necessary to declare that this policy must go on. It is obvious that our title to this great territory is our capacity to defend it, and our capacity to defend it will rest upon our achievement in developing it and substantially increasing our population in the shortest possible time.

To those who would place profits and dividends before a great national policy I desire to say something. I ask hon. members opposite to listen to this excellent illustration as a sound argument that this policy of development must go on. To-day, we have in Queensland a population slightly in excess of 1,000,000, or, roughly, one person to each square mile of territory. Look at the other side of the picture and realise the gravity of this problem. If hon. members do that they will realise that if, instead of spending the money we have spent annually on this policy of development, we can double it, or even further increase the amount, it would be money well spent, in that we should be carrying out a great national policy, the only one that is worth while for the people of Queensland. Here we have a meagre population and a great territory. Not so very far beyond our shores is a power with an arable area of 60.2 million square kilometres and a population of 933 people to the square kilometre. Then, we turn to Italy, with an area of arable land of 132.2 million square kilometres and a density of population of 307 persons to the square kilometre. Germany, with 204.8 million square kilometres of arable land, has a density of population of 305 persons per square kilometre.

The point I am trying to make is that here we have a vast and splendid territory that is being developed as fast as this Government can develop it, whilst not so very far beyond our shores is Japan, with a density of population of 933 persons to the square kilometre. If that is not sound argument at this grave and critical period, if it is not adequate to convince hon. members opposite that this policy of development must go on, then I say that they are past convincing. The more the Government can push this policy ahead the

better it will be for the State and the greater the degree of security that will be given to our people.

I return to the question I asked hon. members opposite. In view of what I have stated, are they willing to say to-day that they would reduce the amount of money spent each year in carrying on the development of this State? The Leader of the Opposition replied "No" to my other questions, but I notice that he is not so enthusiastic in giving a negative reply to this. Therefore, we can only conclude that the line of attack for the purpose of reducing taxation will be against that important part of State activity, that is, developing Queensland as speedily as possible.

The Budget tables probably tell only half the story, so far as the development of Queensland is concerned. In those tables is set out a list of the moneys used for the purpose of the various public activities the Government have undertaken to make this State what it is, but, in my opinion, the work that has been done in Queensland, and the volume of achievement, are a fit subject for a gifted writer. Its history would make a splendid tale of work well done, of development undertaken, of roads constructed, of country opened up, and of everything that could be done to increase the productivity of this splendid State of which we are all citizens.

**Mr. Maher:** But that has largely been done with Loan Funds.

**Mr. BRASSINGTON:** Even if it has been done with Loan Funds the job has been done, and I propose to show the hon. gentleman, from my own personal experience and observations, just what this Government have done during their term of office in applying that policy in this State.

Much has been done for the city of Brisbane, and other towns within the State. I have dealt with the policy followed by the Secretary for Health and Home Affairs and touched upon our educational policy, but I must say that it was my privilege a few months ago to have the opportunity of seeing most of our North once again after an absence from it for a number of years. I have a vivid recollection of all that beautiful country traversed by the Sunshine Express on its journey north. I saw a vast panorama of mountain, river, and fertile fields upon which the policy of White Australia was tried and proved effective. Thanks to the policy of this Government, vast areas of jungle have given way to fertile sugar fields, and beautiful stretches of maize. Having seen the advance made under the policy put into effect by this Government, I am grateful, indeed, for the opportunity to be a supporter of a Government responsible for a policy of such a national character.

**Mr. Maher** interjected.

**Mr. BRASSINGTON:** The hon. gentleman is mean politically. Evidence is abundant of the great national work done in the northern part of our State. The hon. gentleman is still so small that he wants to put a choke under the wheel and hold up the work, so

that his political arguments might take precedence. I invite the hon. gentleman to travel over the magnificent Palmerston Highway. Let him go along the Cook Highway from Cairns to Mossman. I invite him to look at the splendid roads constructed into our mountain ranges where there is an abundance of timber wealth—a wealth that is being tapped and exploited in the interests of the people. Thanks to the splendid policy that I have continually referred to, I understand that a considerable area of land has been thrown open or is about to be opened for agriculture and dairying pursuits.

I have spoken of the Government's policy in developing the North, but it is not the only part of the State where such progress has been made evident. I could illustrate the policy being applied to other parts of Queensland, but I spoke particularly of the North because it was recently my privilege to visit that area once again and see the wonderful strides and achievements effected up there during the past three years. I should like now to leave North Queensland for a moment, and come to a semi-arid part of Queensland, a lonely area between Eulo and Thargomindah, that the Main Roads Commission has penetrated with a road on which it has expended some of the money of whose expenditure the hon. member for West Moreton complains.

**Mr. Maher:** You would not have started that road only for me.

**Mr. BRASSINGTON:** Out in this lonely scrub men and women with stout hearts and courage and unbreakable optimism are facing drought and endeavouring to make a living. In this country, the Government's policy has been effective; we can justify and defend it. After an absence of some years, I went back to Cunnamulla, a town that was one of the most backward in the West when the hon. gentleman and I tilted political lances during the Balonne by-election. I travelled over the Warrego where once there was a low-level bridge, but where to-day there is a high-level bridge that removes the danger of dislocation in trade by floods. In years gone by Cunnamulla was a very backward place, but to-day it has many fine buildings, a sewerage system, bitumen streets, and the local authority, in co-operation with the Government, have constructed John Kerr Park for the enjoyment of the people, where there are football and cricket ovals and tennis courts that cannot be excelled in the city of Brisbane. What has taken place in Cunnamulla is a sample of the progress in all Western towns, and I mention these things to show that under the policy of the Government the people in the back country are now able to enjoy some of the amenities available to people in the cities. Hon. members opposite have said from time to time that the policy of the Government is to cater for people in the cities and large provincial towns, but that statement is not borne out by the facts. Eastward from Cunnamulla extends the South-Western highway, a section of bitumen road equal to the road between Brisbane and Ipswich. I was away from the West for a considerable time, and upon my return I was amazed to behold

the wonderful progress that had been made under the sympathetic policy of the Government. It is sufficient for me to say that the people in the West are now enjoying many of the comforts of civilisation, and although hon. members opposite may say that dividends and profits come before human welfare and happiness, the people of the West are better off with their congenial conditions than they would be if the money this cost had been devoted to the production of huge dividends somewhere else. Any impartial and unfair critic who took the time to consider the Government's development policy would come to the conclusion that the progress that has taken place, not in cities such as Brisbane, Toowoomba, or Cairns, but throughout the State, would admit that the policy of the Government was in the interests of all the people.

**Mr. Maher:** These things are not financed out of the State development tax.

**Mr. BRASSINGTON:** It is idle for the hon. gentleman to split straws. Even if I admitted that there was some merit in what the hon. gentleman says, concerning the funds that are used to provide the facilities I have mentioned, he would then shift his argument, he would make another excuse or set up another aunt sally in the hope of bolstering up a very weak case against the Government. In some small measure I have outlined how the Government have developed the State in the interests of all the people, and of the national defence, and in the furtherance of those principles that are worth while.

There is another aspect of the matter, and it leads me to comment on the very sarcastic speech by the hon. member for Hamilton. In implementing their policy of State development, the Government have always borne in mind the serious problem of unemployment, and—I can say without fear of contradiction—have made an almost successful attempt to cope with it. During his speech on the Address in Reply, the hon. member for Cook told us that the number of unemployed in Australia to-day was greatly in excess of 100,000. Whose fault is that? Surely the hon. member for Hamilton does not blame the Queensland Government for circumstances over which they have no control! I have no desire to get into an argument with hon. members opposite concerning the responsibility of the Federal Government in this connection, because in essence there is no Federal Government to-day. The policy of the State Government all along the line has been to provide work for the greatest number of people. The hon. member for Hamilton has never said a kindly word for the working people of this State, he is always ready to line up on the side of vested interests, but this morning he shed crocodile tears in the hope of convincing us that he had some real feeling in his heart for the unfortunate people who were still out of work.

At 2.50 p.m.,

Mr. JONES (Charters Towers), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

**Mr. BRASSINGTON:** No-one feels more deeply for the unemployed than members of this Government. The problem is an immense one, but under the present social system it is beyond the power of the State Government to solve it entirely. It should and must be in the years to come the responsibility of the national Government. The sooner our national Government recognise that the problem of unemployment is a national one the better it will be for the Commonwealth and the sooner we shall solve this very vexed economic problem. The Government of this State have always kept the interests of the State in the foreground, including human and national interests. We may conclude from the remarks of the Leader of the Opposition that he and his party are definitely pledged to oppose this great policy of developing this State.

There is much more I should like to say, but let me for a moment, without enumerating works in detail, dwell on the fact that this policy of development has been applied to the city, too. The more broadly such a policy can be applied the better. I have no desire to adopt the role of a carping critic, as hon. members opposite do. I am glad to see that the Brisbane City Council has got additional loan money to enable it to carry out extensions of the sewerage system in Brisbane. There is no need to adopt political meanness in respect of this much-needed work. We must continue the policy of developing this great State and thus give work and wages.

**Mr. Maher:** Every employable man ought to have a job.

**Mr. BRASSINGTON:** We have endeavoured to give effect to that principle, but under the present vicious social system that has been impossible. Hon. members opposite may scoff and jeer, but vested interests, as represented by them, have always stood in the way of progress and prevented this and any other Labour Government from solving this problem entirely.

I have very little more time at my disposal, but I intend to make one or two more observations. Firstly, let me take the statement of the Leader of the Opposition—that all State expenditure should be more or less directed to carrying out a national war effort. By that I understand him to mean that this State should suspend without delay this policy of development to which I have referred and hand over its avenues of taxation—lock, stock, and barrel—to the Federal Government for their use.

**Mr. Maher:** I never said that.

**Mr. BRASSINGTON:** The hon. gentleman implied it.

**Mr. Maher:** I did not.

**Mr. BRASSINGTON:** That is beside the point. We must recognise that this policy of development in Queensland is a great policy so far as defence is concerned. The greater the development, the greater the production, which in turn means we shall be in

a position, by substantially increasing our national wealth, to take a greater part in prosecuting this war and facing up to our responsibilities as members of the British Commonwealth of Nations. The Leader of the Opposition had something to say about financing this war, but it seems to me that up to the present the Commonwealth Government have not had a very clear and definite view as to the national policy that will be needed to finance our activities in this war. There seems to be no new thought or suggestion on the part of hon. members opposite and their colleagues in the Federal Parliament to bring about financial reform. It seems as if we were to continue to muddle on in the years to come in the financing of this war as we have muddled on under the wornout financial system in the years gone by. It is strange that although Great Britain and New Zealand have decided on a conscription of wealth to win the war, our national Government have been strangely silent and have not told the people what is required.

**Mr. Maher:** In New Zealand they have put on a war tax of 1s. in the £1 on all incomes.

**Mr. BRASSINGTON:** The hon. gentleman has made his speech, and I now have the privilege of making mine.

There are one or two points on which I feel we need some enlightenment. Firstly, the Federal Government, instead of following the usual custom, went to the country without bringing down a Budget disclosing the state of the finances of the Commonwealth. Secondly, there has been a continuous outcry in the Press in the last few months for the introduction of a system by which it would be possible to pay taxation by instalments. I am not going to deal deeply with those subjects. I presume that the failure to introduce the Budget was on account of the enormous taxation that is to be levied. They did not want to frighten the people at the polls. I hope it is not the policy of the Government in power in the Commonwealth, if enormous burdens are to be imposed on the people in order to conduct the war, that they will be placed on the shoulders of that section of the people who are least able to bear them—the working community. I do hope hon. members will keep an eye on those proposals and that every endeavour will be made to see that an equitable and just basis of financing the war is laid down and that those best able to bear the burden are called upon to discharge their responsibilities. That is only fair and right. If hon. members opposite and their friends in the national Government think they can put the bulk of the load on the shoulders of the wage-earners, then the time has come to ask for some information.

I wish to make some comment on what I think is one of the most disgraceful happenings we have learned of since the war began. Since the outbreak of war there has been a constant appeal for men to join the colours and take part in this great struggle. There has been a constant appeal for sacrifices and,

I think with the hon. member for West Moreton, there is no citizen in the Commonwealth who will not make the maximum sacrifice to see this struggle through to a successful conclusion. We are 100 per cent. behind the effort to bring the war to a successful conclusion. I was disgusted to learn when reading the "Sunday Mail" that Professor Copland made a statement to the effect that they had discovered outrageous and shocking profiteering in essential war supplies. This exploitation was discovered in connection with necessary commodities to be used to equip our forces. It is shocking to find during this period of stress that this profiteering ramp exists. I only desire to say that if that sort of thing is allowed to continue it will demoralise our war effort to a greater extent than any other happening. It is scandalous to think that whilst thousands of young men are willing to give their lives if necessary in the interests of their country, that we have a group of unscrupulous Fifth Columnists who are profiteering, and thus acting in a way that is detrimental to the welfare of the people. No punishment can be too drastic for such men and I hope that the authorities will deal with them effectively and without delay.

Time will not permit of my dealing with some matters on which I should otherwise like to touch, and I therefore conclude my speech by again referring to the policy of development of the Government, which have served the people of Queensland so effectively over the past eight years. I reiterate that a progressive policy will be pursued. Every pound spent in development is an investment that will pay dividends in continued progress and an insurance for safe defence. Surely there is no citizen who objects to that policy! We all desire to see our country great, great in the sense that it will lead the way in the march towards permanent peace and an ideal social system under which all citizens will receive a full measure of social justice. It should and it will be the greatest land in the world, if we always have an Australian Government with an Australian outlook, similar to the Government now in power in Queensland.

**Government Members:** Hear, hear!

**Mr. DEACON (Cunningham) (3.1 p.m.):** The Premier and the hon. member for Fortitude Valley to-day told us a long story, but neither was very particular as to whether it was correct or not. For instance, the Premier went back to the time of the Moore Government and told a story about that Government, but was not very particular as to whether it was or was not correct. The hon. gentleman himself was responsible for the conditions of things that made the people of Queensland turn the McCormack Government out of office, because they had brought the State into such a financial position that it was hopelessly ruined. It must not be forgotten that the Theodore and McCormack Governments did just what Labour always desires to do—socialise everything. They established State stations and State butcher shops and other institutions, of all of which

they made a terrible muddle. The Premier was a follower of the Governments responsible for these blunders and the financial ruin of this State. The people of Queensland turned that party out and asked the hon. member for Aubigny to take charge of the administration and bring the affairs of State back to where they should be. As Premier, that hon. gentleman did so. There had been State stations and other awful muddles that one would not think it possible any man with any experience could make. One would not think it possible that any working man put in charge of State stations, for instance, could make such a mess of them, and lose as much money as the Government in power at the time did. One would not think it possible that any man put in charge of butcher shops could have lost so much money out of them, as that Government did. Of course, there are always some muddlers, but when one gets a party of muddlers who muddle everything they take in hand and get the State into a financial muddle, it is exceptional.

One would hardly think it possible for a whole party to make such a mess of things, or be so stupid in their management of ordinary business that they lost so much money, especially when every day one sees private people embarking upon the same business, paying better wages, and doing better out of it.

**Mr. McLean:** Give us a bit on the Budget.

**Mr. DEACON:** I am going to do that. I should not have referred to this matter if the Premier had not brought it up to-day. The hon. member for Fortitude Valley also dealt with what the Moore Government did. If the hon. member for Bundaberg had asked them to confine themselves to the Budget, it would have been a different matter. Both the Premier and the hon. member for Fortitude Valley took the opportunity not only to tell fearful stories, but also to criticise the Moore Government unjustly, simply for party purposes. In view of their attitude, one is justified in pointing out what they have done, what they hoped to do, and what they are aiming at now. If they carry on as they are now, they will get the State into just as big a financial muddle as it was at the time when the other Labour Government were thrown out. The Premier should be one of the last to hurl such criticism at the Moore Government, especially when we realise that he was a member of the Government who made those terrible blunders. He must take some of the blame, for he was one of those who made a muddle out of every business they undertook. It is only a matter of time now when, if the Government carry on as they are, this State will be in the same financial condition as it was at that time, and the working man will have to suffer with other people.

**Mr. Macdonald:** They never lost money on enterprises.

**Mr. DEACON:** No, but they have certainly increased the cost of government by a tremendous amount. It gets higher every year. They are increasing taxation on the

people all the time. We can expect another taxation Bill this session; we get one every session. If this Government carry on as they are doing we shall have a taxation Bill every session a Labour Government are in power. They do not know how to manage the finances of the State; they do nothing but talk about the Moore Government, who had to pull the State out of a mess.

**Mr. Macdonald:** What about the money they made out of State stations?

**Mr. DEACON:** If a farmer was given a cow he would make more out of that animal than the Labour Government made out of all the State stations; it would not be a hard matter for a farmer to do that. They did not make money—they lost money. They were unable to show a profit on any of their State enterprises, and yet they talk about the Government who had to straighten out the mess. That Government had to wipe out the debts left behind by a previous Administration.

The present Government should take note of what is confronting the working man of to-day. What is there before the working man—the man who helped to put them where they are? He, along with everybody else in the community, will suffer if the Government carry on as they are. It is not a matter of what the drought might do; droughts occur no matter what Government are in power. Droughts have been experienced before, and will be experienced again. The Government should pay regard to their financial management, which, at the present time, is very bad. Their system of taxation is unfair. Do they regard the State development tax as fair? It affects the man on the land, perhaps, more than anybody else; he has to pay the greater share of it—the man upon whom the whole country depends. We all have to live on what comes from the land; it is all we have. We have no factories; we have no other industry. The people of Queensland have to live on the land, and the Government are making things more difficult for the man who has to work on the land; they are taking more and more out of his income, and leaving him worse off on the average than anybody else. It is he who has to pay the greater taxes. If he has to pay these taxes, how can they expect trade with the cities to be as great as it was?

If an additional burden of taxation is placed on the man on the land, as the Government appear determined to do, and he is left the poorer, how can things be prosperous for the people in the city? I have already pointed out that Queensland is a primary-producing State with very few big secondary industries, and if the taxation on the man on the land, which is always unfair, is increased, is it not as clear as daylight—

**Mr. Power:** As clear as mud.

**Mr. DEACON:** I can understand its being as clear as mud to the hon. member, but if he would only do a little thinking, if he would only look at the matter properly and not at the mud he would understand my viewpoint. It is not fair and it is not good for

the State that the man on the land should pay a heavier tax on an average than people in any other business. Eventually that will lead to another depression. Of course, the Government intend to increase the State development tax so as to counter the effects of a depression to some extent. They realise that shortly they will be in financial difficulties, but they hope to overcome the trouble by increasing the tax a little. The man on the land will then have to carry a heavier burden, he will be poorer than he is to-day, and he will not be able to maintain his production. Indeed, that is not a good outlook for the working man, who is responsible for putting the Government into power. The Government are not considering him at all. What is ahead of him? He will have to carry his share of the troubles when the depression arrives, as it surely will if the Government remain in power much longer. Then the working men and women in Queensland will be worse off than the working people in any other part of Australia. If hon. members opposite were conscientious they would look ahead, they would consider the working man's interests and his future, not for next year or the year after, but for some years ahead. If they continue their present policy much longer, as apparently they are determined to do, they will make it gradually worse for the people who sent them here, the men and women who have stuck to them. It is the duty of the Government to consider their welfare but they are not doing it in the least.

**Mr. POWER** (Baroona) (3.20 p.m.): The hon. member for Cunningham, who has just resumed his seat, made very heavy weather of his effort to criticise the Government. He spoke of State butcher shops and State stations. That is due to the fact that he merely stepped into the breach to help in the Opposition stonewall.

The hon. member made some extraordinary statements. He said that the Labour Government were defeated and the Moore Government were given a mandate to clean up the mess left by that Administration. It is quite evident he does not know the position of the finances when the Moore Government took over, or he is deliberately misrepresenting the true position. He must know when Labour went out of office in 1929 there was a surplus of £5,000,000 in the Treasury. What happened to it?

**Mr. Deacon:** It was not there. It was gone before we got there.

**Mr. POWER:** It was whittled away by the Moore Government. What really happened was this: these Heaven-born saviours of finance were going to improve the finances of Queensland. In 1928-29, when Labour went out of office, it was estimated that the deficit for that financial year would be £165,958. In the first year of the Moore-Barnes Administration, of which the hon. member was a member, the financial year 1929-30, these alleged financiers who were going to save Queensland from financial disaster emerged with a deficit of £723,185. It was much higher for the next financial year, 1930-31,

amounting to £842,044. For 1931-32 they had the enormous deficit of £2,075,180.

**Mr. Deacon:** What was the deficit of your Government for the next seven years?

**Mr. POWER:** They were nothing like the deficits of the hon. member's Government.

**Mr. Deacon:** What were they for the following three years?

**Mr. POWER:** The hon. member knows that this Government have been in office for seven years as against three by his Government, but I am not going to allow him to make my speech for me. After Labour had gained control of the Treasury benches there was a gradual tapering off of the deficits until to-day the Treasurer is able to record the second surplus in succession. He has succeeded in balancing the Budget in the last two financial years. Hon. members opposite who are talking so much about the financial position of Australia and the financial position of Queensland, and how they are going to preserve and conserve finance, had a record deficit during their three years of office of £3,806,667, and made no provision to meet it. As a result of their making no provision to fund those deficits, the duty of doing so devolved on the succeeding Labour Government.

The Moore Government, during their period of control of the Treasury benches, adopted a policy of curtailment of expenditure and deflation. Let me show how they tried to balance their Budget. In 1931, when they began this policy of curtailment of expenditure, the expenditure of the Railway Department was cut by £958,270. The expenditure of the Department of Public Instruction was cut by £170,415. As a result of a reduction in the number of scholarships by reason of this policy of curtailment, the education of our children suffered accordingly. They also made an onslaught on the vote for child welfare, one of our most important social services, and curtailed expenditure there by £18,064. They curtailed expenditure on the maintenance of law and order by £66,787. One of our most important social services from a national point of view is that relating to health, but expenditure on this, too, was cut by £27,298. They cut the vote for charity and relief by £7,317, and that for supplies and maintenance by £80,106.

We find, too, that the people who claim to represent primary industry, and who accuse this Government of not doing the right thing by those engaged in primary industry, reduced the amount allocated for the relief of primary industry by £83,058. We find also that the amount allocated for "Industrial relations" was reduced by £11,682. We know how some of these savings were effected. We know that a number of industrial inspectors were dismissed from their positions, and that very little policing of awards was carried out during the lifetime of the Moore Administration. But the financial position did not improve as a result of those drastic reductions; there was a huge deficit of £842,044.

Let us see what took place in 1931-32. The Department of Health and Home Affairs vote was reduced by £37,283. What happened? We know the health of the people was not safeguarded in the manner it should have been. Health is one of the best things one can have; wealth is no good without it. We maintain that that curtailment was not in the best interests of the people.

There was a cut in the Department of Public Works vote of £11,622, the Department of Justice by £7,045, the Department of Public Lands £4,542, and a still further cut in the Education vote to the extent of £32,046. The Department of Railways vote was reduced by £651,981.

While all those cuts were being made, a huge deficit of approximately £2,075,000 was brought about.

We also find that, while cuts were made in these directions as a result of the deflation policy of the Moore Government, the vote for the Department of Labour and Industry had to be increased by £78,776. Why? Because virtually every person in Queensland was unemployed and drawing rations, as a result of the operation of the Government's policy. Now, the hon. member for Hamilton sheds crocodile tears, and alleges he has the interests of the workers at heart. Other hon. members sitting opposite also claim to have the interests of the working people at heart. I again draw the attention of the people of Queensland to the scandalous treatment meted out to the workers by the Moore Government during their period of office. The single men in this State had to travel 25 miles before they could obtain 6s. worth of rations to keep body and soul together, yet not one word of protest was uttered by the hon. member for Hamilton or any other hon. member of the Opposition. The people of Queensland will not be likely to forget that.

The Opposition now say that the Government should reduce expenditure. It is easy to make a statement of that nature; hon. members would be better advised to tell us how it is going to be done. Are hon. members going to suggest that we should adopt the same policy they carried out when in office, and make reductions in the Education vote and a further onslaught on the conditions of Crown employees and outlaw them from the Industrial Court. A member of the Moore Cabinet made the statement that, if the Industrial Court did not function to his liking, he would ringbark it. Are hon. members opposite going to suggest that this Government should outlaw Crown employees from the Industrial Court and make reductions in the wages of these men? Will they suggest we should take 1s. a week off the allowance for State children and widows and orphans. Does he suggest that we should go back to the conditions operating when, under the unemployment relief tax, unfortunate women who had to go out to earn a living at the washtubs, or the newsboys selling papers on the kerb of the street, were called upon to pay taxation on their earnings?

**Mr. Russell:** Rubbish!

**Mr. POWER:** The hon. member cannot take it. My remarks are like the doctor's medicine—good for the patient, but not easy to take.

**Mr. Russell:** What you are saying cuts no ice.

**Mr. POWER:** I have no desire to cut any ice, but the people of Queensland are entitled to know the exact position, and if hon. members opposite can suggest any constructive method for the curtailment of expenditure without lowering the living standards of the people or taking from them any social services, the Government are entitled to have them. I have heard nothing of a constructive nature from the Opposition whatsoever.

We have been accused of lavish expenditure. I propose to show exactly how the Government are dealing with the various funds, and particularly with the State development tax money. For some time the Opposition have harped on their contention that there should be a reduction in that tax, which has been imposed for the purpose of giving employment. The expenditure of that money has been responsible for putting a large number of our people in employment. Moreover, the State is being developed. Whereas it may be admitted that in some cases taxation in Queensland is higher than in the other States, as I see the position Queensland has not a very large population, but has a large area of territory that must be developed, and because of these facts taxation here may be slightly higher than in some other States. It must not be forgotten, however, that the money collected is being expended in the interests of the people and the development of the State.

In addition to the amount expended from the State development tax money, a considerable sum has been expended from Loan Funds. Will any person suggest that the expenditure of £3,224 on soldiers' settlements is not in the best interests of the people and the development of the State?

Hon. members opposite have complained of the transfer of £250,000 each year from the Main Roads Fund to consolidated revenue, but they have not informed the people of Queensland that a considerably larger sum—in this instance £473,073—is being expended from Loan Funds for main-roads purposes. I maintain that the Main Roads Commission should contribute a certain amount of its revenue to consolidated revenue. For the protection of main roads, it is necessary that they be policed and that those responsible for breaches of the regulations be prosecuted. The police apprehending offenders, and judges, magistrates, Crown prosecutors, and others concerned with the prosecutions of breaches are paid from consolidated revenue, and consequently it is only right that the Main Roads Commission should contribute a part of its revenue for the maintenance of the various other departments necessary for the protection of main roads.

Land settlement and forestry are responsible for an expenditure of £423,669. The hon. member for Hamilton, to use his own words, said that the Government were hoeing into the forests and taking the timber out. He led the people of Queensland to believe, if they read his speech, that the Government were doing nothing in regard to reforestation. It is well known that the Hon. Percy Pease, who has passed on to the Great Beyond, did more forestry work in Queensland than any of his predecessors. If the hon. member cared to travel around Queensland a little, he would see exactly what is being done in that direction. It is unfair to lead the public to believe that such an honourable man as the late Mr. Pease, who knew his work so well, was hoeing into the forests, cutting out timber and making no provision for the future.

Other proposed items of expenditure for the year are—

|                      | £       |
|----------------------|---------|
| Rural development .. | 212,356 |
| Mining .. ..         | 23,260  |
| Railways .. ..       | 521,347 |

It is very pleasing indeed to find the Railway Department in such an excellent position to-day. Collections for the year exceeded those of the previous record year by £279,962. That department shows a surplus of £20,907 after meeting, not only working expenses, but also interest charges. That is indeed a creditable performance for the year.

The value of our railway service cannot be over-estimated. Although some people believe that we can only gauge the value of our railways by the amount of revenue they earn, we must not lose sight of the fact that an excellent railway service such as ours plays an invaluable part in the development of the State. By this service the Department of Public Lands has received considerable benefit in the opening up of lands. The farmer has benefited in being able to transport his products to market efficiently and expeditiously. To have played such an excellent part in the development of the State, as well as to meet working expenses and interest charges, is indeed a wonderful achievement for the Queensland railways.

It is proposed to expend £924,624 on loans and subsidies to local bodies and hospital boards. Provision is being made for the expenditure of £442,000 on the Stanley River Dam and improvements to the Brisbane River. In other words, £3,056,663 is being spent in the various ways I have enumerated.

In addition, £493,000 is being provided for workers' dwellings. It is pleasing to know that the manager of the State Advances Corporation has been able, because of the making available of the money by the Government, to clear the many applications that have been delayed because of lack of money. Surely hon. members realise that what the Government have done has been good work—that the money they have expended has been wisely spent? I have asked hon. members opposite on several occa-

sions to rise and tell the Government, if they want any curtailment of our expenditure, which of the votes they desire us to cut out. I am confident that the Government will not revert to the policy that was pursued by the Moore Government during their term of office.

Severe condemnation has been hurled at the workers of this State who have sought to increase their wages and improve their working conditions. It has been said that this is no time for making such requests. I am one of those who believe that those men who are engaged in industry are entitled to a fair return for their labour, and that at the same time the employer is entitled to a fair return on his capital.

The hon. member for Fortitude Valley touched upon a matter that I notice was mentioned in the following article in the "Courier-Mail" of 7 October:—

**"War Profiteers Forced to Repay  
Big Sums.**

"Sydney, Sunday.—A number of profiteers in essential materials for the fighting services had been compelled to return excess profits, in some cases amounting to thousands of pounds, the Federal Price-fixing Commissioner (Professor Copland) said to-day. Prosecutions would probably follow, he added.

"There had been profiteering in all classes of material required for Navy, Army, and Air Force uniforms, and in material for singlets, shirts, and underwear for the three services.

"In addition, profiteers had bought and sold supplies of timber, hessian, and materials used in tents.

"Action had been taken against these people, said Professor Copland. They are dealers who established themselves as middlemen to handle at a profit those commodities which might be in short supply, and needed for war purpose.

"The prices regulations forbid this type of dealing, and whenever it has been found we have taken prompt and drastic action, as we shall continue to do."

I should like to know what action has been taken against these profiteers.

It is stated that they have been forced to repay certain profits, but I regard that punishment as being too light. If men are willing to make sacrifices in playing their part in the defence of the nation and our women-folk to do likewise, why should a gang of racketeers and profiteers be permitted to make profits out of necessary war operations? What action have the Commonwealth Government taken?

**Mr. Russell:** They have been made to disgorge.

**Mr. POWER:** I say that the Government should have gone further. They should have been taken before a court of law and dealt

with according to law. No names are mentioned in the statement I read, but if a man went into a shop and stole something, be it worth 2d. or 2s., he would be taken before a court and dealt with. Yet we find these people, who are racketeering in times of war, are simply made to disgorge their profits and no other legal action is taken against them.

**Mr. Russell:** Trade unionists are doing exactly the same thing.

**Mr. POWER:** I say that the Commonwealth Government are lacking in their duty when they do not take proceedings against these profiteers under the regulations under the National Security Act. They should be prosecuted for profiteering at a time when they should be doing everything within their power to help in the successful prosecution of the war. No, they are not prosecuted; it is quite in accord with what we might expect from the Commonwealth Government.

**Mr. Edwards:** You are quite right in that, but why do you not go further? What about the strikers? Why should they be permitted to do what they are doing at a time like this?

**Mr. POWER:** I am not talking about strikes. I stand solidly behind the principle of arbitration; the interjection is beside the point. Our anti-Labour Press draws attention in big headings to the dispute feared at Mount Isa, and under a small heading in the same column it speaks of our profiteering friends. I say again that the Commonwealth Government should take action and have these people prosecuted in accordance with the regulations and the heaviest penalty imposed upon them. Any person who will act as these people have done is a traitor to his country and deserves no consideration from the people of Australia.

**Mr. NIMMO (Oxley) (3.44 p.m.):** I have heard it said that he who bloweth not his own horn shall not have the same blown. We have heard the hon. member for Cook and the hon. member for Fortitude Valley blowing about what the Government have done. I think the Government admit that they have been lucky; they have had things go their way ever since they took charge. The Premier has repeatedly given the impression that he alone did it; he was the one responsible for the whole of the change that has come about. It is strange, but significant, that, during the first five years after the depression every State in Australia made progress. The figures available from the United States of America, from England, and, in fact, from all the countries of the world, disclose that a gradual improvement began in 1932 and has continued up to the present time. So, how can the Queensland Government claim any credit for the progress that has been made in this State? It is true that the State has progressed, but that progress has taken place in spite of what the Government have done and not because of it. Large sums of loan money have been squandered by the Government, and it is questionable whether, in the

final analysis, that will be for the benefit of the people.

Hon. members opposite have made many irresponsible statements. For instance, the hon. member for Fortitude Valley said that Queensland had the lowest cost of living of all the States of Australia, and he proceeded to quote index figures to prove his assertion. I have always contended that these figures are—well, you can take them or leave them; they may be right or they may be wrong. I think that they are wrong. Immediately after contending that the cost of living was lowest in Queensland, the hon. member said we had the highest basic wage and the shortest working week. If we have the highest basic wage—and we have—and the shortest working week, it stands to reason that the cost of production in this State must be higher than in the other States, that our goods must be dearer, and so the cost of living must be higher, too. I have always contended that our cost-of-living figures are shown in their wrong perspective, and that proper consideration is not given to the fact that we have a cheaper type of house in this State than in others. Our houses are of a poorer type than those in some other parts of Australia.

To my mind, the Budget condemns itself; it is a spendthrift Budget, and it makes no effort at all to grapple with the problems confronting us to-day. On page 18 of the Budget there are references to records, but how have they been built up? Can anyone deny that 12 months ago we had very bountiful seasons in Queensland? The prices of most of our primary products have been fixed because of the exigencies of war, and the price of cattle to-day is almost the highest in the history of the State. I believe it reached a higher figure at one other period, but that is many years ago. In addition, the price of wool is fixed, and, what is important also, Queensland has the greatest sheep population in its history. With those advantageous conditions, and a revenue of approximately £20,000,000, should not the Government be pursuing a policy that, at one time, they said was their policy? I remember the Premier's saying in this Chamber, in 1932, I think, that it was the policy of the Labour Government to raise funds and to spend money during times of stress so as to help to maintain industry on an even keel, but, as times became more prosperous and revenue buoyant, to reduce taxation, to taper off loan expenditure, and generally to prepare in times of prosperity for times of adversity. That was the accepted policy of the Government as outlined by the Premier, but to-day, in a time of buoyant revenue, we have a Budget that contains no reference to a reduction of taxation.

The Treasurer appears to think that he has submitted a wonderful Budget because he was able to show a surplus of £15,000 for the last financial year. The Treasurer received £444,770 more revenue than he estimated. Notwithstanding that fact, he could show a surplus of revenue over expenditure of only £15,755. Had revenue not been so buoyant he would have had a

tremendous deficit. As I have pointed out, Queensland is still the highest taxed State in all Australia. Our conditions are buoyant, nevertheless we extract from the pockets of the people a huge amount of taxation. By that policy we place a great handicap on the establishment of industries. I contend that we cannot do better in developing this State than foster the establishment of industries. If we encourage industries to establish here, many of our industrial troubles will disappear. No-one can deny that we still have our industrial troubles. To overcome them we must encourage the establishment of new industries. We cannot expect them to come to this State if they are to be charged a greater rate of taxation than in other States.

Let us ask ourselves: why do these industries not come to Queensland? Why have we not large cotton mills operating in Queensland? The time is ripe for the Government to come right out into the open and endeavour to establish cotton mills in this State. We grow the raw product here; our conditions are ideal for manufacturing industries, and our people can carry out the work as efficiently as those in other parts of Australia. To-day, all cotton mills are situated in the Southern States. Such companies as Davies Coop and Company and the Bradford Cotton Mills are manufacturing heavy cloths, such as drills, fabric for motor tyres, and khaki fabrics. What a field is open to Queensland for the manufacture of sheetings, shirtings, muslins, and ladies' dress materials! That industry should be exploited with a view to having it established in Queensland. Rather than put £2,000,000 into the Story Bridge I would have put it into a cotton mill, not as a Government enterprise, but in assisting such a company to operate here. I would say to such a company, "If you begin operations we will put up half the capital." I would also say to it, "You will attract no more taxation in Queensland than you would in any other State."

We must encourage some of these companies to come here. Why should they all be established in the South? It may be said that we are too far from the centres of population. We must remember that before Labour took office in Queensland we were one of the leading manufacturing States of the Commonwealth. We had large boot factories. They sent their products to the Southern markets. To-day our woollen manufacturing industry is in a flourishing condition. That is not on account of war contracts, but because of manufacturing for the general trade. The manufacturers can send a piece of material worth £15 South and land it on the counters in Melbourne for 1s. 11d. That shows there are no great disabilities in having our manufacturing industries here. A great drive should be made to have them established here.

**Mr. Russell:** They are frightened of taxation.

**Mr. NIMMO:** I suggest that the Government should guarantee any company commencing operations here that it would not attract any greater taxation than in any other State in Australia. That could very

easily be done, because it would be quite competent for the Government to give such an undertaking to an industry that was not already here and so would not be competing with an established industry. Take the motor industry, for example. We have a glorious opportunity of embarking on the motor industry. I suggest that we should endeavour to manufacture motors at the Ipswich workshops.

**Mr. T. L. Williams:** Are you advocating more State enterprises?

**Mr. NIMMO:** I am not. I am merely advocating an experiment. I have never thought of State enterprises. Surely to goodness we can show the way? We are running rail motors fitted with engines that are manufactured overseas. We could start manufacturing those engines as an experiment. They may not be as good as the imported article at the start, but we should evolve an engine that would be as good as anything in the world. I believe that with judicious encouragement we could establish a motor industry in this State.

**Mr. McLean:** Will you explain why the Commonwealth Government only gave the Queensland woollen mills a low percentage of orders?

**Mr. NIMMO:** They get more than they can make. It is remarkable how people will rush into things they know nothing about. The Queensland woollen industry has more military orders than it wants and it is faithfully carrying them out. At our own mills we have private orders that will not be delivered for nine months on account of the huge military orders that we are filling. The three mills are working on Government contracts. We have more orders than we can handle.

**Mr. McLean interjected.**

**Mr. NIMMO:** I do not quite follow the hon. member. To clear the air in regard to this matter, I might mention—and hon. members ought to be pleased to know—that Queensland has all the orders it can handle as far as woollen materials are concerned. Every mill in Queensland is loyally doing its job and executing the orders as quickly as possible. I hope the hon. member for Bundaberg will make a trip to Ipswich and see what is being done there.

When the Government were in opposition I can remember the Premier was very strong in his opposition to taxation that was imposed for the relief of unemployment to tide over the depression period, yet what do we find now? We find that all taxation that was imposed during the depression years has been maintained, plus 100 per cent. increase. In 1931-32 taxation amounted to £4,189,000, and, according to the Budget, last year's taxation amounted to £7,769,000. In 1931-32 unemployment relief taxation amounted to £1,089,000, and last year the taxation raised for the same purpose was £2,275,000. Unemployment relief taxation or State development tax is a great hardship on the people. I should like to see the figures

for last year dissected. I am looking forward to the figures of the Commissioner of Taxes in order that I may find out who is paying this taxation. I think most of it is raised from the working people. Only the other day I was shown a docket by an employee of the Ipswich railway workshops who was on £4 10s. a week, and it showed he was paying £13 a year in State development tax. I think that is excessive. That is too much to take out of the pocket of the working man.

I was very pleased to hear the Premier say this morning—in reply to a question from the hon. member for Nanango—that the Government proposed to make provision for exemption from relief taxation.

**The Premier:** I never said that.

**Mr. NIMMO:** I took the hon. gentleman's answer to mean that.

**The Premier:** Do not put words into my mouth that I never said. I answered the question, "Yes."

**Mr. NIMMO:** The newspaper report says—

"The Premier in reply to Mr. Edwards stated that the Government would give consideration . . ."

I hope that the consideration is favourable, because unquestionably it is a very great hardship on people with small incomes and a large number of children. At present there is no exemption or those concessions that are granted as a right in ordinary income tax.

**The Premier:** There is a higher exemption, though.

**Mr. NIMMO:** It is a higher exemption, but when it does catch a man it catches him right in the neck. He gets no further concessions at all.

**The Premier:** Your neck is pretty strong.

**Mr. NIMMO:** It needs to be. As a matter of fact, any person dealing with the hon. gentleman has to have a pretty tough hide; there is no doubt about that.

**The Premier:** You have been very well provided for in that way.

**Mr. NIMMO:** Yes, thank goodness. The Government would be well advised, as an experiment in order to encourage companies into Queensland, to reduce the taxation on them. I have suggested that certain industries should be sought after and they should be guaranteed that they would not attract greater taxation than that levied in the other States. We have to face up to the position as regards taxation generally, and reduce it.

A commission was appointed to inquire into income tax, but although the session is well on its way, hon. members have not had the report of that commission. There is no doubt that industry will not establish itself in Queensland with the high taxation that rules.

The Government have been in office for almost nine years, and whereas they made certain promises to the electors about what

they would do when they got into power, we find that there is still a large number of unemployed. If it were not for the war, I do not know what would be the position. The Government say they suffer certain disabilities on account of the war, but so far as unemployment is concerned the war has saved the situation in Queensland. Notwithstanding that, however, there is still a great number of unemployed.

The other day the Brisbane City Council wanted a certain number of men at the Labour Bureau. There was the spectacle of men running to members of Parliament and aldermen, in an endeavour to have them use their influence to get jobs. These were a good type of men who were out of work, simply because the Government made no provision for continuity of work by the encouragement of industry in the way I have suggested. There is no use in erecting public buildings and constructing huge bridges and good roads to relieve unemployment, if the works are not reproductive. This is a very big problem. By erecting buildings and constructing bridges to relieve unemployment, a greater burden than they can possibly bear is placed on the people.

The following is an extract from "I Search in Russia," written by Sir Walter Citrine. I suppose his search is for the truth. The author makes some very startling statements, and when one studies them very carefully one can find remarks that apply also to Queensland. On page 162 he says—

"I still contend that if the rate of capital expenditure on public buildings was in excess of other countries, it must necessarily mean taking from the pockets of the workers wages which would otherwise go to them. In other words it meant a definite depression of the standard of life of the individual.

"My friend from the trade union later asked me what was the alternative and I replied I thought it was a more moderate rate of public expenditure. Would it not be preferable to see the people better fed, better clothed and housed, than to see grandiloquent schemes of rebuilding the city proceeded with so rapidly?

"The president asked me did I understand that they had the power to obtain the revenue necessary to accomplish this. I retorted that I certainly did understand it, just as I understood that the Tsar had had the power to build magnificent streets and palaces and squares, with taxes wrung from the poor peasantry and workers."

I say emphatically that every large public building that brings in no revenue, that needs extra staff, and that means greater lighting charges, and upon which we are paying more interest, adds to the toll taken from the pockets of the working people. That money should be left with the working people. In the end the burden has to be borne by them. The construction of the Story Bridge has meant that £50,000 will be taken out of the pockets of the people every year. That money should have been left with the people.

The Government would be well advised to investigate the huge expenditure that is still going on and producing no great amount of revenue.

As far as I can see from the Budget—and I have read it carefully—it seems that the Treasurer's sole objective is to spend 20s. 6d. for every 20s. he gets. I read somewhere that if a man wanted real happiness in life his best method was to spend 19s. 6d. for every 20s. he got, and if he spent 20s. 6d. he was looking for trouble. The Treasurer seems to be bent upon spending 20s. 6d. for every £1 he gets. If he continues along those lines he is looking for trouble.

To my way of thinking, the Government's policy should be first to do everything possible to win the war, not to talk about winning peace or about the post-war period. God knows, things are very serious. It is not right to be always harping about winning the peace and talking of the post-war period and to be continually trying to incite people to continue the fight, to stick out for their rights and preserve party interests. We should all get together. There should be no disunity throughout the Commonwealth. It is all very well to dig your toes in and hold up your end for party purposes when there is no danger, but when the house is burning it is scandalous to be fighting for party interests. Our greatest problem is to win the war. Our next most important work is to grow more food for the Empire. There should be a tremendous rise, not only in our country population, but also in our provision of water facilities and irrigation projects to make the country more productive. The more we can produce and send to the other side of the world the better the effort we are making to help win the war.

Our next important work is to defer all luxury expenditure. It is a criminal waste to continue erecting palatial public buildings during this time of extreme stress.

Where are we heading to-day? We have been borrowing so much money and our expenditure has risen at such an alarming rate that the amount now required to service our public debt is £6,812,000. Although the State enjoys buoyant revenue—over £20,000,000 last year—more than one-third of that money goes in servicing the public debt. It does not require very much consideration to realise that if we should strike bad times or anything serious should happen to the country, that heavy burden of servicing the public debt would continue and the men who piled up that debt would be howling that the capitalistic system was wrong—that it should be wiped out.

**The Secretary for Public Works:** It is wrong, is it not?

**Mr. NIMMO:** My statements are beginning to hurt. I heard the Treasurer complaining that he was going to lose certain revenue by the discontinuance of motor-car registrations and the loss we should incur from petrol rationing, but he did not say that the revenue of the Department of Railways

would increase as a result of petrol rationing. No, growl at everything that might be taking something away, but do not admit increases in revenue!

I repeat that the amount required for servicing the public debt of Queensland is taking more than one-third of the gross revenue of the State. We cannot expect—and I do not think anyone expects—that revenue will be maintained at such a high standard as that for 1939-40. The position is very serious indeed. In 1914-15, before Labour came into power, the cost of servicing the debt in Queensland was virtually nothing. As a matter of fact, £267,000 was paid from taxation for the servicing of our debt before Labour came into office in Queensland. To-day the amount received from loan works and services is short by £3,814,106 of the amount required to service the debt. Almost the whole of the taxation raised in the State is taken to pay the amount we are short in servicing the debt. Surely there is something wrong; surely that is something to be ashamed of.

**The Premier:** Like your figures about the taxpayer at Ipswich. Your taxpayer at Ipswich paid only £2 18s. 6d. instead of the figure you mentioned. All your statements are of the same value.

**Mr. NIMMO:** I shall be moving that you be no longer heard.

**The Premier:** See how you will get on. I might move the same of you.

**Mr. NIMMO:** You would, I know. Don't give anything you can't take.

**The Premier:** If the figures you are using are as inaccurate as they were about your taxpayer, nobody would take any notice of you.

**Mr. NIMMO:** As I said, the public debt of Queensland is given as being approximately £129,000,000. Goodness knows, it is great enough to worry about. The local-authority debt amounts to £27,467,332. Look how cleverly it is hidden—look at the camouflage. The public debt is £129,000,000, but there is also a contingent liability of £27,467,332. I remember a big business that went broke in the city because it had a contingent liability it did not disclose; that contingent liability eventually came home to roost and broke it. I think the figures I have quoted give one cause for wondering where we are heading. To my mind, the whole thing is wrong; it is misleading. Just the same type of finance is used when £250,000 is taken from the Main Roads Fund and put into consolidated revenue and a similar amount is taken out of Loan Funds to put into the Main Roads Fund. If that is honest finance, then I should like to know what is dishonest finance.

The Government are taking £250,000 from the Main Roads Fund, putting it into consolidated revenue, and then calmly lending the Main Roads Commission £250,000 from Loan Fund. That is the position in a nutshell, but it is absolutely wrong. The Government are in receipt of a buoyant revenue, but it is really in the hands of a

spendthrift and much of it is being raised in a way that makes one shudder. For instance, the proceeds from the sale of logs that have taken in some cases 100 years to develop are paid into consolidated revenue. Our forests are being depleted for revenue purposes while reforestation work is carried on out of Loan Funds.

**The Treasurer:** And an amount from consolidated revenue.

**Mr. NIMMO:** How much?

**The Treasurer:** How much?

**Mr. NIMMO:** £60,000.

**The Treasurer:** Three times that amount.

**Mr. NIMMO:** Nothing of the sort. As a matter of fact, I was shocked when I saw the small amount provided. A Labour Government in New Zealand are embarking upon all kinds of wildcat enterprises. They had not been very long in power when they ran to Great Britain for help. Great Britain helped them and they paddled along for a while, but the cost of living rose enormously. Hon. members in this Chamber have said that credit may be expanded to a considerable extent and have implied that all our troubles would be over if they could get control of the Commonwealth Bank.

**Mr. Bedford:** Talk of something you understand.

**Mr. NIMMO:** The hon. member for Warrego knows all about it. The New Zealand Government got into an unholy mess. Although the reserve bank of New Zealand had a credit balance when Labour took office about five years ago, to-day it shows £23,540,000 overdrawn to the Government. Twelve months ago the figure was £14,850,000 and in March last it was £18,660,000. In 12 months nearly £9,000,000 of new credit was taken out of the reserves. Everyone must know that that is heading for serious trouble. The Government are actually squandering the savings of the past. New Zealand had a very sturdy lot of Scotchmen who were very frugal, but the Labour Government in that country will squander their savings in the form of bank reserves if they can get hold of them.

"Rydge's Journal," from which I get my information, contains this illuminating statement—

"Reserve Bank Returns.

"Watching the reserve bank returns, and particularly the item Advances to the State, the September figures showed that item at £23,540,000. Twelve months ago the figure was £14,850,000, and in March last £18,660,000, which means that in the course of 12 months nearly £9,000,000 of new credit has been taken by the Government. In other words, since the present Government assumed office in December, 1935, it has, in addition to piling the taxes up until they are the highest in the world, used up £23½ millions of the country's credit.

"In December, 1935, the note issue was £7,615,273, and to-day it is £20,066,118, or approximately £12½ millions more than five years ago—an average increase of £2½ millions a year.

"There is no sign of tapering off. The figures mount in an astronomical crescendo. All this goes with a record Budget of £100 millions of which only a little more than one-third is for war purposes. If ever anything occurs to destroy these two mirages, Advances against Credit and the Note Issue, the fall of the walls of Jericho will be only a circumstance in comparison."

That sums up the position in New Zealand. Hon. members opposite are continually shouting the praises of the Government, but the people outside do not think that they are a wonderful Government. In fact, there is very fierce criticism of them in some quarters. I have here, for instance, the "Railway Advocate."

**Mr. Bedford:** Some of your Communist friends.

**Mr. NIMMO:** Its registered office is Room 49, Trades Hall, Brisbane, and this issue is that of 16 September, 1940. I do not know whether the hon. member for Warrego will agree with these remarks in that journal—

"To tell the frank truth, and judging from their announcements in the Press, there is not a man in the present Queensland Labour Cabinet worth listening to or bothering about. When any one of them hands over a typewritten statement to the daily papers, it usually appears in print as a personal interview. Even then, it reads like what we vernacularly call blather or blither. A person neither hears nor reads anything original, thoughtful, or constructive from any one of them, or from the whole crowd rolled into one."

That is what the "Railway Advocate" states; it is issued from the Trades Hall. Further on the article continues—

"During its eight years of untrammelled control (without a second Chamber), the Smith Cabinet has not accomplished one solitary thing for the benefit of the masses or working class, which it is supposed to represent. The only stupendous works of its creation that I can call to mind are: (a) the manufacturing, at an extraordinary cost, of an artificial harbour at Mackay (Smith's electorate) on the open Pacific Ocean, when the only exportable products are artificially high-priced sugar and a few pounds or cwt. of butter; (b) the building of the Story Bridge in Brisbane, which had to be named after a public servant, because he (like other so-called executive heads) was indispensable to the Smith Government. In actual fact, Queensland, since the advent of the Smith Cabinet, has been governed by the unelected permanent heads, which is known in the service itself as the Bureaucracy of Officialdom. The accepted standard of no taxation without representation, by reason of its representatives delegating

their duties and powers to permanent heads, has become a joke and a by-word."

**Mr. Maher:** Quite true, too.

**The Treasurer:** That sounds like the vitriolic outburst of a probable dipsomaniac, whose probable residence should be Dunwich.

**Mr. NIMMO:** That is from the "Railway Advocate."

**The Treasurer:** Who wrote it?

**Mr. NIMMO:** The Treasurer is quite at liberty to peruse this article. I do not think he needs to, as he has probably read it already.

**The Treasurer:** I have not.

**Mr. NIMMO:** I read it for the benefit of hon. members to show what is being written of the Government by individuals. I realise that I have to be very careful, Mr. Jones, as to what I say with regard to autocratic control or anything like that, for I am liable to be pulled up, and I do not want to make your position unpleasant. It can be summed up as autocratic control of the State.

We find from the "Courier" that the Baptist Union passed a motion of censure on the Government. It stated—

" 'I think it is time we told these men that they are not here to do what they like, but to administer the law,' said Mr. A. E. Bickmore, in presenting the Public Questions report. 'It is time we became definite and emphatic about this. We can't have laws on our statutes deliberately disregarded.'"

"Reporting that no reply had yet been received from the Premier to a deputation from the churches which had waited on him in March, 1939, to point out the consistent infringement of the liquor law, Mr. Bickmore said that the secretary of the committee had made 30 inquiries for a reply. On more than one occasion he had been told the matter was next on the list to be dealt with by the Premier."

To think that a deputation from a body of this nature met the Premier and anxiously waited for a reply, and made 30 inquiries to see when they were going to get a reply, and were totally ignored! What do you call it? I am not permitted to use the word.

**The Treasurer:** They were not ignored.

**Mr. NIMMO:** No?

**The Treasurer:** The Premier replied to them.

**Mr. NIMMO:** You know you did not reply. Did not the Premier say that to his knowledge the hotels closed at 8 o'clock? Did you not tell them that? Do you mean to say the Premier is a man who does not know what is going on in the State?

**The Treasurer:** The Premier did not say that.

**Mr. NIMMO:** The Premier said that to his knowledge the laws were not being broken.

**The Treasurer:** He had no knowledge that they had been broken.

**Mr. NIMMO:** At any rate, the fact remains that the Premier says that to his knowledge the hotels closed at 8 o'clock, yet we find that if a poor, unfortunate baker starts five minutes before time, or sells a loaf of bread to a working man's wife, he is prosecuted. What is going on in Queensland is obvious, and I hope those people interested in the matter have sense enough to know what is happening; and the Treasurer knows as well as I do what I mean. It may be possible that the "Telegraph" is going along the lines of Lenin, the great Russian dictator, who at one time made the following statement about big business interests:—"Big business will commit suicide for a big profit." I often think that is the basis of a lot of our criticism to-day.

**Mr. DUGGAN (East Toowoomba) (4.28 p.m.):** I wish to take this opportunity of congratulating the Treasurer on the very comprehensive Budget that he has presented. It has additional merit, because it is expected that this year will mark the third occasion on which the State's finances have been balanced.

The Budget reflects a very prudent control over expenditure, and shows that at the same time the Treasurer has seen to it that a reasonable governmental policy has been put into operation.

I want to deal with some of the Press criticism directed against the Budget. I might summarise it as follows:—

(a) That the State must economise in favour of our war effort.

(b) That the State must reduce non-essential expenditure.

(c) That it must bring about a reduction of Government borrowing.

(d) That the State should reduce taxation and thus leave available to the Commonwealth a reserve field for extra taxation.

The reply to that is: First, we assert that the Budget has been framed with due regard to essential services and the State is being carried on as economically as possible; we contend that we are helping with the war effort by doing that.

The Opposition would probably support the view that certain Budget charges—uncontrollable charges such as interest and exchange on overseas debt, provision for sinking-fund payments, and similar charges—are sacrosanct and that they should not be interfered with in any way. Consequently, if we wish to pin down criticism as to what aspect of Government finance should be controlled, we are forced to the conclusion that it would be either one of two things—that is, the curtailment of our loan programme or a reduction in salaries and a curtailment of the social services of the State. If we are going to give effect to the

criticism levelled at the Budget, it will be necessary that we curtail our Government borrowing.

I am sufficiently candid to say that I do not think the Opposition would advocate a reduction in the salaries or wages of employees in Queensland, nor should I say that if they were in power they would refuse to take advantage of the loan allocations made available to them, but they do suggest that there should be a substantial curtailment of Government borrowing. They refuse to realise or admit the validity of the argument that in the first instance the Loan Council has unanimously approved of the loan allocation to Queensland. The Loan Council went further than that. It said to the Premier: "We realise that you need this amount of money for development purposes, and because of the special disabilities that your State is subject to at the present time, we are willing to increase your allocation by some thousands of pounds."

**Mr. Macdonald:** What is the disability?

**Mr. DUGGAN:** Because of our failure to share in defence contracts to the same extent as Victoria and New South Wales.

**Mr. Macdonald:** What is underlying that? The non-establishment of secondary industries here?

**Mr. DUGGAN:** The only reason given by members of the Loan Council was that certain States were not enjoying the same per-capita participation in defence contracts as the more favourably situated States of Victoria and New South Wales, and consequently a special amount was made available to those States.

Not only did the Loan Council approve of the loan allocation to Queensland, but the Federal Government and the States agreed some time ago that during the period of the war some co-ordinating authority was necessary to see that the money was spent by government and semi-government bodies as advantageously as possible. Consequently a Co-ordinator of Works was appointed. It is his duty to scrutinise not only the total amount made available to the States, but the various projects submitted to him. There is thus a double check on all State expenditure.

No unnecessary amount of loan has been made available for the development of this State, or any other State, for that matter.

**The Premier:** Every one of our public works is subject to the approval of the Co-ordinator-General, Federal as well as State.

**Mr. DUGGAN:** It has been argued by the Press particularly that what the States raise in taxes does not train a soldier nor provide munitions. It is not the function of a State Government to train soldiers nor of its own volition to provide munitions free of payment by the Commonwealth authorities. On more than one occasion the Queensland Government have intimated their willingness to carry out any plan or scheme acceptable to the Commonwealth Government. They were

willing to provide funds for the retooling of certain of our shops in Queensland. Unfortunately, the Commonwealth Government were very niggardly in the treatment they meted out to Queensland in making adequate financial provision for annexes to the Queensland railway workshops.

**Mr. Edwards** interjected.

**Mr. DUGGAN:** I merely state what is a fact. It is not the function of a State to train soldiers.

**Mr. Edwards:** Who said it was?

**Mr. DUGGAN:** To follow the argument to its logical conclusion, the only areas available to the Commonwealth Government for the recruitment of soldiers and the making of munitions would be the Northern Territory and the Federal Capital Territory. After all, men and the other materials and necessary articles of war are drawn from all States, and Queensland has contributed on a per-capita basis much more generously than the other States. In the sale of war savings certificates, a purely voluntary thing, Queensland leads the other States. Queensland also leads the other States in recruitment for the armed services on a per-capita basis. I am not contending that the Government are responsible for these things, but merely stating that it is rather specious reasoning to say that because Queensland is not training soldiers and not providing munitions we should reduce taxation to enable a Commonwealth authority to increase taxation. As a matter of fact, it is the function of the State to prevent any internal dislocation of our economy, and we believe that by continuing to plan wisely and well we are providing the Commonwealth authorities with a greater opportunity of extracting the necessary revenue to enable the war programme to be proceeded with as expeditiously as possible.

As a matter of fact, the British Government are so concerned about the question of keeping industry going that they not only permit but encourage manufacturers to export goods to Australia and other places for the purpose of building up credits in order that the war machine may work more effectively. That is precisely the role that we should play in Queensland—that is, that the maximum amount of wealth should be won from the soil, the maximum amount of wages should be paid, and industry should be permitted to operate in such a manner that money will circulate with the maximum velocity, so that the Commonwealth authority may be able to tax the people to a greater extent than is permissible at present.

**Mr. Edwards:** You do not believe in reduction of taxation?

**Mr. DUGGAN:** Not at the present time.

The fourth criticism levelled at the Budget by the Press is that no remissions of taxation are being made and the Commonwealth is thus prevented from entering a reserve field of extra taxation. I claim that to give effect to this proposal would only bring about unnecessary chaos and confusion, and would

be merely a transferring of liability from the State to the Commonwealth, and the State would carry the odium of having to curtail essential services or being obliged to inflict wage and salary cuts in order that the Commonwealth Government might be saved the unpleasant task of imposing additional taxation upon the people of the Commonwealth. I do not think it is reasonable that the State Governments should be expected to carry the odium of merely vacating a field of taxation in order that the Commonwealth might reap the benefit of that field as a reserve. It is very specious reasoning to suggest that that should be done.

The principal speaker on the Opposition side of the Chamber was, of course, the Leader of the Opposition. He started his criticism of the Budget by stating that the Treasurer would be obliged to exercise all his guile and skill in debate in order to defend the Budget. To tell the truth needs no art at all, and that is why both I and the Treasurer believe in it. Consequently, a truthful statement of the financial position of Queensland, as set out so arrestingly in the Budget, is the best answer to that. The Treasurer is willing to let his case rest on the truth of Queensland's financial position. As a matter of fact, I should say that the Leader of the Opposition himself attempted to be an exponent of the dramatic art, because I recollect the manner in which he thumped that rostrum in front of him in an attempt to prove his case. He hurled all kinds of accusations at the Government. He reminded me very much of a quotation from Sheridan, who said—

“Sure, if I reprehend anything in this world, it is the use of my oracular tongue, and a nice derangement of epitaphs.”

That is all that the Leader of the Opposition's speech consisted of.

The hon. gentleman's first attack was on the fact that 11 royal commissions had been established in Queensland, and all of them had been abortive. I want to say that the recommendations of the majority of those royal commissions have been given effect to. One of the most important investigations undertaken in this State was that conducted by the royal commission that inquired into the need for electricity extensions in Queensland. The recommendations of that commission were given effect to. When translated into legislation, those recommendations proved to be very beneficial to the State.

We also established a royal commission to inquire into racing and gaming. That commission's recommendations were given effect to.

We established a commission to investigate the transport problems of this State. Such a highly controversial and complex problem was given a great deal of attention by a very competent commission, and their recommendations were also approved by the Government.

The majority report of the royal commission appointed to inquire into the sugar

industry was given effect to. As a matter of fact, the only recommendations of a major commission the Government did not see fit to implement were those of the Wool Advisory Commission, presided over by Mr. Payne. I want to say here and now that despite the fact that Mr. Payne is an outstanding and a very capable officer, anyone who reads that report impartially will agree with me that it was a biased document in favour of the pastoralist. Most of the advantages he thought should be given to the pastoralists of Queensland were to be at the expense of the wage-earner or the Government of the State. It is easy to say that certain burdens should be transferred from financial organisations to the shoulders of the Government. In his report, Mr. Payne mentioned the Workers' Accommodation Act and said that it should be altered because the rigid enforcement of that Act was imposing an unnecessary burden upon the pastoralists of Queensland.

In any case, the Government are not bound to accept the recommendations of any royal commission, because, after all, a royal commission is only an advisory body of men possessing certain technical qualifications, and its report is merely a recommendation to the Government. The Government are responsible for policy. Nevertheless, I again say that the only major commission appointed in Queensland whose report was not accepted was that of the Wool Advisory Commission. The Government, in my opinion, were justified in not giving effect to the major recommendations of that report.

**The Premier:** The Federal Government did not accept the report in connection with the Northern Territory.

**Mr. DUGGAN:** I am glad to hear the Premier say that; I was not aware of the fact.

If the Leader of the Opposition is so critical of the Government's failure to implement the recommendations of a certain royal commission, why does he not turn the searchlight of inquiry upon the Federal Government? That Government have appointed at very great cost various royal commissions to inquire into important problems confronting Australia, one of the most important of which was the Royal Commission on Banking and Monetary Systems. It can be truly admitted that the personnel of that commission was, with one exception, biased in an anti-Labour outlook. That commission said that certain alterations should be introduced into Australia and most of the major recommendations were made with one or two dissentients. The Federal Government refused to implement the decision of that commission. A commission was appointed to inquire into the petrol industry of Australia—this, too, at very great cost. After sitting for a long period—and I am told that it did not present a report—the report did not see the light of day. Various select committees of inquiry were set up by the Federal Government, but their reports were not given effect to.

I say that the Leader of the Opposition is insincere if he suggests we have not paid proper and adequate attention to the recommendations furnished by the various commissions established by this Government. Summarising the position, I can say that the most helpful of the royal commissions were the Transport Commission, the Electricity Commission, the Sugar Commission, and the Racing and Gaming Commission, and in all those instances legislation was introduced giving effect to the recommendations made.

The next question to which the Leader of the Opposition directed his attention was the lack of provision for remission in part of the income (State development) tax. He said that we were enjoying a record prosperity, yet we had the highest taxation. That, in my opinion, shows the success of the present policy and we might follow his argument to its logical conclusion. He stated that during each year the Government were in office we have had a record volume of funds at our disposal, unemployment had each year diminished, and he urged that the time was now opportune for a reduction in taxation. Using his own arguments in regard to increased prosperity, which he said was brought about by increased revenue and high taxation, and following them to their logical conclusion, the higher the taxation the higher the revenue and the more completely was unemployment abolished.

Of course, I know that the hon. gentleman would probably not admit that that was the inference to be drawn from his argument, and I am not saying that that is the proper policy to be pursued. I know that there are limits to the burden of taxation that any Government may impose upon the people, but the success of the Government's policy is demonstrated by the results and the accumulated evidence that we have in the Budget. All the evidence proves that Queensland is in a very favourable financial position, and even the taxpayers' journal admits that during the past two years the finances of Queensland have been administered better than those of any other State of the Commonwealth.

The best test, or, at least, one of the best, to be applied in determining the success or failure of a financial policy, is to consider the increase per capita in the public debt. Hon. members opposite have concentrated their attack upon the regime of the present Government from the time that they took office in 1932, and I have obtained these figures from the Statistician's office showing the increase per capita in the public debt in the various States of the Commonwealth—

| —                   | 30 June,<br>1932. |    |    | 30 June,<br>1940. |    |    | Increase. |    |    |
|---------------------|-------------------|----|----|-------------------|----|----|-----------|----|----|
|                     | £                 | s. | d. | £                 | s. | d. | £         | s. | d. |
| Western Australia   | 183               | 3  | 0  | 206               | 4  | 0  | 23        | 1  | 0  |
| South Australia . . | 174               | 7  | 1  | 183               | 0  | 10 | 8         | 13 | 9  |
| New South Wales     | 118               | 10 | 4  | 130               | 18 | 0  | 12        | 7  | 8  |
| Queensland . . . .  | 119               | 6  | 3  | 125               | 11 | 4  | 6         | 5  | 1  |
| Tasmania . . . . .  | 103               | 13 | 8  | 113               | 14 | 6  | 10        | 0  | 10 |
| Victoria . . . . .  | 92                | 14 | 11 | 95                | 3  | 8  | 2         | 8  | 9  |

The increase in Queensland is the lowest of all the States, with the exception of Victoria. The Statistician's office had the figures relating to the public debt in respect of all the States up to 30 June last, but it had information showing the population of all the States only up to 31 March last, and so there would have to be a slight alteration in the figures when the final population figures were to hand. However, the figures are substantially correct, and they indicate, as I have said, that the increase in the public debt in Queensland was lower than in any other State, with the exception of Victoria. That proves very conclusively that Loan Funds have not been extravagantly spent in this State, nor have they been expended on unproductive projects.

**Mr. Clayton:** What about State enterprises? Tell us something about them.

**Mr. DUGGAN:** I am willing to go back as far as the hon. member desires to debate Labour's financial policy with him. In any case, I am able to justify the action of the early Labour Governments in starting certain trading ventures. I believe that the Government of the day were very wise in what they did, because there was then a rising spiral of prices, and the check they administered, if offset against the losses on the trading ventures, gave the consumers a beneficial service, so that the benefit very easily cancelled out the losses. In any case, a Government who refuse to experiment, in my opinion, cease to be an efficient Government. Look at the experiments that were made in an endeavour to obtain some biological means of controlling or exterminating the prickly-pear pest in this State. Eventually, we were able to introduce the cactoblastis cactorum, which was responsible for the eradication of prickly-pear from 60,000,000 acres of Crown land. If we value that land conservatively, and put it at 5s. an acre, it more than offsets any losses that occurred in State enterprises. I repeat that it must be the constant and unremitting care of any Government to experiment and try to solve problems of this kind. It has been an age-long question. Governments throughout the ages have failed to carry out experiments, and been subsequently rejected by the people for their disinclination to do so. Considering all factors, the loss to the taxpayers was very small, and the benefits very great.

The principal criticism levelled at the Government is based on their taxation policy. We freely admit that taxation is high in Queensland. We say in justification of this high taxation that the benefits enjoyed by the average taxpayer are of a much higher standard in consequence than those of any other State in the Commonwealth.

**Mr. Maher:** If you tax higher, the standards go higher?

**Mr. DUGGAN:** I will deal with that question in a few minutes. I have an authority on that question. He is Mr. F. W. Eggleston, Chairman of the Commonwealth Grants Commission. He recently wrote a book on the economic difficulties of the Australian people. It was published late last year, and the hon.

gentleman's time will be well rewarded if he reads it.

Taxation, after all, is only a means by which members of a community are entitled to purchase benefits collectively, which none of them could obtain individually. It is desirable that each individual member of the community who is in a position to do so should be required to pay his appropriate share towards the purchase of such benefits as are enjoyed in common. There are two types of taxpayers. First of all, there is a taxpayer who pays for personal service. There is the man, for example, who pays £1 for a wireless licence, and in return has the right to listen in to certain programmes broadcast over the air. Another man may pay for a motor-vehicle registration. For that he is entitled to travel over the roads and enjoy the comforts of good roads, which the expenditure of money permits to be built. There are various forms of services the taxpayer receives, for which he enjoys direct benefits. Apart from these direct contributions, he pays further taxation to secure communal benefits. I do not think any reasonable person will argue that under our system of society such communal benefits as social services, education, health, and public works should not be provided by the taxpayers on the principle of ability to pay. After all, we do say in Queensland that one of the reasons why such a high average measure of prosperity prevails is that public expenditure has been directed to bringing about greater equality of incomes. That is the aim of all successful Governments—to bring about a reasonable and equitable distribution of communal benefits.

The Leader of the Opposition was particularly trenchant in his criticism of the State development tax. He stated that the Government enjoyed a record revenue, and that more money was being received from the State development tax than was being expended from the money it brought in. Taxation, in my opinion, should be paid into one central fund—consolidated revenue—and disbursements should be made from that fund according to the social needs of the community, and according to the policy of the Government of the day. What does it matter what fund a tax is paid into? I believe it is wrong to place revenue arbitrarily in a particular fund and say, "You must spend a certain amount from that fund." After all, the Government accept full responsibility for their major decisions, and it is for the people to judge them on their achievements during their term of office. What does it matter if more was spent from a certain fund, say, last year, than was paid into it?

I am pleased to know that such a responsible organisation as the Bank of New South Wales has advocated that all Government revenue should be paid into one fund.

**The Premier:** It is only a matter of accounting, anyhow.

**Mr. DUGGAN:** Yes. The Bank of New South Wales has done very valuable work indeed in bringing before the public the

results of certain inquiries into Australian problems. In a very helpful pamphlet entitled "The Significance of Taxation," it deals with this very problem of taxation for special purposes. One of the conclusions it came to is as follows:—

"It is impossible to obtain a well-balanced distribution of expenditure by the use of any such 'rule of thumb' methods. All tax receipts should be paid into general revenue for a common purpose, and all payments should be made from general revenue on the grounds of social benefit. Otherwise, waste and inequity are bound to result and justifiable grounds for criticism will be created."

**Mr. Maher:** Would it not be better to have one common tax so that the State development tax would be subject to the same concessions as the income tax?

**Mr. DUGGAN:** Personally I do not think that it is desirable to have one single tax because indirect taxation is the preserve of the Federal Government. If indirect taxation was eliminated and the taxpayer received one assessment, it would be so great it would cause such resentment that any Government responsible for it would not enjoy the confidence of the people for any length of time.

There is much to be said for taking into consolidated revenue all the contributions of the taxpayer and making distributions according to social needs, according to the ideas of the Government of the day, who accept full responsibility for that disbursement. If it is thought that the expenditure is wasteful and extravagant, the people have control over extravagant administrators. The figures that I quoted show conclusively that there has not been extravagant expenditure of public funds in Queensland.

At 4.57 p.m.,

The CHAIRMAN resumed the chair.

**Mr. DUGGAN:** I believe we cannot emphasise too often the industrial advantage that geographical situation and federation have given to Victoria and New South Wales. It is indeed difficult to maintain a high standard of living in a primary-producing country and I believe that all credit is due to the legislative movement in Queensland that has made it possible since 1914, when Queensland had the lowest standard of living, to lift that standard and maintain practically unbroken the best social and economic conditions of any State in the Commonwealth, particularly as we are predominantly a primary-producing State.

**Mr. Clayton:** Why should we remain a primary-producing State?

**Mr. DUGGAN:** I will deal with that later. Federation certainly conferred upon Victoria and New South Wales a very great advantage.

Because of their greater population they built up very valuable markets for primary industries and they had the benefit of a high home market for goods. We know Victoria sends 25 representatives to the Federal House of Parliament and we realise what tremendously powerful interests that results in. Unfortunately, we have seen in Australia during recent years a development and intensification of this unbalanced economy. I believe, apart from any other consideration of taxation, that eventually the central Government will have to decentralise the secondary industries in Australia. Not only so, but a better balance is desired for the purpose of keeping people on the land and permitting all the States to enjoy an average standard of prosperity. It would also be valuable from the defence point of view.

**Mr. Clayton:** You believe in unification?

**Mr. DUGGAN:** Up to a point. I believe in unification if the benefits conferred on the wage-earners are of the same standard as those the wage-earners have in Queensland. Nevertheless, I do not think it would be desirable to permit the benefits enjoyed by the wage-earners in Queensland under a Labour Government to be jettisoned to give effect to the hon. member's wishes, and that would probably be the result if he had his way.

No-one can deny that defence expenditure in Victoria and New South Wales is out of all proportion to that in Queensland, and that some corrective measures should be taken. As a matter of fact, responsible political commentators ascribed the defeat of the Government candidates in New South Wales particularly to the fact that responsible newspapers, especially the "Sydney Morning Herald" emphasised the unfair treatment that New South Wales was receiving in the allocation of defence contracts. These commentators and apologists have stated that, because the Prime Minister had surrounded himself by financial groups from Melbourne, these groups, although composed of men who were allegedly giving honorary service to the Commonwealth Government and were allegedly selected because of their superior qualifications, were using their influence to see that industry and finance in Victoria shared to a greater extent than in New South Wales.

**Mr. Maher:** Do you not think that should be governed partially by the situation of the existing industrial plants?

**Mr. DUGGAN:** It is, partially. In the case of South Australia, where the Federal Government are spending large sums of money on a special munitions factory, a matter of £1,500,000, one cannot say that South Australia had special equipment available in that State for the development of secondary industries. I have no desire to be charged with being unfair, but it might be another one of those sordid bargaining tricks. Mr. Cameron, the leader of the Country Party, might have said that he would not continue to support it unless some expenditure of that kind was made.

Some two years ago the South Australian Chamber of Manufacturers circularised various public bodies in Australia. Pamphlets were sent out stating the problems confronting that State, and the information showed very conclusively that South Australia was declining rapidly into, shall I say, a fourth-power State. Because of the tremendous increase in the motor-body-building industry of South Australia, it was pointed out that, if depression occurred and a curtailment of purchasing power took place, it would have a disastrous and calamitous effect upon South Australian economy, and it was shown very conclusively that they had lost greatly in the expansion of factories. Although statistics might disprove that contention, I say that the improvement has been won because of the tremendous increase in the motor-body-building industry in that State.

**Mr. Nimmo:** You have an illustration in your own city of Toowoomba. You have a big contract because you have the works there.

**Mr. DUGGAN:** That is true. I am particularly happy to know that Toowoomba has won that, but this must not be forgotten: for some years the directorate of the Toowoomba foundry has been threatening to go to some other State and establish its industry there. In attempting to disprove the charges that it had a profitable enterprise in that city, it pointed to the fact that each year a very small net profit has been won from the enterprise, but it has not said that, instead of making that distribution available to its shareholders, who are only a few persons, it has purchased new plant each year with that profit. As a matter of fact, directors travelled the world two years ago, and now the Toowoomba foundry has the most up-to-date plant and equipment in Australia. It was only because of their refusal to make these profits available to their shareholders that they were able to do that.

**Mr. Maher:** A very good policy.

**Mr. DUGGAN:** It was a very wise thing—I am happy to say that—but, in some instances, the directors would prefer to make a profit distribution to their shareholders and not put the money back into the business. However, the Toowoomba foundry has been able to take advantage of the defence contract.

**Mr. Maher:** That is long-range planning.

**Mr. DUGGAN:** Probably that long-range view proved to be successful. As a business venture I congratulate that company, but, conversely, I might say, there are other industrial organisations that would not take that long-sighted view. One particular enterprise in Queensland was given great encouragement by the Government, and informed that work would be given to it if it was willing to modernise its equipment. It refused to do so, and eventually was compelled to close its doors. It could not compete successfully with other contractors, but it blamed the Government for the treatment meted out to it.

I mentioned previously that the maintenance of a high standard of living in Queensland was dependent upon our being able to

increase our productivity in this State without any undue increase in costs. That depends upon the making available of ample funds for a developmental policy, and I believe that every encouragement should be given to the expenditure of funds upon what I might term self-liquidating investments. I think Queensland has applied its public funds to the self-liquidating investments to a greater extent than any other State. In proof of that contention we find in the Budget information that discloses that 56 per cent. of our total borrowings was from our own internal resources. We find that we have built up a revolving fund that grows greater and greater each year. During the depression period, of course, it was not possible to invest public funds in self-liquidating investments. We had a loan-subsidy programme under which a 50 per cent. subsidy was given to local authorities who undertook certain works. Those were at least 50 per cent. self-liquidating investments, inasmuch as the local authority accepted 50 per cent. of the responsibility—they repaid the loan, which was 50 per cent. of the cost. The remaining 50 per cent. subsidy expenditure by the Government has been partly self-liquidating, and as time goes on I think it will be shown conclusively that with the expenditure of public funds in Queensland each year this revolving fund will grow bigger and bigger and eventually, as the Premier said this morning, our public debt will be extinguished.

**Mr. Maher:** There is a good time coming by and by.

**Mr. DUGGAN:** I will give an illustration. The Leader of the Opposition has been stating that this Government have been spending too much on education.

**Mr. Maher:** I did not say that.

**Mr. DUGGAN:** The hon. gentleman said that too much had been spent on public buildings, school buildings.

**Mr. Maher:** I did not mention school buildings.

**Mr. DUGGAN:** The Leader of the Opposition said it was a waste of public money to build a bridge across the river to St. Lucia, that it was absolutely wrong that we should spend money on these other projects, that we should put men in productive industry. We must create a balance between primary, secondary, and tertiary industries. Primary industries can never be prosperous if tertiary industries are stagnant.

**Mr. Maher:** What do you call a tertiary industry?

**Mr. DUGGAN:** The distributing industry for one, the building industry for another. During the time of depression, when large numbers of men were unemployed, the Government found that it was the unskilled man who bore the heaviest burden, and consequently we had to embark upon schemes that would absorb the greatest amount of unskilled labour. That is why priority was given to water-supply schemes and sewerage schemes. Eventually we were able to include

tradesmen within the ambit of our activity and our public-works programme was expanded. No-one can say that those works have not been good investments. The erection of school buildings has improved lighting and provided better accommodation for our children and, in my opinion, this was necessary. Incidentally, one of the factors that contributed towards a low net return from our public expenditure (for a period) was the provision of greater accommodation in these buildings, necessitating higher cleaning charges.

**Mr. Maher:** Do you realise that we are at war?

**Mr. DUGGAN:** Of course we are at war, but I think it was the Prime Minister who said 12 months ago that we should continue with business as usual. I will not say that we should follow that advice literally. As a matter of fact, the Government have not embarked upon any unwise projects, and that is exactly where the Leader of the Opposition and those who support him are in error.

**The Premier:** Their real trouble is the success of our policy.

**Mr. DUGGAN:** That is one of the things they very much regret. They do not get down to tintacks and point out what economies should be made. The bulk of our loan allocation this year is undoubtedly developmental in character—the building of roads and the building up of cream and butter quality so that, especially in view of the restricted shipping space, we might be assured that a high-quality product is shipped overseas. Generally speaking, I say that this Government have done particularly good work in the allocation of their Loan Funds.

Recently, because of the shortage of cotton, we embarked upon an expanded cotton-growing scheme. During the past 12 months 1,000 additional cotton-growers have taken up residence on farms to grow cotton. That proves the soundness of the Government's policy. The advances made to those 1,000 people to produce cotton are a sound investment in that the producers will shortly be in a position to make repayments, consequently the net cost to the Government is very small indeed; it is merely the cost of administration.

That brings me to the next point raised by the Leader of the Opposition. He declaimed with some heat about the fact that there had been an increase in the number of employees in the Department of Labour and Industry. Unfortunately, the hon. gentleman has an unemployment complex; he thinks in terms of unemployment all the time. This department is capable and is using its resources and facilities for the purpose of expanding employment. We must not criticise the department on the ground that its staff has increased. It does not mean that more men are doing less—it means that more employment has been given in the projects undertaken by the Government. That is a very important point to take into consideration.

**Mr. Maher:** What employment works?

**Mr. DUGGAN:** For instance, the cotton-growing scheme. Labour agents in various parts of the State are responsible for the interviewing of applicants for cotton-picking work, and it is a job that requires a great amount of time.

**Mr. Maher:** It is only a new creation. I am referring to the past year.

**Mr. DUGGAN:** It has been necessary, too, that the Government control the selection of labour sent out on loan-subsidy jobs. That work is undertaken by officers of the department.

**Mr. Maher:** There is very little unemployment, according to official figures.

**Mr. DUGGAN:** I am happy that that is the position, and so, too, should be the Leader of the Opposition. But do not let it be understood for one moment that I am satisfied with the position; in fact, I think there has been too much complacency regarding it. I do not want the hon. member for West Moreton to misunderstand me. I have never been satisfied and I never shall be—nor will the Premier or any member of the Government—until we have completely solved the problem. Our capacity to undertake all the responsibilities of a Government depends on the funds at our disposal. Of the funds at our disposal, we have made a distribution, and the maximum amount of employment has been found.

**Mr. Nimmo:** Do you think that the unemployment figures are correct?

**Mr. DUGGAN:** What does the hon. member mean?

**Mr. Nimmo:** The low percentage. Do you think the figures are correct?

**Mr. DUGGAN:** I say that the low percentage of unemployment bears a correct relationship to the 22 per cent.—the figure given when the hon. member's Government were in power in 1932.

**Mr. Maher:** That is sidestepping the question.

**Mr. DUGGAN:** As a matter of fact, it is not possible to get accurate returns, because many people refuse to register at an exchange, and so no record is got—

**The Premier:** The Unemployment Insurance Fund is the infallible record.

**Mr. DUGGAN:** I was coming to that point. I was saying that it was not possible for any statistician to assess the actual number of unemployed in Australia. I think, generally speaking, that figures might be on the moderate side. I say definitely, however, that the figures given in respect of Queensland to-day bear a correct relationship to the number given when hon. members opposite were in office. The Queensland Government Statistician recently produced a very interesting report on unemployment in this State. I asked Mr. Clark for detailed information as to the means employed by him in determining the percentage of unemployed in Queensland. Right through the whole of his report he

emphasised that in order to give people a correct and adequate picture of the unemployment position, allowances had to be made for certain alterations in methods of statistical compilation in order to enable the people to appreciate fully the unemployment position in Queensland to-day as compared with depression years.

**Mr. Maher:** The present formula is designed to cover up unemployment.

**Mr. DUGGAN:** No. If the hon. gentleman would peruse the figures contained in the "Economic News" he would see them summarised. At the end of that bulletin, it is stated that anyone interested in the problem should communicate with the Queensland Government Statistician, by whom more complete information would be forwarded. It would well repay the hon. gentleman to send to the Government Statistician for the complete information. He would be satisfied that the method was correct and completely impartial. The best possible test to apply is to take the number of contributors to the Unemployment Insurance Fund. Those figures show clearly that there has been a very big increase in the volume of employment in Queensland since the Government have been in office.

One of the great problems facing the Government is that of the increased cost of the debt service, because of the depreciation of the Australian pound and the further depreciation of sterling to American dollars. I hope that the Premier's representations or suggestions to the High Commissioner in London, that arrangements should be made for the conversion of part of Queensland's debt overseas, will be fruitful. I believe, as most of us believe, that this is an era of reasonably cheap money and low interest rates. Australian Governments are paying far too much for financial accommodation. According to "Time" of 22 July last, the United States Treasury, to replenish its cash supply which had slipped below 71,000,000,000 dollars, publicly offered 600,000,000 dollars at 2½ per cent. over 14 to 16 years. The amount was over-subscribed 10 times within 24 hours, and I mention it to show that there are people in America who are willing to make very large investments in Government bonds at a very low return. Woolworths sold about £20,000,000 of debentures to the Prudential Insurance Company, at 2 per cent. for 15 years, another indication that an era of cheap money has been established in the United States of America. It is about time that the cheap money policy was introduced into Australia. This Government would benefit considerably by that.

**Mr. Deacon:** Do you mean that?

**Mr. DUGGAN:** Of course I mean it.

**Mr. Deacon:** Do you not know the result of it?

**Mr. DUGGAN:** The result of what?

**Mr. Deacon:** Cheap money.

**Mr. DUGGAN:** All I can say is that if hon. members opposite believe that the

British Government are the Government that we should follow in our financial matters, then I want to tell them that the British Government have a fiduciary issue of £600,000,000 at about 10s. 2d. per cent.

**The Premier:** The amount is £2,102,000,000.

**Mr. DUGGAN:** Earlier figures which I saw showed a fiduciary issue of £200,000,000, and an article in a recent issue of "The Economist" said that this had been increased to £600,000,000.

**The Premier:** The latest figure is £2,102,000,000.

**Mr. DUGGAN:** Since the war has become so acute, and there is a greater need for funds, the amount has been increased. The issue of "The Economist" three months ago gave the figure as £600,000,000, but the Premier's figure would more likely be up to date. As a matter of fact, the figure became so great, as the Premier knows, that it was not released to any of the financial journals.

**Mr. Nimmo:** England is engaged in a life and death struggle.

**Mr. DUGGAN:** I am not criticising the policy. I am only answering the sentiments expressed by the hon. member for Cunningham, who said it was wrong to advocate a cheap-money policy. The British Government are issuing this money for the purpose of making the greatest possible war effort. It is good policy, and if it is good for them it should be good for us. Indeed, we have Treasury bills in Australia. Probably some hon. members opposite would say that we should fund our Treasury bills. That would be a deflationary step, but, in my opinion, it is wrong needlessly to fund Treasury bills. We may take advantage of them in Australia at 1½ per cent. They are used in the same way as any other funds made available to Governments.

**Mr. Deacon:** They would fall in value in time.

**Mr. DUGGAN:** Of course, Treasury bills are not issued in denominations of £1, but if they were, then, for the enlightenment of the hon. member for Cunningham, I should like him to understand that a Treasury bill of £1 has as much value as a £1 note. For the hon. member to say that it is not so shows he does not know what he is talking about.

**Mr. Nimmo:** If money in America is as cheap as you have declared, do you not think that our 7 per cent. loan should be at a greater premium than it is?

**Mr. DUGGAN:** Unfortunately, the hon. member does not seem to realise that the subscription to the United States Treasury would be made in dollar securities. The Australian pound is very much depreciated in proportion to the American dollar. In any case, our exchange control prevents speculation in American investments.

**Mr. Nimmo:** Our loan can be bought on the Stock Exchange in America.

**Mr. DUGGAN:** As a matter of fact, we have funded some of our loan, and, as opportunity occurs, we shall fund more of it.

I could not do better than conclude this review of the progress that has been made in Queensland, and my comparison of Queensland with other States, with the conclusions arrived at by F. W. Eggleston, chairman of the Commonwealth Grants Commission, E. Ronald Walker, George Anderson, and J. F. Nimmo—not the hon. member for Oxley—in their joint publication, "Australian Standards of Living." That book was published last year. The summary of the conclusions of these authors was as follows:—

"The following conclusions are now arrived at as to the relative level of the consumption standards of the wage-earning population in each State over the four-year period:—

"1. That a level of consumption from 15 to 20 per cent. above the average for all States was enjoyed by the wage-earning populations in Queensland and Western Australia.

"2. That the consumption standard in Victoria was little different from the Australian average.

"3. That the standard of consumption in New South Wales was about 5 per cent. below the average for all States.

"4. That in South Australia and Tasmania the standard of consumption was about 10 per cent. below the Australian average, or more than 20 per cent. below the standard in Queensland and Western Australia.

"The main reasons for the relatively high consumption standard enjoyed by the lower-income groups in Queensland and Western Australia were relatively low unemployment and a greater pooling and redistribution of incomes through public finance than was the case in the other States. Further, the general level of prices in Queensland remained about 7 per cent. below the Australian average."

I say no more fitting conclusion to a defence of the Budget Speech could be made than to quote the summary of conclusions arrived at by the chairman of the Commonwealth Grants Commission.

**Mr. NICKLIN (Murrumba) (5.19 p.m.):** Hon. members sitting behind the Government have adduced all sorts of arguments in defence of the Budget. If the Budget is as wonderful as they would lead us to believe, why is it necessary to drag out all the political skeletons that have been paraded before us this afternoon? If the Budget is as good as they say, why is it necessary to fall back on the poor washerwoman's penny and the newsboy's penny? Surely, if the Budget is as good as it is claimed to be, it should be able to stand by itself.

To my way of thinking, the Budget has not been framed to meet the realities of the situation that faces us at the present time. After

reading it, one would imagine that everything was merry and bright, that we, as a nation, were not facing any war difficulties, that this State was enjoying splendid seasons, with no spectre of drought confronting our primary producers, that no U-boats were roving the seas, and that no difficulties were facing the transport of our primary products overseas; in short, that there were no major problems, post-war problems included, to be solved by the State.

I liken the Treasurer in framing the Budget to the captain of a ship sailing on a calm sea, looking round to see in what way he could give some relief to the taxpayers, when suddenly he sees a cloud on the horizon—the election that the Government will have to face next year. I can imagine the Treasurer saying, “I cannot give any relief in taxation or reduce loan expenditure at the present time because it would reduce the amount of money to be expended in the various electorates and if I do that hon. members who support my Government will be bereft of one of their best arguments at election time.” I remember that the gist of Government members’ speeches at election time consisted of references to how much loan money was being spent in their electorates. Hon. members on this side of the Committee are opposed by candidates who go round their electorates saying, “Look how little loan money is being spent in this electorate. You elect me and see what will be spent in the future.”

I can quite understand that the Treasurer would find it very difficult to cut any of his expenditure just now. If he reduced taxation the Government would not be able to insert that familiar phrase in the policy speech of the Government, “If we are returned there will be a progressive reduction of taxation.” That phrase has appeared in several policy speeches, and we have found that after a slight reduction in taxation we hear no more about it.

I think that on this occasion the Treasurer had a great opportunity to make a name for himself. He stands before us to-day as the Treasurer who has given us two successive surpluses; and he could have added to his fame if he could have said also, “I am the Treasurer who will give the taxpayers some relief.” If he could have done that he would have broken the unenviable record Queenslanders enjoy of being the highest-taxed people in the Commonwealth. The people in this State pay £8 11s. 9d. a head, beating the next highest State in the Commonwealth—a Labour State, too—Western Australia, by 15s. 4d. a head, and comparing very unfavourably with the lowest-taxed State of Victoria, where the people pay £2 3s. 6d. a head less than in Queensland. The taxpayers should have been given the reduction that they desire at the present time when conditions are so flourishing, according to the Budget. The people thought that at least there would be some reduction of taxation on this occasion, but instead we find the Government are retaining the emergency taxation that was imposed during a

period of depression, and, in addition, many extra taxes they have put on since they came into office in 1932.

Let us look at the taxation this Government have been responsible for and see how much they will take from the taxpayers of the State during the coming year. In 1932 there was an increase of the rate of income tax in this State which, compared with the previous year, will mean an estimated increase of over £1,000,000 this year. Super land tax has been reimposed, amounting to an additional £110,000 on the tax. Rail fares and freights have been raised on two occasions.

An extra £350,000 was charged in 1932-33 to those living in rural districts who used the railways. The increase in 1938 was fairer in its incidence, inasmuch as it fell on all sections of the community, but it took a further £400,000 annually from the users of the railways in Queensland. As compared with 1932-33, the additional sum of £91,677 has to be paid by the users of motor transport during the present year. The State development tax, of which I shall have something to say later, shows an increase for the current year of £1,165,552 over that of 1931-32. Motor registration fees are responsible for a further £120,000. The grand total that the taxpayers of Queensland will be asked to pay during the current year as compared with the previous period is £3,237,229.

**The Treasurer:** Increased collections.

**Mr. NICKLIN:** In addition, there are the increased fees under the various Acts. Of course, as has been said, there are increased collections, but that is largely a result of the increased impositions by the present Government.

**The Secretary for Health and Home Affairs:** No.

**Mr. NICKLIN:** Has not income tax been increased? Has not super-land tax been reimposed? Have not railway fares and freights been increased? Have not State transport fees been imposed? Surely to goodness, that is quite enough to show that there has been an increase in taxation in the State.

The improved budgetary conditions set out in the Budget itself would lead one to expect that at least there would be relief from the State development tax. I use the arguments made use of by the Treasurer himself in his Budget to support my claim that consideration should be given to relief from the the present rate of that tax; there can be no better argument than the quotation of a few extracts from the Budget. We find in it these statements—

The gross produced national income has risen from £97.9 millions in 1931-32 to £150 millions in 1939-40 and is estimated at £161 millions in 1940-41.

Wage and salary payments were £37.5 millions in 1931-32 and £64.3 millions in 1939-40.

Bank clearings established a new record.

Wool production last year was 650,000 bales—a record. Overseas shipments of sugar were worth £2 millions more than in 1938-39.

Then, in page 13, the Budget states, in effect—

Queensland has been allowed by the Loan Council an additional £686,000 to offset disproportionate defence expenditure.

Surely, the Treasurer's own words are sufficient argument to show that a reduction can and should be made. There should be a reduction of the State development tax at least. This tax is not only misnamed, but it has also been misused. It is misnamed because it has not been expended in the way its name suggests. A part has been expended in avenues that may be termed development, but a large part, as I will show, has been transferred to bolster up consolidated revenue. We find that this year £407,150 has been expended from the State development tax money on buildings, £110,750 is taken for loans and subsidies to hospital boards, and only £63,000 went to the Bureau of Rural Development. On occasions like this I think we can well do without luxury expenditure; that is expenditure on buildings we could well do without.

**The Treasurer:** And schools and hospitals?

**Mr. NICKLIN:** At the present time we could do without some of the expenditure on hospitals.

**The Secretary for Health and Home Affairs:** Some of your political friends were along this morning wanting more.

**Mr. NICKLIN:** I am expressing my own opinion in this respect. I believe that the expenditure on big expensive hospital buildings has become so great in recent years that if there is not some check upon it in the very near future, the people on the land—landholders and ratepayers who are responsible for meeting the greater part of that expenditure—will not be able to bear the burden. It is very pleasing to see huge blocks of buildings, but can we afford them? Are they absolutely essential at the present time? Are we not, as a result of expending so much money on these hospital buildings, encouraging people to make use of them, and creating a hospital consciousness among the people that is adding very greatly to our health expenditure?

**The Secretary for Health and Home Affairs:** Even the poor people desire to be well. It is a shame, I know, but they desire it.

**Mr. NICKLIN:** I am not suggesting that anybody who needs and desires the attention of our health services should be denied it. At the present time, we are at a stage when it is doubtful whether we can afford the large sums of money that we have been expending on expensive hospital buildings. We could perhaps get along very well with less expensive buildings, and still give the same service.

What would be the position if those engaged in rural industries were not able to pay for the expensive hospital buildings about which hon. members opposite have so much to say? The Government are not endeavouring to help the people on the land to pay for them in any way. They are denying the man on the land the right to expand production. They are refusing him the right to get the money that he needs to develop his industry, in that they are making available only £63,000 through the Bureau of Rural Development. Therefore I say that this State development tax is misnamed. It is being misused, too, in that it is not being used for the relief of unemployment or upon those development purposes that its name suggests.

Let us look at the record of this special tax over the years. The following sums have been transferred to consolidated revenue:—

|               | £       |
|---------------|---------|
| 1935-36 .. .. | 108,000 |
| 1936-37 .. .. | 407,002 |
| 1937-38 .. .. | 328,692 |
| 1938-39 .. .. | 541,847 |
| 1939-40 .. .. | 224,350 |

or a grand total of £1,609,891.

Money collected for the relief of unemployment and for development purposes within the State has been transferred to consolidated revenue for the purpose of bolstering up the budgetary position of the State. During the present financial year, the Treasurer expects to collect £2,275,000, and spend £1,950,000, leaving a balance of £325,000 unaccounted for. No doubt, that sum will find its way, as did the other amounts I quoted, into consolidated revenue for the purpose of bolstering up the revenue funds, instead of being spent on development or the relief of unemployment, the purpose for which it was primarily collected.

The expenditure from the collections of the State development tax for the last 12 months is rather peculiar, and calls for some explanation by the Treasurer. The total receipts were £2,255,197, and the expenditure was £2,026,000, leaving a balance of £229,197. The expenditure in the first three-quarters of last year amounted to £1,125,858, or an average for each quarter of £375,286. In the final quarter of the year approximately £900,142 was expended.

**The Treasurer:** What year are you speaking of?

**Mr. NICKLIN:** The year just closed. From those figures one could conclude either of two things—that there was a large increase in unemployment in the last quarter of the year and it was necessary for the Government to spend a greater sum than usual to meet the situation, or there have been transfers to other funds. It would be interesting to know exactly the reason for that large increase in the last quarter of the last financial year. I trust that the Treasurer will give us some information on the point. Perhaps he will tell us that there

was a large increase in the number of unemployed, and it was necessary to institute more employment works. The figures supplied for unemployment do not show any great increase, nor do they show how the money was used—whether, for instance, it was used to bolster up some other fund. I hope to get the information at a later stage.

At the present time, when it is essential for us as a State to join with the other States of the Commonwealth and the Commonwealth Government in doing everything possible to aid the nation's war effort, very great care should be exercised in developmental expenditure. Much of what we consider essential in peace-time might be deferred till a more favourable time presents itself. We should divert as much as possible of our developmental expenditure towards helping the nation's war effort.

**The Treasurer:** That is being done.

**Mr. NICKLIN:** To a certain extent.

**The Treasurer:** To the full extent.

**Mr. NICKLIN:** It is questionable whether it could not be carried further. I think everybody will agree that we should make some sacrifice, on account of the war, of the facilities we desire. Mr. A. S. H. Gifford, chairman of the Australian Taxpayers' Association, covered the situation very well in his recent presidential address to a conference of that association.

He said—

“The deferring of normal peace-time progress through public works is one of the sacrifices we as a nation are called upon to make. We must accept and be satisfied with existing civilian facilities and must insist that no project involving the expenditure of loan or tax moneys must be carried on unless it is vital to our war effort or necessary to protect an existing utility in which large sums are already invested productively. Co-operation between Federal and State Governments is essential to this end, and part of our duty as individual associations will be to scrutinise every project and criticise it fearlessly if, in our opinion, it should be deferred.”

**The Treasurer:** That was the most selfish policy that could be enunciated.

**Mr. NICKLIN:** That is a matter of opinion. There is nothing selfish about it; I think it is a sound policy, and one that it would pay the Treasurer to adopt in this State. In the first place, it prevents the diversion of funds from the needs of the nation in its war effort.

**The Treasurer:** No money is being so diverted. The expenditure is approved by the Commonwealth Government, and they are in charge of the defence of this State and the war effort.

**Mr. NICKLIN:** Admittedly so.

**The Treasurer:** Then why make the other statement?

**Mr. NICKLIN:** Much of the expenditure forecast in the Budget could be held over until international conditions improved, and when we could use it to withstand the inevitable shock that will come from a change over from wartime to peacetime economy. The proposal by Mr. Gifford contains ways and means of bringing about the change with the least possible disturbance to the economic conditions of the country. It sets out how reserves may be built up, and suggests that, at the present time, money should be spent only on works that will take care of the men as they are demobilised or on works that will help to rehabilitate them in civilian life, whereas, if we spend all our money now and keep nothing in reserve, we shall be faced with considerable difficulties in coping with the change from war to peace conditions. The Treasurer has admitted in his Budget that Queensland is almost at the peak of its financial development. Therefore, is this not time to make economies and to set aside reserves to cope with the problems of peace? That is the way we would conduct our own private affairs, otherwise we should finish up in the bankrupt court. In good years we endeavour to set something aside to meet the difficulties of lean years.

**The Secretary for Health and Home Affairs:** How could we set anything aside?

**Mr. NICKLIN:** The Government could relieve the taxpayers so that they could put something aside and thus be in a better position to meet any heavier taxation that may be imposed upon them later on.

**The Secretary for Health and Home Affairs:** If Queensland did that the money would be available for use in the other States, and it would not be here when we wanted it.

**Mr. NICKLIN:** The first guiding principle that should be laid down is that the money should be spent for war and defence needs. It is better to protect existing assets than to create new ones and leave them inadequately protected. The greater part of our present efforts should be directed to essential war and defence needs.

**The Secretary for Health and Home Affairs:** Are you suggesting we should take over the defence of Queensland?

**Mr. NICKLIN:** I suggest that the Government should help the Commonwealth Government. There is only one set of taxpayers in the Commonwealth. The Government, therefore, should ease their calls on the taxpayers, so that it might be easier for the Commonwealth to collect their requirements.

**The Treasurer:** Again a selfish policy!

**Mr. NICKLIN:** It is not.

**The Treasurer:** It is taking money out of one pocket and putting it into another.

**Mr. NICKLIN:** If the Treasurer takes everything out of the pocket there will be nothing left for any Government. If we have insufficient money to protect the privileges and assets we enjoy at present, it will be a poor lookout for Australia. Secondly,

our expenditure should be guided along channels calculated to increase the productivity of our industries. Thirdly, as I mentioned previously, we should defer any luxury expenditure until the problems of repatriation and taking up the slack after the war have to be faced. Let us look at these problems as I have enumerated them.

First, let us examine the diversion of the greater part of our expenditure to defence to assist the productivity of both primary and secondary industries. The Treasurer has said that the Budget has been designed along lines enabling the greater part of our expenditure to be directed to aiding our war effort. Granted that much of our expenditure is being guided along those lines, that much of our main-roads expenditure is being used for the construction of the inland strategic road—a very necessary expenditure indeed. I do not cavil at any of that expenditure, but what I do object to is the setting aside of such a large sum of money for expenditure on the construction of an additional central block of public buildings for Government offices and another cross-river facility. In what way, for example, will the construction of the bridge at St. Lucia over the Brisbane River help our national war effort? There is, however, one bridge that, if constructed, would be of great assistance to our war effort. That is a high-level bridge over the Burdekin River. This morning complaints were made that the Commonwealth Government was not doing anything in the defence of the Commonwealth. Would it not be better to divert the expenditure on the proposed St. Lucia bridge to the construction of the Burdekin high-level bridge? If that bridge is not proceeded with, and an enemy invaded North Queensland, during heavy floods that part of the State would be isolated.

**The Treasurer:** Commonwealth defence measures in Queensland do not go beyond Gympie.

**Mr. NICKLIN:** The Commonwealth Government are spending a large sum of money in the construction of a large modern air station at Townsville. I suppose that is merely being constructed for a bit of fun to give some of our pilots an opportunity of landing when they go to North Queensland. It is absurd that such a statement should be made by the Treasurer.

**The Secretary for Health and Home Affairs** interjected.

**Mr. NICKLIN:** That is absurd; the quotation by the hon. member for Hamilton this morning proves that.

**The Secretary for Health and Home Affairs:** You cannot kill an invader with a quotation.

**Mr. NICKLIN:** You can help to repel an invader from the shores of Queensland by establishing efficient air stations equipped with modern bomber squadrons at North Queensland, Darwin, and Port Moresby.

After all, defence is not a State matter; it is a problem on which we must have a

nation-wide outlook. Just because there is not a gun on every cape between Cape Moreton and Cape York, hon. members suggest that nothing is being done to defend Queensland adequately. The money that it is proposed to expend on the St. Lucia bridge could be better used in providing a high-level overhead bridge across the Burdekin River, which is essential in wet seasons for the defence of Australia. For example, take the conditions that prevailed earlier this year. For over five weeks not one train was able to cross the Burdekin. What would have happened if foreigners landed in North Queensland then? During a part of that period of five weeks it was not possible to get a train even through the Western route, because floods had stopped traffic on that, too.

**The Secretary for Public Lands:** Therefore, the circumstances would continue.

**Mr. NICKLIN:** It would not continue for five weeks on end. A high-level bridge across the Burdekin is not a necessity from a defence point of view only; it is a necessity from an economic point of view also. The loss from which the growers of fruit and other perishables suffered during the wet months last year when the Burdekin was under flood was very considerable indeed. Trainload after trainload of fruit was sacrificed in Rockhampton because it could not be sent across the Burdekin or by the Western route. Would not the building of a high-level bridge across the Burdekin be a better way to expend money than building a bridge over the river at St. Lucia, or building fancy offices for extra governmental staff in the city?

**Mr. McLean:** What about the unsuitability of the soil formation on the Burdekin?

**Mr. NICKLIN:** I am not concerned with the soil formation at the Burdekin. Engineers of the Railway Department are capable of looking after that. If engineers can build a railway bridge across the Ganges in India, where they were faced with great difficulties in regard to foundations, surely our engineers can handle the Burdekin River! It is essential from the defence and economic point of views that that facility should be provided. It is a form of expenditure that could be classed as wartime expenditure.

My next point is the provision of adequate finance for the development of our rural and secondary industries. It is rather unfortunate from the point of view of the State that only £63,000 was allocated from the State development tax money for the purpose of assisting the Bureau of Rural Development when there is so much to be done in the development of our primary industries. The only means by which we can hope to improve our production and stimulate our primary industries is to use to the full the most efficient methods available to us.

**The Treasurer:** If you look in the loan votes you will see a considerably higher sum for rural development. You do not want to

look at that. So long as you are misrepresenting, that is all you want to do. Your only desire is to misrepresent the position.

**Mr. NICKLIN:** I am looking at it from the point of view of development. At present there is a great need for improvement in our methods of production by the use of irrigation and taking advantage of improved methods of weiring streams to make irrigation possible. I am pleased to note from the Budget that provision is being made for the development of the cotton industry by irrigation. That is a very good move. It is a forward step. The expansion of developmental works of that nature would be of great benefit.

The provision of electrical power will also help our rural industries. Electricity is creeping out gradually from the city to the country districts, largely as a result of the formation of the State Electricity Commission, and its recommendations consequent on the Act passed several years ago. Electricity will help our primary industries by enabling them to produce more cheaply and efficiently, and consequently the State generally will be assisted. To obtain the greatest advantage from electric power it must be supplied in many areas to which at present it is not economic to deliver it because a paying load is not there. Moneys from the State development tax could be used to subsidise the construction of transmission lines into areas where the load would not pay for their erection at present.

**The Premier:** In other words, you think we should subsidise the company.

**Mr. NICKLIN:** No, not altogether. A subsidy for the erection of transmission lines into areas that are not at present fully developed would mean greater development in the future and thus the subsidies would be repaid.

The State would be adequately repaid by the increased production that would follow.

**The Premier:** It would not be a subsidy then. Really, you are advocating a loan.

**Mr. NICKLIN:** I think every hon. member will agree that electric power is of great help to production, particularly when used for such things as irrigation. We know that it is not possible to get loads that pay adequately at all points. Even if the Government gave a subsidy and the money was not repayable, the State would be adequately repaid in the long run by the increased production that would follow.

**The Premier:** You are asking that the company get all the profitable business, and the State take that which is not profitable?

**Mr. NICKLIN:** I am not asking for anything of the sort. At the present time the State subsidises many things in an endeavour to encourage primary production. The Government would get just as good a return from a subsidy for the extension of electric power as it would from subsidising local authorities for the building of roads to open up new country. To my way of thinking, if

the making available of a subsidy by the Government brought about more efficient production—by that I mean production at lower cost—that would enable us to compete more successfully on the world's markets, it would be money well spent.

There is no doubt that secondary industries in Queensland have been handicapped by the form of company taxation ruling here. Because of that taxation, very valuable industries have gone to other States where Governments have given them encouragement to establish themselves. This afternoon a complaint was made by one hon. member that South Australia was receiving a big allocation of Commonwealth defence works. It must go to the credit of South Australia that in recent months that State has encouraged secondary industries to be established there, by providing every possible facility for their establishment.

**The Secretary for Public Lands:** Is that why they have got £1,000,000 a year from the Commonwealth Government as a free grant?

**Mr. NICKLIN:** The Minister says they are getting a free grant. I do not know whether they are or not. Undoubtedly, South Australia has built up valuable secondary industries of recent years, mainly because the Government there have reduced the rates of taxation to a scale comparable with those in the adjoining States. In addition, South Australia has established facilities to attract secondary industries there.

**The Premier:** Why is it that your party can see good in every State other than Queensland?

**Mr. NICKLIN:** We do not see good in every State other than Queensland, but I do think that we are not perfect in Queensland, that we can learn a lesson from what has happened in other States.

**The Premier:** The whole tenor of your speech is against Queensland.

**Mr. NICKLIN:** It is evident that we are not getting the secondary industries here that we deserve. We have all the raw materials and facilities, in fact, we have everything that they need, but there is something wrong. Why do they not come here? The companies say that they do not come, because the rates of company taxation are not as favourable here as they are in other States. The Government do not seem to give them any encouragement to come here. After all, it would be of tremendous benefit to Queensland if we had such firms as Imperial Chemical Industries established here. Other industries that are now established in South Australia could be established here with advantage to the State and its people.

We must develop this State industrially. Primary industries have certainly developed very rapidly of recent years, but secondary industries have not developed to anything like the same extent. The result is that we are not getting a share of the munition orders the other States are getting. We are

receiving from the Loan Council money in lieu of that work provided by the Commonwealth Government. An excellent opportunity presents itself for this State to endeavour to establish secondary industries within its borders, particularly in view of the opportunities for contracts for munitions to be executed in furtherance of our war effort. Perhaps we are somewhat handicapped by the lack of skilled tradesmen at the moment, but no doubt opportunity could be taken to train men. These skilled men would be provided if it were possible to establish companies in Queensland to undertake war work offering at the present time.

The Government should endeavour to defer some of their operations at the moment with a view to conserving money to carry out the more essential works and build up reserves against the difficult times to follow the conclusion of the war. We realise, of course, that it would be difficult for the Government to curtail expenditure, after their record of extravagance in past years. When we look at the figures we find that since the Government came into power there has been ever-increasing expenditure each year. In their first year of office they drew upon consolidated revenue and the Unemployment Relief Fund combined to such an extent that they incurred an increased expenditure of £452,232 as compared with the previous year. That sum gradually grew until 1935-36, when they made their most spectacular increase of £1,364,962 over the previous year's expenditure. That has been the record of the Government since they came into office—each year there has been greater expenditure. For the last nine years there has been an increase of almost £5,000,000 in the expenditure of the present Administration.

Loan expenditure is higher now than when unemployment was at its peak. One would expect, when unemployment figures have fallen as much as they have, that there would be a tapering off in loan expenditure, but we find that loan expenditure still goes on increasing.

**The Secretary for Labour and Industry:** There is still room for development in Queensland.

**Mr. NICKLIN:** The Labour policy of borrowing for developmental works seems to be a past number; expenditure goes up year after year. In the two most difficult years of the Government's term of office—I am referring to the period from 1932 to 1934—loan expenditure totalled £5,354,502. From 1938 to 1940—a relatively prosperous period of four years—loan expenditure amounted to £7,237,022—a big increase in years regarded as relatively prosperous. There was an expenditure in those two years greater than in the depression years I have just mentioned.

**The Premier:** How much per annum? You compared four years with two years.

**Mr. NICKLIN:** I made a mistake. I should have said that in the depression years of 1932 to 1934 the loan expenditure was £5,354,502 as against the loan expenditure

in the prosperous years 1938 to 1940 of £7,237,022. That is not in conformity with the policy that during times of depression loan expenditure should be accelerated and that there should be a tapering off in periods of relative prosperity. The Government seem to have adopted the reverse of that policy, which is one reason why taxation is so high in Queensland.

The cost of the public debt, too, is proving a tremendous drain upon the taxpayers, because in 1939-40 the cost of servicing the public debt was—

|                                 | £         |
|---------------------------------|-----------|
| Interest . . . . .              | 5,251,000 |
| Sinking Fund payments . . . . . | 673,000   |
| Exchange . . . . .              | 880,000   |

That, too, is helping to maintain taxation at a higher level in this State, and, in addition, the return from loan expenditure is not as high as it was a few years ago.

**The Premier:** You gave the gross loan expenditure, not the net.

**Mr. NICKLIN:** Yes.

**The Premier:** The increase in the public debt is not governed by the gross loan expenditure, but by the net increase in the public debt.

**Mr. NICKLIN:** I did not say that it was an increase in the public debt. I said that it was an increase in loan expenditure.

**The Premier:** No.

**Mr. NICKLIN:** I did.

**The Premier:** You quoted figures to show the increase in the public debt.

**Mr. NICKLIN:** I said that that was the increase in the loan expenditure; I said nothing whatever about the public debt. Shortly afterwards I referred to the cost of servicing the public debt, but I did not make any comment about the public debt. As I have already said, the facts that the cost of the public debt has increased and loan expenditure has not given the same return as in previous years are the prime cause of the maintenance of taxation at a high level in Queensland.

Quite a big part of the Budget is devoted to our oversea debt position, and it is pointed out that Queensland has not had the beneficial treatment extended to other States in the way of the conversion of her indebtedness from high-interest-bearing bonds to lower-interest-bearing bonds. That factor has been stressed in the last two Budgets and everybody who is interested in Queensland should now be concerned that £26,000,000 at 4 to 5 per cent. is falling due for conversion overseas. We hope that the Government will be able to make satisfactory arrangements about it and that the new rate of interest will be more comparable with the prevailing rates for money.

It is interesting to note that in that part of the Budget devoted to our oversea indebtedness no mention is made of the American debt of this State, which has an

important bearing on our oversea indebtedness. For instance, there is about £4,500,000 bearing interest at 6 and 7 per cent. which was borrowed in the United States of America by a Labour Government in 1921. That loan is a big drag on Queensland at the present time, and in setting out our oversea debt position it is only fair to place the whole matter before the people of Australia by mentioning the American debt and the cost of exchange and interest associated with it. Last year the exchange on our American loans amounted to £93,000, quite a considerable sum.

I should like to congratulate the Government on one statement in the Budget, and that is their belated announcement that they are carrying out one of their planks in the last election platform—namely, the provision of milk for the children. I very much regret to see they have not carried out another plank of that platform—the provision of fruit for the people of Western Queensland at cheap railway freights.

**A Government Member:** They are doing it now.

**Mr. NICKLIN:** They are not doing it as they should.

**The Premier:** You said just now they were not doing it at all.

**Mr. NICKLIN:** The Government laid it down in their policy speech at the last election that they would provide cheap rail freights for the carriage of fruit and vegetables to the people in the Western districts. This is a scheme that can be easily introduced, and would not cost the Government one penny. It would increase railway revenue if the Government honestly wished to give people of the West an opportunity of buying fruit and vegetables at reasonable rates. That could be done by fixing a flat rate on fruit packages irrespective of distance. It is a scheme that has operated in New South Wales and on several occasions here to a minor extent. It would help to clear fruit in glut periods. The charge on a 1½-bushel case of fruit should be at a flat rate of 1s. 1d. and on a bushel case 9d. The sender would stamp the package. This would also help the people in the West to improve their health. At the present time it costs the grower 2s. 9d. to send a case of pineapples to Cunnamulla, whereas several years ago the rate was 1s. 1d. From my personal experience I can say that when the 1s. 1d. operated the people of Cunnamulla bought pineapples freely, but after the rate was increased to 2s. 9d. sales dropped by half. The 2s. 9d. rate is almost as much as a grower gets for a case of pineapples in the glut period. The flat rate I suggest would enable fruit-growers to dispose of surplus crops, in addition to benefiting the people outback.

In conclusion, although it is a good thing that the Treasurer is budgeting for a surplus, it is a great disappointment to most people that he and his Government have not realised the difficulties now facing us nationally, and have not drawn up a Budget with a view to giving greater aid to the nation's war effort.

**Mr. TAYLOR (Enoggera) (7.44 p.m.):** The Government, in bringing down a Budget such as the Treasurer has placed before the Committee, have accomplished something one would not expect, in view of the war economy being practised by the Federal Government. It is to the credit of the Government that they have been able to maintain, as far as the Budget discloses, the conditions that operated during the last financial year, which enabled employment to be provided for the working classes of this State.

I was very much surprised to-day to hear hon. members opposite criticise some of the schemes of the Government to provide work for the unemployed in this city. They should be constantly reminded that this city represents one-third of the total population of the State. Consequently, the Government should at all times recognise the fact that the workers in this city are entitled to get employment in the same ratio as those of other parts of the State.

It is only by providing public works of the nature stated in the Budget that the Government can maintain the employment that has been offering during the last 12 months or so. The fact that a bridge is to be constructed at St. Lucia is of great economic value to the State and a great aid to the transport system. Not only will it be of great value to the city proper, but it will also reduce the cost of transport to that area and improve St. Lucia as a residential suburb of Brisbane. Many factors should be taken into consideration in considering a project of this nature. One must remember the question of employment plus the economic value of the structure. After all, that is the basis of sound economy—getting value for your money and giving the people a social service that is of value to them.

During the debate on the Budget there has been a tendency on the part of hon. members opposite to suggest that the Government should curtail the internal economy of the State in order to assist the defence work of the nation. I do not think there is any need to do that at the moment, because there has been no evidence on the part of those in control of the Commonwealth war economy to get on with the job, to do what should be done in the interests of the people on the basis that the war should be fought without profit. That is something that might receive consideration from hon. members opposite—whether they believe with the Chamberlain crowd in England that the total value of war in a capitalist economy is profit. If that is so, we can quite understand the criticism hon. members opposite have levelled at the Budget during the past few days.

**Mr. Edwards:** I understand your idea in connection with the war.

**Mr. Russell:** Where do you stand?

**Mr. TAYLOR:** The fact remains that I stand for a total war economy and not the

half-baked profiteering war economy the hon. member stands for. Don't worry about that.

**An Opposition Member:** What do you call "half-baked"?

**Mr. TAYLOR:** Lending money at 4 or 5 per cent. and taking all the profit out of it and offering no return himself. That is what I mean.

Perhaps hon. members opposite believe in the economy advanced by R. W. B. Clarke in "The Economic Effort of War," in which he calculates that in order to find the resources for financing the war the consumption of the civil population must be cut by at least 40 per cent.

Yet at the same time we know perfectly well that in England in the earlier stages of the war the whole scheme of war economy was centred round profits for big business.

**Mr. Edwards:** That is not true.

**Mr. TAYLOR:** The "Manchester Guardian" of 25 January, this year, quoting the chairman of the "New" Reform Manufacturers and Producers' Federation, published the following paragraph:—

"Some big firms were even extending their works while the resources of the small firms were not being utilised. . . . The production of munitions was being delayed, while the small manufacturer who was being neglected was faced with starvation."

The hon. member can look that up for himself. There is no need for me to tell the hon. member that it is a publication whose policy I do not support; and hon. members opposite need not be afraid that it is a Communist journal either.

It is obvious that the Federal Government were pursuing the same policy in Australia. The hon. member who has just resumed his seat said that South Australia was enjoying an extension of industry that was of great value to that State.

Let us see how South Australia got an expansion of industry. A few days since, in the Brisbane "Courier-Mail," there was a statement that the Commonwealth Government had £14,000,000 to £16,000,000 in their war-economy Budget for assisting big business to extend their works, and one of the establishments to get a subsidy from the Government was the Broken Hill Proprietary's shipyards in South Australia. Moreover, the General Motors-Holden works in South Australia, and other establishments such as that, are receiving subsidies from the Federal Government in connection with the war effort. In addition, over £1,000,000 is being given to South Australia, practically as a grant. That is to appear in the Budget to be brought down in the Commonwealth Parliament this year. Those were facts the Opposition did not expose to the light of day. In other words, there is always a story behind the expansion of big business under a Government who represent

big business. The Government in Queensland represent the working class.

**Mr. Russell:** You think you do.

**Mr. TAYLOR:** They do.

**The CHAIRMAN:** Order!

**Mr. TAYLOR:** There is no doubt about that. The Budget provides for the extension of the works programme, and in doing that the Government are not getting any grants from the Federal Government to extend the shipyards nor the public works of the State. By their internal economy, the Government provide the necessary employment that makes the purchasing power of the people available to commerce and industry.

The hon. member for Murrumba said that, at the moment, Queensland was short of tradesmen. I remind him that one of the causes for this is that, when the Moore Government were in power, the apprentices did not get a chance. The Apprenticeship Committee was not operating as it should, and, consequently, we have a shortage of tradesmen at present. (Opposition dissent.) It is all very well for hon. members opposite to interject; when one studies their assertions one finds there is no evidence to support them. The Government have done their best in the nine years they have been in power to increase the tradesmen in the State by increasing the number of apprentices wherever possible. Had it not been for the efforts of the Labour Government the shortage of tradesmen to-day would be more acute.

The people of Queensland have nothing but praise for the hospital system of the Government.

**Mr. Macdonald:** What? Say that again.

**Mr. TAYLOR:** They have nothing but praise for the hospital system of the Government. The women of the Western areas of the State are now provided with maternity hospitals, where previously they would have had to travel thousands of miles to get the necessary medical attention. The consequence is that there is a general uplift in the health of the community. I would point out also that the hospital system of Queensland is recognised throughout the Commonwealth as being the best of any State. When in Melbourne, I had occasion to meet the Victorian Minister for Health at Parliament House. He had just returned from a visit to Tasmania. The Labour Government there had just completed the erection of a new hospital, something on the lines of the Brisbane Women's Hospital. I might say that a member of the Tasmanian Parliament visited Queensland and inquired into our hospital system before the Tasmanian hospital referred to was embarked upon. When I taxed the Victorian Minister for Health with having been over to Tasmania to represent the Victorian Government at the opening of a hospital financed by Victorian money, he asked, "Why do you make that statement?" I said, "Because the Victorian people find two-thirds of the total amount of cash that goes into Tattersall's sweep, and that hospital was financed from

Tattersall's sweep." I said, "Why do you not go in for a hospital system such as we have in Queensland, for then you would not be able to go to other States in Australia as Minister for Health of Victoria to help at the opening of hospitals by another Government?" Evidently, the Labour Party's programme for looking after the health of the people has been successful wherever a Labour Government have been in power.

There was a squeal from hon. members opposite about the Government's proposal to go on with a new block of public offices. They almost say that the Government ought to pay rent to private enterprise and not build any offices. Possibly hon. members opposite agree with the policy that the Government should become a tenant.

**Mr. Massey:** That is what they have just done in South Brisbane.

**Mr. TAYLOR:** They have got to do that because of the extension of Government services and public utilities. It is necessary to go on with that new block of buildings at Anzac square. I might add, too, that the erection of this block of buildings will provide a fair amount of work for the building trade of Brisbane and those industries that depend upon it. These works are essential to the community. No Government who do not carry out an efficient programme of works can hope to be successful in Australia.

The tendency during the last quarter of a century has been to seek more and more Government employment. More and more the people are leaning towards Socialism, as it were. So much did this hurt the hon. member for Stanley that he took a copy of one of my speeches to Marburg, and told the people of Marburg that I was a disloyalist and un-British. When I heard that I sent copies of a few more of my speeches into the Marburg district, and the result of the vote on election day was that the candidate whom the hon. member for Stanley went up to help got fewer votes than he ever got before. The taking of that speech to the Marburg district by the hon. member for Stanley did more than anything else to help the Labour Party in the recent election. He got the shock of his life when he saw the election results.

The fact that the Government can produce such a Budget as this must go to their credit.

Much has been said about war economy. I sometimes wonder whether the people who are in control of the war effort of the British Commonwealth of Nations are sincere. I say this because there is a tendency on the part of people handling the war information to give us less and less of the truth about the war position.

**Mr. Brand:** You are not referring to Churchill, now, are you?

**Mr. TAYLOR:** No, I am referring to the Minister for Information. I propose to read a very significant statement from the "Current History" about the position in the Mediterranean. It is because of such statements as this that I say I sometimes have

misgivings. This is an American journal of some standing on questions of international politics. It deals with the situation in the Mediterranean so far as Greece is concerned. There is no doubt that we are faced with a very serious problem in the Mediterranean.

I read this statement from "Current History" dated September, 1940—

"The game the dictators play—a sort of international checkers game—brought still another nation into the war arena when Greek ships suddenly became vulnerable to attack from unidentified assailants. On 15 August the ancient Greek warship 'Helle' was torpedoed by an unknown submarine while lying peacefully in the harbour of the tiny Greek island of Tinos. Greek opinion blamed the Italians, gave Greek friendship with Britain as cause for the attack.

"Two days later, two small Greek destroyers were bombed on the high seas by planes definitely known to be Italian. Greece ordered mobilisation, prepared for war.

"But suddenly, the Italian Press which had been tirading against Greece, because of her alleged persecution of Albanian minorities in Greece, switched its tone to commiseration. Simultaneously, the Italian-controlled Press of Albania began to make furious attacks upon Greece, calling for war.

"At this point, the Greeks took the step already taken in a similar situation by Rumania; they appealed directly to Hitler. What happened is not yet clear. But suddenly Italy made a great show of restraining Albania, expressed its regret to Greece. Greece, in her turn, added a final touch to the whole comedy by withdrawing her statement that the planes which bombed her destroyers had been identified as Italians.

"It was reported that Hitler had pressed the Italians to grant Greek shipping the freedom of the Mediterranean. The reports did not mention Hitler's price, nor Greece's counter-concession to Italy. But the presence in the Mediterranean of a large part of England's fleet suggests that Greek naval bases and jumping-off places will somehow figure in the agreement."

That information puts on entirely different interpretation on the position in the Mediterranean to what we are told in the local Press.

**Mr. Russell:** You believe these American commentators?

**Mr. TAYLOR:** The statement comes from people who are not actively interested in the war. It is up to the Government, and every person in Australia, to recognise that to win the war we have to have confidence in the national leaders—not Australian national leaders alone, but the national leaders of the British Commonwealth of Nations. Quite recently we were told that Hitler took over

British interests in Rumania. Our local Press was silent on the fact. We know perfectly well that the Bank of Rumania is directed by British interests and that the Rumanian oil wells are directed more or less by British interests.

Sir Henri Deterding holds approximately 90 per cent. of the shares in the oil wells of the Anglo-Rumanian Oil Company. If we as a Government are expected to help in the war economy of the nation—and I contend that we have to—we have to recognise the value of proper control—control that will not handle men as Hoare, Halifax, or Simon would, who instead of sacrificing their own interests would sacrifice the interests of the British working class.

**Mr. Russell:** Disgraceful! (Opposition interruption.)

**The CHAIRMAN:** Order!

**Mr. TAYLOR:** Our war economy has to be put upon a basis that will get us 100 per cent. of effort. We are also assisting in a 100-per-cent. effort to give the people of this country the standards of life and working-class conditions of employment they are entitled to. It is useless, as I said before, fighting for conditions for somebody else when you allow your own conditions to be filched away from you. Let hon. members opposite read the book I have entitled, "Who Owns Australia?" and they will understand why the Government are justified in carrying out the financial policy outlined in the Budget. Why, last year the Commercial Banking Company of Sydney made a profit of £389,038.

Honourable Members interjecting.

**The CHAIRMAN:** Order! I ask hon. members to cease their crossfiring. I must be able to hear the hon. member for Enoggera.

Honourable Members again interjecting.

**The CHAIRMAN:** Order! I ask hon. members to obey my call to order.

**Mr. TAYLOR:** Hon. members opposite know full well that in view of the huge profits made by financial institutions and big monopoly concerns in Australia the Government are justified in carrying out their policy. I have already said that the Commercial Banking Company of Sydney made a profit last year of £389,038.

**Mr. Massey:** What percentage is that on their capital?

**Mr. TAYLOR:** It is 8.2 per cent., and that includes bonus shares, too. G. J. Coles Limited made a profit in 1939 of £274,000, which was increased last year to £278,000. The Colonial Sugar Refining Company Limited made a profit in 1939 of £1,060,000 and its reserves stood at £1,513,000. Last year it made a profit of £1,103,000 and it added £1,100,000 to its reserves. Wilcox, Moffin, which showed a loss in 1938, was able to make a profit of £33,552 in 1940.

**Mr. Macdonald:** On what capital?

**Mr. TAYLOR:** That is not given. Broken Hill Proprietary Limited made a profit of £979,138. These are concerns that are making huge profits out of the war. The war effort of the nation is being exploited by these people, and in view of these huge profits that are being made out of the war the Government are justified in going ahead with their financial programme.

**Mr. Brand:** What did the Colonial Sugar Refining Company make out of the war?

**Mr. TAYLOR:** The Colonial Sugar Refining Company made a lot of money.

**Mr. Brand:** Out of the war?

**Mr. TAYLOR:** Australian Consolidated Industries Limited made a profit in 1939 of £324,000 and added £69,000 to its reserves; last year it made a profit of £368,000 and added £101,000 to its reserves. Surely, in view of these huge profits, the working class of Australia are entitled to better conditions, to shorter hours, and better wages. If those profits are doubled this year because double the amount is spent for war purposes, this country is going to be faced with outrageous profiteering because of the war. Yet hon. members opposite have the temerity to tell the Government that they should economise in connection with the employment of the people.

**Mr. Russell:** Who said that?

**Mr. TAYLOR:** Every hon. member opposite who has spoken on the Budget. In 1929 a merger was effected by Australian Chemical Industries Limited, which brought into being Consolidated Chemical Industries Limited with a nominal capital of £7,000,000.

**Mr. Brand:** What are you quoting from?

**Mr. TAYLOR:** I am quoting from a book, "Who Owns Australia?"

**Mr. Nimmo:** That is a communistic publication.

**Mr. TAYLOR:** It is not a communistic publication. These are the people who benefit from the expenditure of loans for war expenditure.

The banking ring also plays an important part in profiteering. It is able to handle Government loans and make a profit out of them, in addition to getting brokerage.

**Mr. Brand:** Who is the author of that book?

**Mr. TAYLOR:** J. N. Rawlings, B.A. It illustrates one family who are practically the richest family in Australia. That is the Bailleu family. There are eight of them altogether. They are interested in the Broken Hill Proprietary Company, the National Bank of Australasia, the Colonial Sugar Refining Company, Bay Steamers Limited, Carlton and United Breweries Limited, Electrolytic Zinc, English Scottish and Australian Bank, Dunlop-Perdriau Rubber Company, National Smelting Company, New Zealand Loan and Mercantile Agency, Standard Trust, Yarra Falls, Zinc Corporation, Atlas Assurance, Queenscliffe

Gas and Coke Company, Freehold Assets, Land Mortgage Bank of Victoria, Melbourne Electric Supply Company, Shamrock Brewing Company, Australia Knitting Mills, Castle-maine Brewing Company, Colonial Mutual Fire Insurance, Foster Brewing Company, North Broken Hill Limited, Western New South Wales Electric Power, Associated Pulp and Paper Mills Limited, Austral Silk and Cotton Mills Limited, and others. The total investments of that family in financial institutions and manufacturing concerns is something like £4,750,000. Their profits from the war economy of the nation are going to be enormous.

**Mr. Russell:** You know that the Commissioner of Prices fixes all that.

**Mr. TAYLOR:** I will deal with the Commissioner of Prices later. He may not control those industries. It is impossible for him to control any interests that family have, because he is not allowed to control anything they have a hand in. The Commissioner of Prices in this State cannot operate with respect to about 90 per cent of the essential commodities, as they have been taken over by Professor Copland, who is controlling prices from the Commonwealth Government's point of view.

**Mr. Plunkett.** That is not quite correct.

**Mr. TAYLOR:** It is quite correct. Let me point out another thing in connection with the fixation of prices. The Federal Commissioner of Prices fixes the price of beef, flour, sugar, butter, and all essential commodities, and also the Commissioner of Prices in this State cannot control the prices of those commodities. The fact remains that the price of butter would be the same to the local consumer, because of the difficulty in getting transport for supplies overseas. Generally speaking, beef has increased by 2d. per pound in the last six months.

**Mr. Macdonald:** Why?

**Mr. TAYLOR:** Because beef has been sent out of the country to fulfil army contracts of the British Government. In addition, there has been a ring.

**Mr. Macdonald:** Talk of something you know something about.

**Mr. TAYLOR:** A ring which has operated in Australia for several years controlled by Angliss and Company. Vestey's gave them £3,250,000 for their Australian interests. That sum represents profits made out of Australian beef. That represents a big expenditure by Vestey's, who do not put £3,250,000 into a concern unless they can see a huge turnover.

It is obvious that the Commonwealth Government are quite willing to allow the exploitation of the foodstuffs of the people, and they are not willing to allow the State Commissioner of Prices to do his job as he should be doing it.

**Mr. Russell:** The same as your strikers, they want more money.

**Mr. TAYLOR:** The strikers are as much entitled to strike in order to get a decent standard of living, as the employers are to lock them out if they want to lower their wages, and that has been done on more than one occasion.

In regard to post-war problems, this Commonwealth is going to be faced with a very serious issue.

**Mr. Nimmo:** There may be no post-war problem.

**Mr. TAYLOR:** There will be a post-war problem for the working class, if not for the capitalist class; there will be one, irrespective of who controls this Commonwealth. The post-war problem will be a very serious one.

Let us consider the question of winning the war. I believe in a total war economy in everything, in finance as well as everything else. The fact remains that I would not conscript one human being in this country unless I conscripted every ounce of wealth with him.

**Mr. Russell:** Conscript everything.

**Mr. TAYLOR:** Take over the hon. member's business, too; take the lot. Let us have the whole concern. In a total war economy you have a chance of doing something, but in the present capitalist economy you have no chance of doing anything. There is no question of my becoming a dictator or disturbing the golden egg, because the egg has been golden for a certain section of the community only. If you want to do something with the golden egg you have to see that everybody gets something out of it. (Opposition interruption.) If you care to take a leaf from Hitler's book, and believe in Fascism, you have to—

**An Opposition Member:** Join the Labour Party.

**Mr. TAYLOR:** No. You have to believe that you have to have Socialism in order to win the war. That is plain.

**Mr. Brand:** Do you say you can have Socialism without a national Government?

**Mr. TAYLOR:** The hon. member for Isis is still harping on that one-stringed fiddle—national Government. The reason that he and his friends want a national Government is to save the Menzies Government from the ignominy that will follow the exposure of their war operations during the last 12 months. In addition they want to provide a whipping boy, in the shape of the Labour leaders who may get into the Cabinet, if things go wrong. After all, things may go wrong; there is no telling.

**Mr. Nimmo:** Would it not be better to go in with Menzies than to risk our enemies' coming in.

**Mr. TAYLOR:** There is no need to go in with Menzies. The Labour Party have a policy for the defence of Australia and the prosecution of the war.

**Mr. Macdonald:** Which Labour Party?

**Mr. TAYLOR:** The Australian Labour Party, which is the largest party in the Federal Parliament. If the people of the Commonwealth of Australia desire to have in operation an economy that will win the war, they need only, through the Governor-General, send for the Labour Party and put them in as a Government. Such a Government would prosecute this war in the interests of the Australian people and democracy and not in the interests of profiteers in private enterprise.

**Mr. Massey:** For the breweries.

**Mr. TAYLOR:** There is no question of the Labour Party's prosecuting the war in the interests of the breweries or the clothing manufacturer. The latter will not make huge profits out of the soldiers' uniforms.

**The Secretary for Health and Home Affairs:** You have already shortened the tail of the shirt.

**The CHAIRMAN:** Order!

**Mr. TAYLOR:** Post-war problems will have to be faced, and one will be the providing of employment for the soldiers who return, to find their jobs being filled by the specialists who to-day are being trained by the Commonwealth Government in their war-time economy. Those who are to-day reaping the benefit of the war expenditure will be thrown on the labour scrapheap. That is a post-war problem that must be faced by all Governments sooner or later, irrespective of whether we win or lose the war from a military point of view. That problem will be before us, and it matters not whether the Government of Australia are Labour or national; they will have to face up to that problem, and the sooner they do so the better.

We have to recognise that our men in uniform to-day, when they return from the war, will not put up with what the diggers of the last war put up with on their return. Letters getting past the censor into Queensland in the past few weeks tell a story entirely different to that told by the Press, and the soldiers' vote from overseas in the recent election shows that they are not with the capitalist class of Australia, but are obviously with the Labour Party. The result of their vote is to me at least an indication of the change in the working class who are to-day members of the army.

**Mr. Maher:** Those votes vary according to electorates.

**Mr. TAYLOR:** Those votes were overwhelmingly in favour of the Labour Party. I, for one, am quite willing to use everything Australia has to see that they get what they fought for on their return. The post-war problem of employment must be the first job of any Australian Government.

There will also be the problem that after the conclusion of hostilities the local market will probably be the best. British war contracts will have gone by the board, and we shall be faced with the problem of selling our primary produce. Those in control of

Australian wool are already fearful of what is likely to happen. Competition from synthetic wool will not be the only problem. Markets will be one. Ten years ago Australia could have had the Russian wool market, but the Commonwealth Government, led by Mr. S. M. Bruce, refused point blank to allow a trading arrangement with Russia. Russia wished to take a large quantity of Australian wool in return for petrol. The Australian wool producer would have benefited in two ways—there could have been an adequate supply of petrol to Australia at a price equitable to both vendor and purchaser, and there would have been another competitor in the Australian wool market.

Russia could use twice as much wool as any other country in the world. We had to suffer, because it was not in conformity with the policy of the Government of the day to trade with the "Reds." Although Russia could trade with England as much as she liked, we were given no opportunity to get her into competition with other nationalities for the purchase of our wool. She could trade for part of her wool with Japan, and she could buy some from Bradford, but she could not come here direct.

I do not intend to say any more other than to congratulate the Government again upon being able to budget for giving the working class of this State as much employment as possible despite the war.

**Dr. WATSON BROWN (Gregory)** (8.22 p.m.): As I am not a financial expert or an economist, like my friend the hon. member for Enoggera, I do not wish to challenge the statement that we have shown a surplus of £15,000 for the year. I accept that statement, and, if it is true, then it is an achievement that is worthy of credit.

**Mr. Copley:** You do not doubt its truth, do you?

**Dr. WATSON BROWN:** No. I have said that I accept it. It is an achievement worthy of credit, but the credit must be given really to the general improvement in conditions throughout the State, to the improvement in export trade in particular. As the Treasurer has pointed out in his Financial Statement, the year 1939-40 was a record year in the State's economic history. Overseas exports from Queensland increased by 12½ per cent., and were valued at £31,614,000, as compared with £28,651,000 for the previous year. Overseas shipments of sugar were worth £2,000,000 more last year, and wool production amounted to 650,000 bales, worth approximately £11,500,000. I submit that those industries have kept the finances of this State going, and it is to them that greater consideration should be given. The only criticism that I have to offer of this Budget is that I believe that those industries should be given greater consideration than has been shown to them in the Financial Statement submitted by the Treasurer.

First, let us consider the amounts that have been allotted from funds made available by

the Commonwealth Government to those industries. Let us compare them with the amounts made available for unproductive works. I say "unproductive works," because I think that buildings referred to in this Budget are unproductive works. Those allotments are—

|                                   | £       |
|-----------------------------------|---------|
| Land settlement .. ..             | 146,000 |
| Forestry .. ..                    | 81,000  |
| Water supply and irrigation       | 32,000  |
| Bureau of Rural Development .. .. | 63,000  |
| Mining .. ..                      | 30,000  |

These amounts total £352,000.

**The Secretary for Public Lands:** Do you say that that is all that has been allocated?

**Dr. WATSON BROWN:** Allocated from the funds made available by the Loan Council. From these same funds £407,150 has been made available for works I consider definitely unproductive.

**The Treasurer:** Rural development gets that money from Trust Funds.

**Dr. WATSON BROWN:** I am quoting the figures made available from the Loan Council funds.

**The Treasurer:** They are not Loan Council funds.

**Dr. WATSON BROWN:** Allocated by the Loan Council.

**The Treasurer:** Not at all—part of the loan raised for the State.

**The Secretary for Health and Home Affairs:** You are suggesting that the Loan Council makes a gift of a couple of million pounds to the State?

**Dr. WATSON BROWN:** Not at all. I am comparing the £407,000 with the £352,000 for the primary industries that I say produce the finances of the country. I think those industries should be given a greater amount of assistance. In order to arrive at the industries requiring assistance the Government appointed some royal commissions, and I heard the hon. member for Toowoomba name those royal commissions and say that all, with the exception of the Wool Advisory Commission's report, had been acted upon. Unfortunately, he forgot to mention the Royal Commission on Public Works which recently recommended the building of a railway from Charleville to Blackall, a line that would be of great importance from a defence point of view. It would also be important in that it would provide facilities for the carriage of stock from the Central part of the State in times of drought to suitable pasture areas. It would also be the means of disposing of a large amount of stock that to-day we are unable to get rid of in Central Queensland. I am referring to store stock, a good price for which cannot be obtained to-day. With the building of the proposed line that stock would be disposed of and would increase the revenue of the State. Its construction would enable that class of stock to be carried into New South Wales—to Bourke, where

there is a large meatworks at which store stock could be disposed of. I believe the firm of Tanagerd at Bourke has definitely stated that it would be willing to buy up to 100,000 sheep over a period of 12 months. Other New South Wales buyers would buy similar quantities of sheep. We are, at the present time, losing the sale of a very valuable commodity. I suggest that the Government make representations to the New South Wales Government to extend the rail from Bourke to Barrington, and this would complete our defence line.

**The Secretary for Health and Home Affairs** interjected.

**Dr. WATSON BROWN:** The Commonwealth Government have a different opinion to-day from mine. Funds could have been allocated in the Budget for the purpose of beginning the construction of the line. I notice that a sum of £200,000 has been set aside for emergency work, and perhaps some of this could be used in the construction of the line.

**Mr. Maher:** The Government are setting aside money for the construction of a new bridge over the river to St. Lucia.

**The CHAIRMAN:** Order! The hon. member for Gregory is quite capable of making his own speech.

**Dr. WATSON BROWN:** The Government have spent a great deal of money on unproductive works. For instance, the money spent on the construction of the Story Bridge would have been better used in carrying out productive works that would have been of some value to the country. The Royal Commission on Public Works issued a very valuable report, and the Government would be doing something worth while for the country if it carried out its recommendations. Another report of vital concern to me is that of the Wool Advisory Commission. When the Government decided in 1939 to appoint that commission under the chairmanship of Mr. Payne, everyone thought that the Government had at last decided to do something to help the great wool industry, and Mr. Payne was hailed on all sides throughout Australia as the right man to make the investigation. His ability, his genuineness, and his honesty had never been in question, and he was acclaimed by all as a competent man to carry out the work. In due course, he presented his genuine and unbiased report. I have heard some hon. members opposite say that his report was a biased one.

**Mr. Jesson:** A single-track mind; that is all.

**Dr. WATSON BROWN:** Anyone who says that the report is biased displays an absolute ignorance of the conditions in the industry, and thereby intimates that he refuses to accept the truth concerning it. The report was not a biased one.

**Mr. Collins:** Do you say that the report was correct in all particulars?

**Dr. WATSON BROWN:** To-day we have a fixed price for wool of 13½d. a lb., but

that is not enough to enable the grazier to make a reasonable profit and to provide for drought losses.

**Mr. Collins:** Why did they agree to that figure?

**Dr. WATSON BROWN:** Because they had no alternative; they had to accept the best price they could get.

**Mr. Jesson:** That is not so.

**Dr. WATSON BROWN:** Yes, it is. There was no possibility of their getting anything more.

**Mr. Collins:** And that came from the British Government?

**Dr. WATSON BROWN:** The British Government offered a lower price, but we were able to have it increased. The original price offered by the British Government was 10.58d. a lb., but later on it was raised. In his report, Mr. Payne said that the cost of producing a pound of wool was 11.10d. which allows a profit of about 2.25d., but on a basis of 7,000 sheep that is not enough to enable the grower to make provision for drought losses.

It is definitely not sufficient to make up for drought losses, which have certainly been very great in the past. The Wool Advisory Commission inquired into those circumstances and concluded that it was necessary that this relief should be afforded. If it thought this relief to be necessary, its recommendations should be acted upon. Costs have to be reduced in the industry, there is no question about that. Part 4 of the report insists that costs be reduced, not only by the Government, but by all interested institutions, and everybody interested in the industry. It recommends that they all get together to reduce their charges. The Government are merely asked to do their share to bring about a reduction of those costs.

**Mr. Collins:** Who fixes the rents of the pastoralists?

**Dr. WATSON BROWN:** The Land Court. Mr. Payne does not make all the rental determinations of the court. As a matter of fact, Mr. Shaw is at present in Longreach determining rents. The Crown some time ago actually appealed against the rents fixed by the court. If hon. members go through the decisions made by the court in Rockhampton some time ago, they will find that the Crown lost nearly all the cases in which they appealed. That shows quite clearly that rents fixed by the Land Court are not right. If hon. members look at the report of the Wool Advisory Commission they will see that it does not believe that the basis of fixing rents is right. It suggests an alteration in the fixation of those rents. That is not a biased statement; it is a true statement.

**Mr. Jesson:** Who gets the profit on the wool from the time it leaves the sheep's back until it is sold?

**Dr. WATSON BROWN:** The grazier does not. There is not a single man in Central

and Northern Queensland to-day, particularly those who have been there for 30 or 40 years, who is not in complete financial difficulty. If the Secretary for Agriculture and Stock were present, he could tell hon. members of the instances that have been placed before him.

**Mr. Collins:** It is a libel.

**Mr. MAHER:** Mr. King, I rise to a point of order. I heard the hon. member for Cook refer to a statement made by the hon. member for Gregory as a lie.

**The CHAIRMAN:** I ask the hon. member for Cook if he said that the statement of the hon. member for Gregory was a lie.

**Mr. Collins:** No, I said, "It is a libel."

**Dr. WATSON BROWN:** The statement is a true one. The Secretary for Agriculture and Stock could tell hon. members of a number of men who are in frightful financial difficulties at the present moment.

If the Government will accept the report of the Wool Advisory Commission, they will not only be helping the wool industry, but will be helping to maintain a population in the western districts of Queensland, which is very necessary.

**The Secretary for Public Lands:** You want the Government to give the pastoralists free rents and rail rates?

**Dr. WATSON BROWN:** I am not suggesting that they should be given anything for nothing. All that I ask for is that the report of the Wool Advisory Commission, which is a very unbiased one, should be acted on by the Government. Thus they would help an industry that assists the Government to carry on, and enables this State to live. If it were not for the wool industry this State could not carry on.

At 8.40 p.m.,

Mr. DUNSTAN (Gympie), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

**Dr. WATSON BROWN:** They would also increase the population of that part of the country, which is absolutely essential from a defence point of view.

One of the ways in which the Government can assist is by helping the scouring industry. Twelve months ago, when war broke out, I made an appeal for an increase in the scouring that is carried on in Western Queensland. One reason for my appeal was that I regard it as an important secondary industry to the wool industry. An increase in that industry would also have the effect of increasing population and bringing additional money into the districts in which it is carried on. The outbreak of war made it necessary to conserve space on ships, and the only way in which you can conserve space occupied by wool is to scour it—send all wool and no dirt.

After the outbreak of war, I investigated the possibilities of an increase in scouring

operations in Western Queensland. I was in Charleville, Blackall, Barcardine, Ilfracombe, and the Northern centres, and I found it was possible to scour 160,000 bales of wool if we kept all the scours going. I gave the Premier the full information I obtained, and asked him if he would communicate with the British Government through the Prime Minister, and ask them to give us an increase in scouring in Western Queensland. He did so, and the only reply we got was that the British Government at that time did not require wool to be scoured. That was the end of that.

About a month or six weeks ago the British Government altered their outlook, and asked for an increased quantity of scoured wool. The graziers have responded to that request, and, in the last 12 months, there has been a tremendous increase in the quantity of wool that has gone to scour. I have not the figures now, but I have figures relating to the amount scoured for the whole of Queensland for the three months of this year, compared with three months of last year. At Ilfracombe, they scoured 5,288 bales for the three months this year, whereas, for the three months the preceding year, they scoured 2,744 bales. If the Government will further assist the grower by making an equitable distribution of freights for greasy wool to the scour and for scoured wool from the scours to the appraising centres, I predict that we shall get so much wool at the scours that we shall be working three shifts a day and then we shall not be able to cope with it all. If that occurred, an additional £60,000 in wages would be distributed in areas where the scours are situated. To indicate how the increase in scouring affects employment, I mention the fact that, whereas 22 men were engaged at the Ilfracombe scour in July and September last year, 35 men are engaged there to-day, an increase of about 75 per cent.

The Central Wool Committee increased the limit on scoured wool—therefore, the price of scoured wool is better than the price of greasy wool. If the rates on scoured wool to the appraisement centres are reduced, an additional £120,000 will circulate in this community. That is a very important consideration. It would not only increase the amount of employment, but also the ability of that community to carry on, and any person who has been among such communities in the past four or five years knows how difficult it is for them to carry on.

**The Acting Attorney-General:** Does it pay to scour wool in the West?

**Dr. WATSON BROWN:** Yes. It is paying at present, but it was not paying before. It is only reasonable that the Government should give the necessary assistance. It is ridiculous that the freight should be 25 per cent. greater to carry scoured wool. A farmer does not put dirt in his bags of potatoes before railing them, yet the grower of wool finds it to his disadvantage to wash the dirt out of the wool for the reason that the rail freight on scoured wool is higher. We ask that the Government should give reconsideration to the freight

rates on scoured wool. In his report, Mr. Payne said—

“If the railage on greasy wool to the scours were adjusted, and railage on scoured wool reduced, much more wool would be scoured than at present. This, in turn, would enable scouring charges to be reduced, more profit to be made by the grazier, and more employment to be given, while the uneconomic policy of paying carriage and shipping on valueless dirt would no longer receive special encouragement and a premium from the Crown.”

The scouring charges in Western Queensland, although an additional 20 per cent. has to be paid in wages, are 1½d., whereas the scouring and sorting charges in Brisbane are 2¼d. a lb. The charges were reduced in order to endeavour to get an increased quantity of wool scoured.

**The Secretary for Public Works:** Mr. Payne states that the British Government do not want scoured wool.

**Dr. WATSON BROWN:** Not at the moment, but the British Government have seen the folly of their ways and have asked to-day for scoured wool. It shows that Mr. Payne had much more foresight than the British Government.

**Mr. Copley:** What is your authority?

**Dr. WATSON BROWN:** Unfortunately, the authority is not here. The Graziers' Association sent out a pamphlet. There is no question that there is a very pressing need for the Government to give some consideration to these industries. I have pointed out the advantage the defence railway from Blackall to Charleville would be from the point of view of defence and economically. From the defence point of view, particularly, it is absolutely essential that the Queensland Government get the aid of the New South Wales Government in building the link from Bourke. That is an essential from a defence point of view, and also an essential from the point of view of improving conditions in an industry that has been failing for many years, especially for the last 15 years.

In addition to that, I ask that one recommendation of the Payne report be carried out. I refer to the rebate of freights for the carriage of greasy wool to scours and of scoured wool from the scours to the appraisement centre.

In passing, I might also state that a very big concession indeed has been made to the Northern growers by the establishment of an appraisement centre in Townsville. The establishment of that centre marks the beginning of decentralisation in Queensland, and it will eventually mean a saving of from £50,000 to £90,000 to the growers of Western Queensland. The Townsville Harbour Board has been fortunate in obtaining a centre there. It has made application for money to build stores. The establishment of those stores is of importance to the wool industry and to Queensland in that they will eventually make possible a system of co-operative

selling by the grower, under which he will be freed from the tentacles of many of the firms that have had such a good "spin" and have enjoyed the best fruits of this industry for so long.

I should like to discuss another very important subject. I refer to the problem of housing, which to my mind is going to be a very serious one after the war is over. During the war the families of many of our fighting men may be putting up with makeshifts, but they will be desirous of having a home together when the war is over. At present there are three methods whereby returned men can obtain housing. One is to obtain finance from the private investor, but the private investor will be out to get everything he can. After the last war the private investors stole the gratuities of the returned men in many cases. Unfortunately, I was one of the victims. We have to take steps to protect our returned men and the community from a recurrence of that.

The second method is the War Services Homes Scheme. That scheme was introduced by the Commonwealth Government after the last war, but it certainly has never been a success.

The third method is to obtain a home from our State Advances Corporation. Although that is by far the best of the three schemes, I submit that it does not meet all the requirements of to-day and certainly would not meet all requirements after the war. To-day we find that the worker is not able to pay off his home.

**Mr. Jesson:** Is not that a Commonwealth matter when you are dealing with soldiers?

**Dr. WATSON BROWN:** It is a matter of the State's re-housing its own citizens. The Workers' Dwellings Act and the Workers' Homes Act cannot cater for everybody. A man on the basic wage may build a home under one of those Acts when he is in employment. Should he become unemployed, his payments on his home fall into arrears, and he is forced to pay interest on his arrears. It may be interesting to hon. members to know that the rate of interest of arrears in rent works out at something like 2d. in the £1 a month, which, on a yearly basis, amounts to 2s. in the £1 or 10 per cent. In other words, if a man is £1 behind for one year he is 22s. behind for the next year, and so on. I must say, in fairness to the State Advances Corporation, that every possible consideration is given to people in relation to their arrears; they are carried on as best the corporation can. I know of an instance of a man who built a home costing £658. He has paid £652, and still owes £600 after 13 years. Certainly, the people in that house have not been put out of it, nor do I understand that they will. Whilst the Act is being administered with the best of intentions, it is not one that meets the requirements of the whole community.

**The Premier:** The Commonwealth Government started the control of War Service Homes, but after they got into difficul-

ties they wanted the various States to take them over. The War Service Homes Commission would have saved £300 a house had the work been done by the State Advances Corporation.

**Dr. WATSON BROWN:** I admit the truth of what the Premier has said. Our efforts should be directed towards the housing of our people after the war. The home is actually a unit of the nation. It touches our women and children, the nation builders of the future. J. W. Wilcock in "The Problems of the Poor Whites of South Africa" had this to say—

"In many ways poor housing has a detrimental effect on the orderliness, refinement, and morality of family life. It is apt to make life unattractive and lead to members of the family spending much of their time elsewhere; especially to the girls, this becomes a source of danger."

Poor housing places a heavy burden on the mother of the family. It makes it extremely difficult for her to carry out the customary duties and functions of a mother. Thus she becomes incapable of equipping her family with a normal home and giving them social life. All the amenities that go to make a home a place of joy and comfort, a centre of family effort and pride, are in most cases entirely lacking.

**The Premier:** Quite true.

**Dr. WATSON BROWN:** The children roam the streets and home discipline ceases. Those conditions exist to-day in many parts of Australia; we cannot allow them to operate here. I have in my hand an issue of "Pix," dated 22 June. It illustrates the housing conditions in some of the capital cities of Australia. They are revolting and the outlook is hopeless. We must not allow that to happen in this State.

**The Treasurer:** The pictures cannot go into "Hansard."

**Dr. WATSON BROWN:** I am offering them to the hon. gentleman so that he can observe the revolting conditions for himself. The conditions are not so bad in Brisbane, but unfortunately they are reaching a serious state in Western Queensland; the conditions are revolting. In conversation with a research worker from South Africa a little time ago, she made the statement, in all good faith—being a research worker she would have no object in saying other than the truth—that the housing conditions in some of the hamlets in Western Queensland were not comparable with those of the niggers in South Africa. That is a serious statement from a reputable research worker, and those conditions must not be allowed to continue. The Government are in a position to prevent them. I made an investigation of housing conditions in one of the largest Western towns, and the figures I am about to give bear out what I have already said. There were 724 houses or dwellings in this town.

**The Secretary for Public Works:** What town was it?

**Dr. WATSON BROWN:** I will tell the hon. gentleman privately.

A survey of the housing conditions of the largest and most up-to-date town of Western Queensland showed that of 724 houses or dwellings 489, or approximately 67.5 per cent., were constructed of galvanised iron, whilst 235, or approximately 32.5 per cent., were constructed of wood. Taking the galvanised iron group of 489 houses or dwellings, 93 or 12.8 per cent. were wholly constructed of galvanised iron, with wooden floors, and were unceiled; 226 houses or 31.2 per cent. were constructed of galvanised iron, with wooden partitions and floors, and were mostly unceiled; and 170 houses or 23.5 per cent. were lined with wood, had wooden partitions and floors, and were mostly unceiled.

Detached kitchens in both galvanised iron and wooden structures are built of galvanised iron and, almost invariably, are neither lined nor ceiled. Roofing material in all houses is galvanised iron. Verandas in all houses are unceiled; blinds are almost universally used on verandas as a preventive against glare.

Those were the conditions in one of the largest Western towns. The housing conditions in some of the hamlets, the little places round about, were a disgrace to humanity.

**The Acting Attorney-General:** You should have gone to some of the stations, where the workers complain about their accommodation, and about the failure to observe the Workers' Accommodation Act.

**Dr. WATSON BROWN:** There are no complaints about the accommodation provided under the Workers' Accommodation Act. I am leading up to that.

**Mr. Jones:** Yet Mr. Payne suggested that the Workers' Accommodation Act should be suspended.

**Dr. WATSON BROWN:** He never suggested that the Workers' Accommodation Act should be cut out, but he did suggest that it should be administered in a more reasonable manner than it was. If it were administered apart from the objections and intrusions by half-witted union organisers—these are the people who cause all the trouble—if the Act were administered only by officers of the department there would be no objection to it by anybody in the country. The trouble is caused by a tribe of union organisers who go round the country doing their best to irritate people and making ridiculous requests.

**Mr. Power:** Keeping the people up to the award.

**Dr. WATSON BROWN:** They do not keep the people up to the award. They do their best to irritate them. I am saying this in all seriousness, because this is absolutely the position. There would be no difficulty with the Workers' Accommodation Act at all if it were administered only by the inspectors of the Department of Labour and Industry.

There is not one person in Western Queensland who does not want to give pastoral employees proper accommodation, and far be it from me to suggest that he should not have it. The Workers' Accommodation Act is a reasonable and fair one, but it should be administered in a reasonable way and only by departmental officials.

There is not one man in Western Queensland who would object to carrying out the provisions of the Act if allowed to do so in the proper way, but they are irritated by those "half-wits" who go round the country thinking they are smart. These conditions do exist in Western Queensland and something must be done. Not only do they exist there, but they exist also in the cities, and everywhere where we go throughout the country. We must do something to make improvements in those conditions in the future. Our legislation does not protect us; it is not broad enough to help us in this respect. The worker is protected, and rightly so. I have never at any time said that the worker should not receive the protection of the Workers' Accommodation Act. Although men working on the canefields and at the shearing sheds may work at one place for only three weeks at a time they nevertheless work in many places for a similar period. If they worked the whole 12 months, they would be compelled to live under those conditions for 12 months. It is therefore only right that they should have proper accommodation. I have never said anything to the contrary. I have always contended that their accommodation should be the best possible. It is their due. But the Government departments do not do the job themselves. That is another unfair aspect of the workers' accommodation law.

Private enterprise is expected and is willing to conform to the Workers' Accommodation Act, and do everything possible to make the life of the worker in the country reasonable and good, but the Government departments do not and will not do so. I can instance workers' accommodation provided by two Government departments—namely, the Railway Department and the Main Roads Commission. I can take you, Mr. King, along the railway lines to a place in Western Queensland where the workers have to live in what is described as lengthsmen's cottages. They are built by the department to a certain design. They are miserable little two-roomed places where the wife, husband, and family are expected to live. They have no verandas, no facilities, and outside kitchens. These lengthsmen are compelled to pay 6 per cent. on the capital cost of those buildings. If you work out the capital cost on any of these Government buildings you will find it is considerably greater than it ought to be. A rental basis of 6 per cent. on those buildings means an extortionate rent. Then on top of that these people are supposed to live out in the open. Go to Chorregon or Beta and see those huts. A man at Beta with six kiddies is expected to live in one of these little two-roomed huts, and as he could not do so he built himself a little bag hut and the children—who are

God's gift to this Australian nation—are expected to live under those miserable conditions.

I will tell the Committee a pretty story about the Main Roads Commission. I was going round the district on one occasion when numerous complaints were made to me about it. As a matter of fact, the Australian Workers' Union organiser in Longreach took legal proceedings against the Commissioner, because of the conditions of the main-road camp on the Barcaldine-Blackall road. He got a decision against him. The Commissioner appealed. If you, Mr. King, had seen the conditions those men were living under your heart and stomach would have turned out. The lavatories were in a hopeless condition and water was lying everywhere. I do not say it was the Commissioner's fault, but there was evident failure to comply with the conditions of the Act. Such conditions should not exist for the workers. The Government should see that their workers' conditions are the same as those provided by private enterprise. They should have proper living conditions.

**Mr. Power:** You admit the union organiser cleaned those conditions up?

**Dr. WATSON BROWN:** No, it was not; it was the secretary. Those conditions should not exist on works carried out by a Government department. There is nothing to stop them cleaning up these things. If private enterprise has to do it, then let us do it; that is only a fair thing.

Coming back to the basic thing in the whole argument, I say that we can do it, but we can do it only by appointing a commission on housing. You or I or anybody else cannot say what is the best method of housing to be adopted. There are hundreds of housing schemes throughout the world, and it is a job for somebody who knows something about it. I implore the Government to institute a commission on housing now, so that when the war is finished we shall have a scheme that will be suitable and adequate to protect our children, who represent the future generation of Queenslanders.

**The Secretary for Labour and Industry:** Sixty-six per cent. of our people own their own homes now.

**Dr. WATSON BROWN:** That is not enough.

**The Premier:** What is your idea for financing your proposals?

**Dr. WATSON BROWN:** I have no suggestion as to how we are going to finance the building of the homes. I have asked for the appointment of a commission. I would not suggest any method; honestly, I do not know, nor does any other hon. member know, what would be the best method of instituting the scheme or financing it. That is a matter that could be dealt with by the commission that I ask for.

**The Premier:** I am only interested to know whether you have any financial ideas.

**Dr. WATSON BROWN:** I have not.

**The Premier:** You realise that is an important factor?

**Dr. WATSON BROWN:** It is not the question at the moment; the question at the moment is the appointment of a commission to consider what arrangements can be made. It should be possible to devise some scheme under which we could house the whole of our people.

**Mr. Maher:** Which do you regard as the more urgent, the housing scheme you suggest or the new administration block of Government buildings?

**Dr. WATSON BROWN:** Of course, Mr. King, the answer is obvious. There is no question that housing is the most important thing in any country.

Let me give an illustration of what can be accomplished. I invite hon. members to visit Mount Isa; it presents the most interesting sociological study. It consists of two towns. One is a beautiful town built by the Mount Isa Mining Company, where dwellings are rented at prices from 7s. 6d. to 17s. 6d. and a few of them up to 25s. That town is inhabited mostly by contented people. I do not know what they are like now they are on strike, but they were contented when I was up there. They were provided with every facility, but when you went to the other town about three-quarters of a mile away you saw a typical tin town of Queensland—a town where somebody had gone round with an axe—as Queenslanders and Australians do—and chopped down every tree. If any hon. member has been to Mount Isa, he knows what beautiful trees grow there. They chopped the trees down and built tin humpies. The difference in physical condition and the intelligence of the children attending the two schools was very marked. One can see the difference—not in all, perhaps, but in a great number.

**The Acting Attorney-General:** There are two classes of houses at Mount Isa operated by the company. One is a tent house. It is very small.

**Dr. WATSON BROWN:** But very efficient. The company has done a very good job, and I have given it as an illustration of what can be done in housing. It is up to us now to prepare for the future after the conclusion of the war. A royal commission could be appointed to prepare a scheme, and there should be a scheme in black and white to put into effect when money is available. I am not asking that it be done to-day.

**The Secretary for Public Works:** We are doing it all the time.

**Dr. WATSON BROWN:** I am asking the Government to have a scheme in readiness to put into operation when the war is over.

The supply of milk to children is the subject of an interesting statement in the Budget. The Government have made available £26,000 for this purpose. That is an

excellent scheme, but I wonder whether the children will receive the benefit of that money. I should like to know how the Treasurer intends to work that scheme. Milk is a dietetic. The ignorance of dietetics of city and country dwellers is astounding. Much good work has been done, but it has not been sufficient, and I recommend that the Department of Public Instruction institute a system of intensive teaching of dietetics and hygiene in schools. I have made this recommendation for years. It will not cost much. Five or six, or perhaps 10, years ago the cost was worked out at approximately £2,000 a year. A knowledge of dietetics is more important to the children of this country, particularly of Queensland, and more particularly of Western Queensland, than knowing that London is on the Thames and Paris is on the Seine. It is more important than geography, and probably more important than arithmetic. It is of great importance to the people of the West, who are unable to get a proper diet. They have to find out what it is necessary for them to eat. It is not a bit of use allocating £26,000 for the supply of milk to children if they do not know why they should drink milk. I suggest an intensive training in dietetics and hygiene. This can be done in two years in the school. One of these days a report will be printed that will show just what happens in regard to the dietetics of the children in this country. It is astounding to find out what is happening. The diets of over 2,500 children are personally supervised or examined in winter and summer, and the figures are extremely interesting. When the report is finalised, I shall be only too happy to provide copies, and hon. members can read it for themselves. I am sure that they will realise the importance of teaching of dietetics and hygiene.

**The Premier:** That is no reason why we should not give the children the milk in the meantime.

**Dr. WATSON BROWN:** I do not suggest that there is any reason why it should not be done, but I do ask that adequate preparation be made for the distribution of the milk. First of all, there will be difficulty in transport.

There will be difficulties in transporting the milk to those children who require it in Western Queensland in particular. I believe that some method could be devised whereby the children will get that milk without allowing the money to go into the pockets of the family. Perhaps a ticket system, under which milk only could be purchased, would meet the position. We must not waste this £26,000. Certainly it would be wasted if the children did not get the milk.

The two questions I have raised are important, not from my point of view, but from the point of view of the whole of the State. I urge the intensive teaching of dietetics and hygiene in schools and the appointment of a commission to prepare a post-war housing scheme.

1940—v.

**The SECRETARY FOR PUBLIC WORKS** (Hon. H. A. Bruce, The Tableland) (9.21 p.m.): I do not intend to debate with the hon. member for Gregory the scientific question that he has raised, but it does appear to me that if a child is brought up with its family and kept well washed, there is no need to teach it hygiene. Then, too, so long as it gets the milk there is no need to teach the child why it is getting the milk.

The hon. member for Gregory referred to the housing position at Mount Isa. That is easily explained. The company supplies the housing and gets a good rate of interest for it. As a matter of fact, it is a paying sideline for the company and the rent is taken from the men's pay each fortnight.

The hon. member for Gregory also discussed a general housing scheme. He asked for the appointment of a commission to draft such a scheme for Queensland. Since the Labour Government were returned to power in 1932, over £300,000 has been made available each year for the erection of workers' dwellings. Last financial year the amount allocated was £321,389, and for this year £400,000 will be made available for that purpose. Any person from the hon. member's electorate or any other electorate who wants a worker's dwelling to-day can apply for and get it. In fact, we are eager to receive applications so that we can get on with the work and expend the funds available before the end of the financial year. The hon. member for Gregory mentioned some particular house, and the condition of houses, but he did not mention any towns. If any resident of Barcaldine, Winton, Hughenden, or any other of the far Western towns wishes to have a worker's dwelling or worker's home, he can apply for and get one. If the people of those towns are not getting these homes, then it is their own fault, or the fault of the hon. member for Gregory for not studying the State Advances Corporation scheme and letting his electors know that they can get homes under that scheme. He should get in touch with any of his electors who have not got homes in those towns, and tell them the method by which they can apply for a worker's dwelling.

Altogether 21,914 homes have been erected under this scheme. At present 154 are under construction. It is recognised all over Australia that Queensland has done more in this direction than any other State. Year by year the Treasurer has increased the amount of money available to enable the State Advances Corporation to meet all the demands that have been placed before us for housing. As I have said already, well over £300,000 has been spent every year on this work. Last year we expended £321,389 through the State Advances Corporation. We met all the requests that were made to us, and this year £400,000 is provided for that work.

The report of the State Advances Corporation has been on the table of the House for a considerable time. The hon. member for Gregory is one of those hon. members who make many statements as to what should be

done, but offers no suggestion as to how things could be done. As a matter of fact, his speech to-night indicated that he had not taken the trouble—although he claims to be interested in the workers of his electorate—to look through that report, which was tabled a fortnight or so ago, and study just what has been done. He said that the Government should appoint a royal commission to go into the housing position. Provision is already made for all the applications we have had up to date. There might be something in the suggestion for building smaller homes and renting them out instead of selling them as under the present scheme. Under the scheme in operation to-day, for 22s. 6d. a week a home costing about £600 can be made the property of a person in 20 years, if he keeps his payments up to date. People have got into difficulties, and we have time after time released them from their obligations, except the payment of interest. As a matter of fact, there are quite a number of instances in which the people concerned cannot pay their interest, and we are allowing them to carry on in the homes they have undertaken to pay for.

**Government Members:** Hear, hear!

**The SECRETARY FOR PUBLIC WORKS:** I think the speech made by the hon. member for Gregory was made in ignorance of the true position. He wandered into the Committee and made his speech without taking the trouble to study the matter. All he did was to ask the Government to relieve certain people at the expense of the Government, without making any suggestion as to the method whereby the money is to be raised.

At 9.28 p.m.,

The CHAIRMAN resumed the chair.

**The SECRETARY FOR PUBLIC WORKS:** He also made a comment on the accommodation provided men working on the railways and for the Main Roads Commission. Before the Labour Party assumed office—when I first went out into that electorate now represented by the hon. member for Gregory—the men engaged on the construction of the line from Richmond west were getting 6s. a day, which was later increased to 9s. a day, and out of that sum they had to provide accommodation and everything else for themselves. The hon. member should know the immense improvement—I admit conditions are not yet perfect—that has been made since the Labour Party first came into power in 1915. I was out there in 1909, when the men had to follow their occupation and carry their own gear on 6s. a day.

Quite a lot can be said about the futile argument advanced by the hon. member in regard to wool. He said that if we did certain things to reduce the cost of wool we should save those who grow the wool. The whole question of wool prices—and I am speaking not only of wartime but of peacetime—is that wool is sold in the grease or scoured to Great Britain. Bradford makes the tops and sells them throughout the world. Machinery was placed at Charters Towers to make wool tops. The big interests associated with the

purchase of wool deliberately refused to allow the squatters to make wool tops at Charters Towers.

The hon. member for Gregory raised this question, and admitted himself that the British Government did not want scoured wool. Of course, we can sell only the type of wool that our customers require, and very often one of the reasons why they do not want scoured wool is the by-products that may be produced from greasy wool. Greasy wool may contain a little dirt, and, although it may pay to scour locks and pieces, the Bradford buyers preferred to buy wool in the grease. Lanoline is one of the by-products made from the yolk of the wool, and these by-products are of value to the people in Great Britain. What can we, as a State, do if Bradford says that it wants scoured wool? Later on, because of the scarcity of ships' bottoms, the British Government offered to take scoured wool. To-day, I am sure that all the scours are in full swing. To-day, America wants wool, but, for some reason, she is not allowed to get it from Australia. All the wool must be sent to Great Britain, and the woolgrower in Australia has no say in its sale. Recently, we were told by the Federal Government that petrol rationing was necessary to conserve dollar exchange, but could we not save an enormous amount in dollar exchange by selling our wool direct to America?

It is true, as the hon. member for Gregory has said, that a number of selectors and small graziers have gone insolvent, but the New Zealand Loan, Dalgetys, and the various firms handling wool are in a sound financial position. They get their commission, irrespective of the price realised for wool, and they also have the right to provide their clients with their food and other requirements, the amount being deducted from their wool cheques. The most magnificent buildings in all the capital cities of Australia belong to the agents who handle the wool. However, that is a matter entirely for the companies concerned and the wool people. Yet, the hon. member for Gregory made a plea on behalf of the wool-growers, and suggested that the Government should grant them concession after concession to enable them to meet their difficulties. Even if the Government granted them further concessions, the wooselling agents would only lower the price of their commodity so as to continue the existing margin of profit. Nobody can deny that. The essence of the suggestion of the hon. member for Gregory meant that the Government should subsidise the big wooselling agencies.

It was only when the hon. member for Gregory attacked the class of buildings occupied by the Western workers and talked about the shortage of buildings that I thought it my duty to point out to the Committee what the State is already doing. Although the hon. member made a speech that he thinks will appeal to his electors, I reiterate that he has not taken the trouble to find out what the housing conditions are and what the State Advances Corporation does, or what the conditions are under which his electors can get houses. If

any of his electors make application to-day they can get workers' dwellings or homes. I make these remarks to let the rest of the people know the facts, because the hon. member made no suggestion in that regard. I shall be glad to let not only the hon. member himself know, but also other hon. members and through them the people.

Progress reported.

The House adjourned at 9.38 p.m.

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