

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 23 SEPTEMBER 1941

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The SECRETARY FOR LABOUR AND INDUSTRY (Hon. T. A. Foley, Normanby) replied—

“The hon. member can obtain the information by submitting full particulars to the officer in charge of relief.”

ESSENTIAL FOODSTUFFS COMMITTEES.

Mr. WILLIAMS (Port Curtis) asked the Secretary for Agriculture and Stock—

“1. Who are the members of the Essential Foodstuffs Committees—(a) Local; (b) Central?

“2. Do these members receive any remuneration?”

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

“1. (a)—

Emergency Supplies Advisory Committee, Cairns.—T. E. Dwyer, police magistrate (chairman); Lieutenant-Colonel H. C. Harris, O/C 51st Battalion; W. M. Dupain, care of Burns, Philp, and Company, Limited; P. Farrelly, care of Cummins and Campbell Limited; J. M. Ledlie, care of Armstrong, Ledlie, and Stillman Proprietary Limited; H. M. Podosky, care of Samuel Allen and Sons, Limited.

Emergency Supplies Advisory Committee, Townsville.—R. H. Allen, police magistrate (chairman); Brigadier F. R. North, M.C., E.D., O/C 11th Infantry Brigade; J. A. Hackett, Samuel Allen and Sons, Limited; S. Brownless, New Zealand Loan and Mercantile Agency Company, Limited; R. D. Elliott, Thomas Brown and Sons, Limited; W. Cummins, Cummins and Campbell, Limited.

Emergency Supplies Advisory Committee, Mackay.—C. B. Buxton, police magistrate (chairman); Captain C. R. Cameron, care of Cameron's Foundry; C. F. Bagley, J. Michelmore and Company Proprietary, Limited; H. P. Rasmussen, W. H. Paxton and Company, Limited; A. M. M. Galletly, Marsh and Webster Proprietary, Limited; R. Lambert, Lambert's Proprietary, Limited.

Emergency Supplies Advisory Committee, Rockhampton.—R. Power, police magistrate (chairman); Lieutenant-Colonel W. H. Parker, care of McLaughlin's Brewery; A. G. Huggett, Walter Reid and Company, Limited; H. S. Beaney, Denham Brothers Proprietary, Limited; A. H. Francis, Thomas Brown and Sons, Limited; H. Myles, J. M. Headrick and Company, Limited; B. G. Wilkinson, Dalgety and Company, Limited; F. A. Horner, New Zealand Loan and Mercantile Agency Company, Limited.

(b) Queensland Emergency Supplies Committee.—S. F. Cochran (chairman State Electricity Commission) (chairman); H. S. Hunter (Director of Marketing) (vice-chairman); W. C. Ogilvie

TUESDAY, 23 SEPTEMBER, 1941.

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

QUESTIONS.

MEAT INDUSTRY BOARD FINANCES.

Mr. LUCKINS (Maree) asked the Premier—

“What was the income and expenditure and the profit and loss of the Meat Industry Board for 1940-41?”

The TREASURER (Hon. F. A. Cooper, Bremer), for **The PREMIER** (Hon. W. Forgan Smith, Mackay), replied—

“This information will be contained in the annual report of the board, which will be tabled early next month.”

UNEMPLOYMENT RELIEF ALLOWANCES.

Mr. DART (Wynnum), for **Mr. BARNES** (Bundaberg), asked the Secretary for Labour and Industry—

“What amount would an unemployed relief recipient receive if (a) he had six children under age and one boy over age, the one over age living at home and out of work; (b) the over-age boy earned £4 a week and was living at home; (c) the boy was living away from home?”

(senior statistical clerk, Government Statistician's Office) (secretary and member); P. J. Ross (manager, State Stores); N. B. Harper (president, Brisbane Chamber of Commerce); C. G. Sweetman (president, Queensland Grocers' Association); S. N. Gow (merchant and manufacturer).

"2. No remuneration has been paid to any member of the Queensland Emergency Supplies Committee or of the Emergency Supplies Advisory Committees for their services on the committees. These gentlemen are devoting a considerable portion of their time in helping this essential branch of our war effort in a purely voluntary capacity, and the Government is appreciative of their assistance."

FREE RAILWAY PASSES.

Mr. MAHER (West Moreton) asked the Minister for Transport—

"What was the number and value of free passes issued by the Railway Department for the financial year 1940-41?"

The MINISTER FOR TRANSPORT (Hon. J. Larcombe, Rockhampton) replied—

"19,884 'leave' passes and 36,402 'duty' passes. It is not possible to place a value upon the passes, as many of them are available from station to station. There were 19,435 employees in the Railway Department on 20 July, 1941."

PAPERS.

The following papers were laid on the table, and ordered to be printed:—

Report of the State Government Insurance Office for the year 1940-41.

Report of the Department of Agriculture and Stock for the year 1940-41.

The following papers were laid on the table:—

Regulation under the Official Inquiries Evidence Acts, 1910 to 1929.

Regulations under the Contracts of Sale of Land Act of 1933.

By-laws Nos. 412 and 413 under the Railways Acts, 1914 to 1934.

PERSONAL EXPLANATION.

Mr. MAHER (West Moreton) (10.32 a.m.), by leave: I wish to make a personal explanation. In Parliament on Thursday, 18 instant, whilst speaking to the motion of the hon. member for Cook, the hon. member for South Brisbane withdrew an untruthful statement, "that I had written a letter which caused the lynching of Mr. Menzies." The "Telegraph" of the same date credits the hon. member for Bowen with the following interjection, "If you said he was one of the gummen, you would have been more correct." I wish to inform the House that I did not write any letter to any person, nor did I play any part whatsoever bearing on the

retirement of Mr. Menzies from the office of Prime Minister. I might add that I regard the ex-Prime Minister as a splendid Australian, and I hold him in the highest admiration. There certainly was a letter, typewritten on the official letterhead of the Leader of the Opposition, on which my initials were forged, but the handwriting in no way resembled mine. This letter was addressed to one person, but by deliberation was placed in an envelope addressed to another person. The aim of the despicable creatures responsible was to injure Mr. Fadden politically. The happening was investigated and certain conclusions were reached. There the matter remains for the present.

Those who know me best in this House will agree that it is not in my nature to stoop to such a base action. Furthermore, Mr. Fadden is a close personal friend, so it must be clear to the House that I would not do anything, in any set of circumstances, to injure him.

BUFFALO FLY CONTROL BILL.

INITIATION.

The SECRETARY FOR AGRICULTURE AND STOCK (Hon. F. W. Bulcock, Barcoo): 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 for the purposes of the control and/or eradication of the buffalo fly (*Lyperosia exigua*) and other diseases affecting cattle, and for other purposes."

Motion agreed to.

SUPPLY.

COMMITTEE—FINANCIAL STATEMENT—

RESUMPTION OF DEBATE.

(Mr. Gair, South Brisbane, in the chair.)

Debate resumed from 17 September (see p. 363) on Mr. Cooper's motion—

"That there be granted to His Majesty for the service of the year 1941-1942 a sum not exceeding £300 to defray the salary of the aide-de-camp to His Excellency the Governor."

Mr. NICKLIN (Murrumba) (10.41 a.m.): When the Treasurer presented his Financial Statement to the Committee two years ago he said that the transition from a peacetime to a war-time economy had to be met. Instead of carrying that policy into effect, we find that after two years the policy to be pursued, according to the present Budget, is one of "spend as usual," and no real regard is being had for the needs of the present or the essential requirements of the future.

We also find that from the common pool available to all Governments for war and civil purposes this Government are still taking all the tax revenues of normal times as well as an additional £400,000 from railway users, and they were prevented from

getting a larger supply of loan money only by the casting vote of the Chairman of the Loan Council.

In spite of a reduction of £317,000 in interest and exchange payments this year, the Government are allowing the people no set-off against the increased Commonwealth taxation, and in this period of inflation, when conditions were never more favourable to State Governments, they are making no provision for the aftermath of war.

The Government's plan of post-war reconstruction is merely an exaggeration of their present policy of spending on public works. They carefully avoid the difficult factors, on which will depend the progress or otherwise of our primary and secondary industries, together with the absorption therein of returned men and of additional people. The position can be summed up in the Treasurer's own words—

“This will call not only for State borrowings through the Australian Loan Council, but also by municipalities and other public bodies. I foresee no difficulty in raising such loans in the future.”

The Treasurer proposes to make this the basis of his post-war reconstruction policy, notwithstanding the fact that in the nine years since 1931-32 this Government have added over £35,000,000 net to the public debt of this State, whilst in the same period the earnings of the State loan works and services have actually declined—that is, after subtracting the amounts transferred from tax sources.

Those are the main points that I see in the Budget that the Treasurer has presented to this Parliament. Unfortunately, the debate on this Financial Statement is hampered a little by the fact that up to date we have received no important reports from any of the spending departments. The first report of any consequence was tabled this morning—the annual report of the Department of Agriculture and Stock. As yet we have not received the annual report of the Auditor-General, the Commissioner for Railways, the Secretary for Public Works, the Department of Labour and Industry, the Commissioner of Main Roads, the Secretary for Public Lands, the Bureau of Industry, or any of the other State departments that are responsible for much of the Government's expenditure.

The Secretary for Agriculture and Stock: Did you say that you have not yet received the annual report of the Department of Agriculture and Stock?

Mr. NICKLIN: I said that that report was the only one tabled. I am sorry that the hon. gentleman had to make a sprint to get that in. (Laughter.) It was only tabled this morning and is of very little use for the purposes of this debate.

I think that the Ministers in charge of the various departments should endeavour to table their annual reports before the Budget debate begins. This would certainly help hon.

members to analyse the Financial Statement and lead to a more intelligent debate than is possible now. At present we have to assume a number of things because we have no means of checking them with the departmental reports.

The Secretary for Health and Home Affairs: It is difficult to get in your reports from all over Queensland.

Mr. NICKLIN: The annual reports this year seem to be later than usual, and I do not know the reason for it. Generally speaking, most of the reports are tabled by this time. Of course, I realise that that of the Auditor-General is generally late on account of the large amount of work entailed in its compilation.

The Secretary for Health and Home Affairs: The only way by which you might be able to get the reports tabled in time would be to have them made for the calendar year instead of for the financial year.

Mr. NICKLIN: That method might be adopted.

The Secretary for Health and Home Affairs: Before the Police report can be published information has to come from every police station in Queensland and be carefully checked.

Mr. NICKLIN: Yes. We all realise the difficulties in the way of getting these reports out, but I still maintain that an effort should be made to get them to Parliament earlier. I repeat that, on this occasion, the annual reports seem to be later than usual. I hope to see some of the reports I have mentioned tabled before the closing of this debate.

The Treasurer has again budgeted for a small surplus, the fourth successive surplus he has been able to budget for. Naturally, everybody is pleased to know that the State is able to balance its Budget, as nobody wishes to see unbalanced Budgets. On the other hand, I do not think that everyone will agree with the method that the Treasurer has adopted in bringing about this result. When we realise that he has approximately £2,500,000 in receipts from the State development tax to play with and huge increased taxes and charges that have come to his Government in the last nine years, and that he uses loan money to finance replacements in the Department of Railways—which should be a charge against depreciation account—and that the expenditure on buildings comes very largely from Loan Funds, and that trust funds are diverted to revenue, we see that it is not such a difficult task to balance a Budget as it would be if proper methods of finance were adopted in this State.

Let us look at the benefits the Government have received during the past nine years as a result of increased taxation and charges in this State. The Government stand condemned as the only one in Australia who have maintained in full the taxation that was imposed in the emergency period of 1929-32 and the years immediately following. Every other Government in Australia have

been able to give some relief to the taxpayers in their State.

The Secretary for Agriculture and Stock: This Government have given relief.

Mr. NICKLIN: So small that it is hardly noticeable; in fact, it is not noticeable in the amount received from the various sources of taxation.

Let us analyse the increased taxes and charges that have been imposed by the Government since they took office in 1932 so as to see the benefits that they have derived and how they have been able to improve the finances of the State. For instance, let us take the income tax.

The Treasurer: You cannot take that; we want that.

Mr. NICKLIN: And the hon. gentleman is displaying no signs of his intention to give any of it back to the taxpayers. Immediately the present Government were returned to office in 1932 they increased the income-tax rate and thereby got an additional £1,000,000 in 1939-40. They also reimposed the super land tax in 1932-33, and this gave them an additional £110,000 in 1939-40.

Mr. Muller: On the farmers, too.

Mr. NICKLIN: They also increased railway fares and freights on three occasions, in 1932-33, 1938-39, and 1941-42, thereby permitting them to collect an additional £1,150,000 in 1939-40. Here are some further fees that were increased by the Government—

	£
State transport fees (imposed in 1932-33) ..	91,766
State development tax (increase over 1931-32) ..	1,165,552
Motor registration fees (increases imposed 1938-39) ..	120,000

The total proceeds in 1939-40 from increases imposed by the present Government amount to £3,637,229. Hon. members will observe the heavy increase in the State development tax.

The Minister for Transport: Not because of higher rates.

Mr. NICKLIN: Yes, brought about by higher rates.

The Minister for Transport: No, increased employment.

Mr. NICKLIN: Does the hon. gentleman forget that immediately the Government were returned they doubled the State development tax, then know as the unemployment relief tax?

The Minister for Transport: We granted substantial exemptions.

Mr. NICKLIN: They approved of slight exemptions, but they were not enough to prevent their receiving this very substantial increase in revenue from that source.

Mr. Muller: They are collecting more money from this source than ever.

Mr. NICKLIN: That is so. If there is any tax that could have been reduced so as

to give relief to the taxpayers, it is the State development tax. I suppose the Government will contend that motor registration fees are not a charge upon the taxpayers, but are imposed for services rendered, but here the increase amounted to £120,000 a year. In all, the Government obtained additional revenue from the increases in the items J have mentioned totalling £3,637,229. That is a very substantial sum.

In addition, fees under various Acts have been substantially increased. For instance, the fees were increased under the Brands Act, under the Stallions Act, in respect of workers' dwellings, workers' compensation, Magistrates Courts, Supreme Court, real property, and under the Mining Acts. The Government imposed the bull tax.

The Secretary for Public Lands: Who collects a bull tax? There is no bull tax.

Mr. NICKLIN: Ask the Secretary for Agriculture and Stock—he will tell you all about it.

The Secretary for Agriculture and Stock: I say there is not, and you know there is not.

Mr. NICKLIN: There may be no bull tax as formerly enacted, but a similar amount is, as the hon. gentleman knows, collected by other means.

Let us compare the record of the Government with the record of the Governments of other States. Let us compare Queensland's Budget with the Budgets of Victoria, South Australia, Western Australia, and New South Wales.

The Secretary for Public Lands: It stands out as a bright star in the firmament.

Mr. NICKLIN: It certainly stands out, like the air direction beacon on Mount Gravatt, as the only Budget in Australia that has not given some concession to the taxpayers, and as the only Budget in Australia that has not taken into account war-time conditions, and has not indicated planning along sound lines for our post-war reconstruction period. Victoria has given a reduction of 35 per cent. in the unemployment relief tax. South Australia has given a concession amounting to £80,000 in income tax rates, in addition to a reduction of 25 per cent. in motor registration fees. Western Australia has made a reduction of 25 per cent. in motor registration fees. New South Wales has abolished the wage tax, but, running true to the form of Labour Governments, has imposed additional taxation in other respects. Nevertheless, they have at least abolished a tax, and that is more than can be said of the Queensland Government.

The Secretary for Health and Home Affairs: They should not increase income tax, but adopt the Japanese system, which collects income tax twice in the one year.

Mr. NICKLIN: The Budget, together with the very full and remarkable speech delivered by the Secretary for Labour and Industry on the Income (State Development) Tax Acts Amendment Bill, excellently

illustrates the difference between the policy of Labour and non-Labour. The policy of Labour is to get all it can spend, irrespective of the effect on industry or the taxpayers, whereas on the other hand non-Labour's policy has for its objective the encouraging of primary and secondary industries, which should be the main consideration in handling the affairs of State.

The Secretary for Health and Home Affairs: Your policy is to get all you can for your own supporters, irrespective of the effect on anyone else.

Mr. NICKLIN: Our policy is to give all possible encouragement to secondary and primary industries. We keep that right in the forefront of our policy; it is our main consideration. We believe that primary and secondary industries should be encouraged and that governmental policy should not be shaped to the detriment of industry.

Now let us examine this question of Government spending. If Government spending were really the basis of prosperity, then the Commonwealth Government, not this State Government, should get the credit for any prosperity that exists at the present time, because their expenditure is considerably greater than State expenditure. Comparing 1941-42 with 1931-32, the revenue and loan expenditure of the Commonwealth Government shows an increase of £275,000,000 per annum, whereas the expenditure of the Queensland Government has increased by £7,000,000. Queensland's share of increased governmental expenditure is equal to 2.5 per cent.

The Minister for Labour and Industry, in his second-reading speech on the Income (State Development) Tax Acts Amendment Bill, quoted Mr. Colin Clark, Director of the Bureau of Industry, as having said that every £10,000,000 spent by the Government generates a further £16,000,000 of spending power in the community. How does the Government's spending generate anything more than private spending? Let me quote the case of two farmers as an excellent illustration of this quotation. One, like the Government, spends the bulk of his available money on building a fine house and fitting it with furniture and other amenities; the other, maintaining that it is better to spend all the money he has on increasing the productivity of his farm, spends it on essential farming improvements, stock, implements, and so on. Which farmer generates the greatest spending power in the community? That is a good analogy to Government spending.

Very largely the spending practised by the Government has been on large works, such as the Story Bridge and public buildings, and this has not developed the same amount of spending power as would have been generated if that money had been expended in the establishment of industries in Queensland that would have given wages and work to our people as well as increased the revenue of the Treasury.

The Secretary for Labour and Industry also quoted the Co-ordinator-General of Public Works as having favourably compared the fructification of money in the hands of the Government with its fructification in the hands of the people. It was a great British statesman, the late W. E. Gladstone, who was responsible for the dictum, "Let the money fructify in the pockets of the people." Again, take a case in point. Assuming the Government decided to give relief to graziers and farmers by allowing money spent on water and fodder conservation as a deduction for income tax purposes. Which would be of greater benefit to the State—money spent by the Government on public buildings or money spent by the producers in providing essential services, such as water and fodder conservation, to increase the productivity of the State? If the Government made that concession, they would certainly lose a little revenue, and they would have a little less available for spending on the big schemes they are so fond of, but the money they lost would be spent in directions that would be of great help to the State and the Commonwealth in increasing the productivity of many of our primary products that are in great demand at present, and will be more urgently required in the period of reconstruction after the war. If the farmers and graziers had that money available to spend wealth production would be increased, whereas the Government collect it and they spend it on buildings or bridges. Of course, while it is being constructed, the expenditure provides some employment, but the money probably remains a charge on the State for many years.

We have to realise that there is only a certain amount of money that can be used for both war and civil requirements. It is essential that when there is a greater drain on the money pool for war requirements we should save not only our money, but also our resources. We should save for war production our real resources that would otherwise be used for civil production.

At present there is no volume of our real resources—labour, equipment, and material—idle. A shortage exists in all these, and that is undoubtedly retarding our war effort. One of the main reasons why Australia did not get the war effort for which she hoped in the last financial year was, no doubt, the fact that there was a shortage of the real resources essential to the making of a 100-per-cent. war effort. State Governments, by continuing the policy of expending as they did in normal years, are biting into the available pool of these real resources to the detriment of Australia's war effort.

As regards the labour position in Australia, I quote the figures of the Commonwealth Statistician showing the proportion of people who are unemployed—

	Per cent.
August, 1939	10.2
February, 1941	5.3
May, 1941	3.2

These figures indicate that, virtually, there are no unemployed men at present.

Now, what are the requirements of Australia in man power. The Commonwealth Statistician estimates that the present manpower requirements for our fighting forces at 10,000 a month. The same authority also estimates that 6,000 persons are required each month for war-time industries. The only new supply available to meet these requirements is the 3,000 persons—an approximate figure—who reach the employable age each month. If this State enters the field in competition with the Commonwealth Government, is that not going to have a detrimental effect on the war effort? Is not this the time when the State should curtail non-essential expenditure and endeavour to leave untouched as much as possible of the real resources of the nation that are required to continue the vital war effort that we must put forward? Is not this the time when they should do these things rather than continue a more or less peacetime programme of spending and thus bite into the available pool of resources to the detriment of the war effort?

Mr. Dunstan: Would you throw men out of work in order to help the war effort?

Mr. NICKLIN: That is a nonsensical interjection, seeing that at the present time virtually no person is out of work in the Commonwealth.

Mr. Dunstan: Would you throw them out of work?

Mr. NICKLIN: I would throw nobody out of work. Nobody is out of work at present. What I suggest, and what all good Australians would suggest, is that the State should co-operate to the full in the war effort by reducing non-essential expenditure and thus enabling Australia's war effort to be the full 100 per cent. that it should be.

As I have pointed out, there is no doubt that Australia's war effort last year was affected by a shortage of the real resources of labour, material, and equipment; nevertheless, the Government propose to continue expenditure at a more or less peacetime level, and this, undoubtedly, will have a detrimental effect on the war effort.

It is agreed by competent authorities that the most urgent financial need of a community is that it shall reduce ordinary, everyday spending. The truth of this is being brought home to every individual, but should not the same principle be brought forcibly before State Governments? If the people are asked to reduce their everyday expenditure in order that Australia's war effort shall not be detrimentally affected, should not the State Governments be asked to reduce non-essential expenditure to enable the war effort to get into top gear?

Reduction of civil expenditure by State Governments is admittedly difficult, for many reasons. Private persons argue that it is difficult for them to reduce their expenditure, and that being so, if the State Governments could achieve some little reduction by

spending only on essential works and cutting down their non-essential expenditure it certainly would be of help to the Commonwealth's war effort.

Let us compare the States' expenditures of the last couple of years with a view to ascertaining whether, as a whole, they have made any real effort to meet the situation that the Treasurer envisaged two years ago when he said—

“There is to be a transition from peacetime to war-time economy.”

The expenditure from revenue on the respective items for the years 1938-39 and 1939-40 was—

	1938-39	1939-40
	£ millions.	£ millions.
Public debt charges ..	40.2	41.5
Business undertakings ..	41.9	41.5
Social services	33.9	36.2
Public works administration	13.6	13.9
	<u>£129.6</u>	<u>£133.1</u>

The increase is considerable, and shows clearly that the States are not fully co-operating with the Commonwealth to achieve a 100-per-cent. war effort.

The gross loan expenditure of the whole of the States over the same period was—

	1938-39	1939-40
	£ millions.	£ millions.
Public works and services	18.2	16.9
Primary production ..	3.4	3.7
	<u>£21.6</u>	<u>£20.6</u>

A comparison of the figures I have quoted discloses that the principal increase in expenditure comes under the heading of social services. Expenditure under this heading, together with expenditure under the heading of public works, would appear to offer a greater scope for the scaling down of spending, especially in view of the unemployment position at present.

The Treasurer: A moment ago you said there were no unemployed.

Mr. NICKLIN: And I am using that argument to support the scaling down of this expenditure. No doubt, the Treasurer will argue that I am advocating the cutting down of social services in the various States, but that is not so. We have to realise at present that when virtually all of our people are employed there is not the same need for increasing expenditure on social services as there was 9 or 10 years ago, when a large section of our people were unemployed. It is essential that we now divert all our resources to the war effort; this is certainly not the time for large increases in our expenditure on social services or public works.

The Commonwealth Government have not the same scope for reducing their expenditure on the services that they carry out normally as have the States. They have their commitments, for pensions, repatriation payments, post and telegraph services, and the payments

on behalf of the States, which it is difficult, if not impossible, to reduce. The States, on the other hand, have means whereby they can cut their non-essential spending. That is a point on which I join issue with the Treasurer. His Budget does not provide sufficiently for the cutting down of non-essential expenditure in Queensland. Its main feature is that this year our loan expenditure and expenditure from various funds available have been virtually those of a normal year. No provision has been made for the rainy day that must inevitably arrive, particularly when we have to face the difficult post-war reconstruction period, which will test the resources and capabilities of all Governments in the Commonwealth.

When I mentioned at the beginning of my speech that the Government had increased the public debt of the State by approximately £35,000,000, the Secretary for Health and Home Affairs doubted the accuracy of that statement. I am going to quote figures to show that my contention is perfectly correct. In these figures I use the debts that the State Treasury has incurred and the debts that local bodies have incurred—loans borrowed from sources outside the Treasury, but under Treasury guarantee—which must be included in the indebtedness of the people of this State.

The Treasurer: There are other debts, such as grocers' bills, that you might include as well.

Mr. NICKLIN: I have not yet heard of the Treasurer's guaranteeing any grocer's bill, but if he is entering that line of business I shall perhaps find him a few customers. I am referring to the debts that are the responsibility of the Treasury of this State. They are those incurred by the State and by local bodies, and by governmental spending authorities, such as the Bureau of Industry. The State carries the responsibility of borrowings of local bodies, because the Treasurer has given guarantees that the loans will be repaid. He cannot beg the question by saying that the Treasury is not guaranteeing grocers' bills. I am taking into account the amounts that the Treasury is directly responsible for, and those it has guaranteed in respect of local authorities and governmental spending authorities.

The Treasurer: You seem to be suggesting that the local authorities should repudiate and throw their debts on the State.

Mr. NICKLIN: I am not suggesting that the local authorities should repudiate.

The Treasurer: The implication is there.

Mr. NICKLIN: I am pointing out that the people of this State are responsible for the public debt. There is only one body of people in Queensland who are responsible for the public debts of the State, whether they be borrowed from the State Treasury, or borrowed by local authorities from financial institutions under the guarantee of the State Government. There is only one set of taxpayers to pay this money, and, irrespective of what the Treasurer says, there is no doubt that in the last nine years the debt the people

of Queensland have to meet has grown by approximately £35,000,000.

Mr. Muller: Hear, hear! That's the point.

Mr. NICKLIN: At 30 June, 1932, the net debt of the State Treasury was £111,622,000, while the amount borrowed by local bodies outside the Treasury was £10,241,000. At the conclusion of the financial year 1941, the Treasury debt was £128,798,000, an increase of £17,176,000, and the debt of local bodies was £28,502,000, an increase of £18,261,000. In nine years the Treasury debt and the debt of local bodies had increased by £35,437,000. That is a debt for which the people of this State must be held responsible. The Government have been responsible for increasing the public debt of the State by £4,000,000 per annum, thereby making each person in Queensland virtually responsible for an additional £4 per annum in the debt of the State.

The Treasurer: You could imagine a much bigger sum if you included the money that had not been lent.

Mr. NICKLIN: It is all very well for the Treasurer to endeavour to pass this off by an interjection of that kind, but these figures have been taken from the Treasurer's financial tables, and they will take some explaining away. I should like the hon. gentleman to attempt it if he can. Whatever he says, whatever analogy he uses or what illustration he may put forth about grocers' bills and butchers' bills, the fact remains that they have increased the people's debt by £35,437,000.

It will be noticed that the local governing bodies have been asked to carry a greater increase in the debt of the State than the Treasury itself. That has been the policy of the Government—to encourage local authorities to borrow and spend, so that the Government will not have to accept the responsibility of direct expenditure themselves. Their subsidy-loan system induced local authorities to embark upon a considerable amount of loan expenditure, and to-day many of them are feeling a little sorry about it. However, it should not be forgotten that the Government have added approximately £4,000,000 per annum to the debt burden of the people since they have been in office.

The Secretary for Mines: Did you not forget to add the sums guaranteed for co-operative societies? There is another £50,000,000 there.

Mr. NICKLIN: Guaranteed sums to co-operative societies! The Secretary for Mines is trying to draw a red herring across the trail. Where have the Government guaranteed £50,000,000 for co-operative societies? The money is found by the Commonwealth Bank and other financial institutions.

The Treasurer: It is no wonder that the hon. member for Nanango is leaving the Chamber. We guarantee the peanut crop in his district every year.

Mr. NICKLIN: There is another point that should be examined in relation to the growth of the loan indebtedness of the State—

that is, the reproductivity of loan expenditure. If all the expenditure that has been added to the public debt returns enough to service this debt—that is, pay interest and redemption charges—the position would not be quite so serious as it is. Unfortunately, there has been a falling away in the return from loan works and services.

The Government have adopted the practice of crediting large amounts of receipts from the State development tax to loan works and services. The Secretary for Labour and Industry, in the course of his second-reading speech on the Income (State Development) Tax Acts Amendment Bill, said—

“There are items (of expenditure from the State development tax) that may be disputed as having been paid from one fund to another, such as interest and redemption on moneys raised to create employment. There is one item representing £380,000 for the last financial year, or 4.8 per cent. of the total.”

Obviously, tax receipts are not earnings of the loan works and services, and this amount must be subtracted, leaving £2,661,624 as the true earnings, as compared with £2,639,033 in 1931-32. Thus the £17,176,000 net, which has been added to the public debt of the Treasury in the last nine years, has returned practically no interest, and its cost has to be met from taxation.

We find that has been general since the Government have been in office—that the return from loan works and services has been gradually falling away. Before the advent of a Labour Government in Queensland the return from loan works and services almost met interest and redemption charges, but we find that the position is now becoming worse each year and that consolidated revenue is being called upon to a greater extent year by year to meet the debit on account of loan works and services. This shows that the money spent on loan works and services has not been wisely spent. Too much has been expended on projects that do not return interest and redemption charges. That means an increased charge on consolidated revenue, and the natural corollary is an increased charge on the taxpayer who has to meet these deficits.

In 1914-15, the pre-Labour period in Queensland, the interest return on loan works and services was only £267,852 short of the total interest payable. In 1941-42 the shortage to be met from taxation, allowing for the £380,000 previously mentioned, was £2,611,042, an amount equal to over one-third of the tax receipts from all sources in 1940-41.

The Secretary for Mines: If you went back to 1841 you would obtain a better comparison from your point of view.

Mr. NICKLIN: There is no need for the hon. gentleman to endeavour to cloud the issue by making such an interjection. He can check my figures from the Treasury tables. These tables show the trend of Government policy and the effect of spending

so much money on unproductive works and services that do not return interest and redemption charges. That is altogether foreign to the policy that members of the Labour Party advocated before they obtained possession of the Treasury benches. In 1910 the late Mr. D. Bowman said—

“Well, speaking for myself, and I know that a number of members agree with me, while we are prepared to support a borrowing policy for reproductive works, we should be careful in the amount we borrow. We should only have restricted borrowing. . . . I think it would be a big mistake for this Government or any other Government to go in for borrowing indiscriminately.”

Mr. Bowman was one of the grand old men of the Labour Party and one of its founders. That was his attitude to loan spending, and it was a very sound one; yet the Government have adopted the practice of spending all they can irrespective of whether the return to be derived equals the interest and redemption payments.

An excellent example of this policy is one of the American loans the burden of which everybody is glad to learn the State is now being relieved of, and which the Treasurer made a feature of in his speech. This loan was obtained by a previous Labour Government irrespective of what it cost the people. They did not care so long as they got the money. That loan has certainly been a detriment to Queensland since it was obtained over 20 years ago.

The Treasurer: Compared with other loans of the day that loan was obtained upon very favourable terms.

Mr. NICKLIN: Let us examine those “very favourable” terms of the American loan.

The Treasurer: Compared with other loans of the day.

Mr. NICKLIN: Seven per cent.

The Treasurer: Compared with other loans of the day.

Mr. NICKLIN: Compared with other loans of the day it was an expensive loan.

It is noticeable that up to the present Budget the Treasurer has always kept the American loan and its effect on the finances of the State in the background. I remember that last year the Treasurer complained in his Budget speech of how Queensland was disadvantaged as compared with the Southern States in the amount of loan conversions that had taken place during the current year. Queensland undoubtedly was disadvantaged. The Treasurer also mentioned that the State was considerably disadvantaged by the fact that it had to pay 7 per cent. on American loan in addition to very high charges and exchange payments to the United States.

The Treasurer: You overlook the fact that we were advantaged to the extent of £500,000 by the exchange when we borrowed it.

Mr. NICKLIN: The hon. gentleman was disadvantaged by £600,000 in paying it back, so where is the advantage?

The Treasurer: Where is the disadvantage?

Mr. NICKLIN: The disadvantage is a mere £100,000, which is nothing, not to mention the large amounts the State lost each year in the high exchange rates that had to be paid when remitting interest and redemption charges to the United States. I think everybody will be pleased to know we are well rid of the American loan, and as a result of the favourable conversion terms that the Treasurer has been able to arrange this State benefits to the extent of approximately £106,000 a year. Undoubtedly, that loan has been a drag on the State ever since it was borrowed 20 years ago, and everybody, including the Treasurer, will be pleased to see the last of it.

Let us examine other aspects of the Budget. I refer first to the page on which the Treasurer has a table detailing expenditure of over £5,000,000 on various works and services in this State.

Let us examine the expenditure of this huge sum. Of the total of £5,032,800, only the following can be classified as rural development or rural development purposes:—

	£	£
Land settlement: Water facilities, main stock routes	9,000	
Special loans for rural development: Ring-barking, &c. ..	3,000	
	—	12,000

On the last item, the sum of £4,073 was expended last year.

	£
Cotton and irrigation ..	201,300
Bureau of Rural Development	256,000
Mining	51,600

Last year, the amount available to the Bureau of Rural Development was £297,331. The grand total of these items is £520,900.

The Treasurer: I have not the paper in front of me, but did we not mention main roads?

Mr. NICKLIN: I am speaking of rural development.

The Treasurer: Is not that a rural development? Do not be so one-eyed. Do try to be broadminded.

Mr. NICKLIN: At the moment, I am speaking of expenditure on rural-development work. Undoubtedly, roads help to develop rural industry, but that is expenditure on another item.

The Treasurer: It does not suit your purpose.

Mr. NICKLIN: I am not quibbling about the objects of the expenditure on rural development by the Treasurer—I agree with all of them—but I complain that the Treasurer

is not making larger sums available for special loans for rural development—such as ring-barking—under the scheme inaugurated by the Moore Government in 1932-33. That is a form of development that could be well fostered by the present Budget. Unfortunately, expenditure on this very useful form of rural development has been more or less wiped off by the Government over the past nine years. When the scheme was introduced in 1932-33 by the then Premier, Mr. Moore, £190,000 was expended on this form of development, and very useful expenditure it was. It gave a good return to the State by increasing the productivity of the land. Immediately the present Government came to office they began the progressive reduction of the amounts available for this purpose. From £190,000 in 1932-33 we find it is cut down almost to vanishing point, £3,000 for the current year.

That is bad policy. It is not in the best interests of the rural districts of Queensland. If the Treasurer finds that he has Loan Funds that he has not expended during the year for the purposes for which they have been set aside, I suggest he give greater consideration to increasing the rather niggardly amount of £3,000 for the special rural development fund. This is a type of work that returns good dividends to those who utilise the money and to the State by the improvement of the productivity of our land.

Now let us examine the amount of £201,300 for cotton and irrigation—money spent to increase the output of cotton.

Everyone will agree that it is essential that we do everything possible to increase the production of the primary commodities that are essential to a successful war effort. Cotton is undoubtedly one of these, but on looking at the history of cotton in Queensland we begin to wonder whether we are dealing with the problem in the right way, whether we want to use it merely as a means of developing our dairying lands, or desire to establish a permanent industry in this State. There can be no doubt that the cotton policy of Queensland has not had the effect of placing it on an economic basis as a permanent industry here, and I feel sure that all of us would like to see it permanently established.

No-one can deny that there has been no stability in the cotton industry in Queensland. A perusal of production figures supports that contention. Why, as far back as the 'sixties of the last century Queensland was producing more cotton than she is to-day! When we realise this, we must become alive to the fact that there is something wrong with the development of that industry here. In 1920, cotton production in Queensland got so low as only 37 bales of 500 lb. each. Figures have fluctuated since then. For these years the production in Queensland was—

	Bales.
1925	11,975
1926	6,140
1927	4,824

It was not until 1930 that production jumped, and then it went up to 11,051 bales, as a result of the efforts made by the Moore Government to revive the industry. It dropped again in 1932 to 3,989 bales, but reached the peak production of 17,741 bales in 1934. For the next three years production was more or less maintained, but it dropped again to 8,519 bales in 1937, rose to 12,447 bales in 1939, dropped to 8,370 in 1940, and the estimate for this year is only 11,000 bales. Those figures prove conclusively that there has been no stability in the cotton industry in Queensland.

If we are to develop the cotton industry in this State, and make it an economic industry for Queensland, we shall have to investigate the cause of this great fluctuation in production. There can be no doubt that this is due to the fact that we have been endeavouring to grow cotton by depending wholly on the rain, instead of using irrigation, as has been done in every other country in which cotton-growing has been successfully established.

An examination of the number of growers, the number of acres under cultivation, and the amount produced from that acreage indicates that there is certainly something wrong with our method of growing cotton. In 1932, the production of 3,816 growers from 61,304 acres was only 3,989 bales, proving that if we are to develop this industry along sound lines we shall have to apply irrigation to it, as has been done in other countries, and not depend only on the weather, nor must we look upon cotton as a means to expanding our dairying industry.

There has been no stability in the industry up to the present time. We often hear hon. members on the other side of the Committee blaming the Commonwealth Government for this state of affairs, because, it is said, they have not given a sufficient bounty or something of that nature to enable cotton to be produced successfully in this State. Whilst we realise that the price is the most important factor in the industry it has to be admitted that the successful production of cotton—and by that I mean yield to the acre—is also a very important factor if the industry is to be stabilised on a sound economic and agricultural basis. It has been proved beyond doubt that we cannot develop an economically sound cotton industry in Queensland if we follow the same lines as we have pursued in the past. The industry has been developed too much as a sideline instead of a main industry. If we are going to treat it as a sideline on dairy farms, or any other farms, for that matter, we shall not develop a stable cotton industry in Queensland.

Mr. Jesson: Whom do you blame?

Mr. NICKLIN: I am not blaming anybody, but am simply suggesting to the Government something that I hope will lead to the development of the cotton industry, and thereby make it of permanent value to the State. With its ups and downs in production, it has not been of great value to Queensland. We can grow as good cotton in Queensland as can be grown in other parts

of the world, but we have to learn lessons from other parts of the world if we wish to stabilise the industry here. Instead of allowing it to be used as a political football, we have to look into the whys and wherefores for its patchy development and see if we can overcome them, and place the industry on such a footing that it will ensure employment for our boys when they return from the war.

It has been proved all over the world that you cannot grow cotton successfully unless the crop is assured of sufficient moisture in the planting and growing periods. Although dry farming helps, you will not get a crop if rain does not fall at the right time. We have, therefore, to develop the industry in this State by means of irrigation if we want it to be a staple one. I am pleased that the Government have made available a sum of money for the development of the industry under such conditions. No country in the world attempts to grow cotton on the basis of a low yield to the acre. In Western Europe rain falls regularly during the growing period, and the crops of these countries are more or less regular. In Queensland we are more often than not faced with a dry spring, and for that reason we have patchy yields in this State.

Experiments conducted by the Queensland Cotton Board demonstrate that cotton will show a three-fold increase in production when grown under irrigation, as compared with dry-farming conditions.

The same results have been achieved on the cotton-growing areas in Egypt, Peru, India, and the United States of America, where cotton is grown under irrigation. In California, on the dry side of America, where cotton is a big industry at present, it has been developed wholly by means of irrigation. In 1919 there were 8,600 acres of cotton under irrigation in that country, but by 1926 the area had increased to 650,000 acres, and by 1937 to 1,300,000 acres.

Although we are very pleased with what we have achieved in the production of cotton in Queensland under irrigation conditions, and although we have increased our production three-fold, the acreage return of 1,669 lb. of cotton is less than the average return for California with its 1,300,000 acres, where the average return of seed-cotton is 1,700 lb. In many instances, the average return in California on that large area is 2,000 lb. and 3,000 lb. an acre. However, the figures indicate that we are on the right lines in Queensland in developing cotton production by irrigation, but we shall never be able to develop a stable industry in this State unless it is carried on under irrigation conditions, because the weather during the growing period of the year is against the development of rain-cotton in this State.

Mr. Jones: Is it economically possible to produce cotton by irrigation here?

Mr. NICKLIN: Absolutely. It is questionable whether our present system of growing 1-acre, 2-acre, and 3-acre blocks by the overhead watering system is going to

lead to the proper development of the industry along economic lines. I think that we should follow the practice established in the United States of America and in the Punjab, India, where big areas are cropped—that is, adopt the flooding system of irrigation.

Mr. Jones: Cheap labour!

Mr. NICKLIN: No. The labour problem has been overcome by the use of the mechanical picker.

The Treasurer: Are you sure?

Mr. NICKLIN: Yes.

The Treasurer: If you knew anything about the mechanical picker you would not say that.

Mr. NICKLIN: Of course, it would be necessary to grow a type of cotton on which the mechanical picker can be used; then, I have no doubt, the industry will be a profitable one. It is not a bit of use using the mechanical picker in a block where the bushes are 6 feet high and about 5 feet wide. A suitable type of cotton will have to be grown and measures will have to be taken to prevent the plants from growing into big bushes.

I have had discussions with men who have conducted experiments with cotton in the Burdekin and Home Hill areas, and it is there that I think we can develop a satisfactory cotton industry. The farmers there understand irrigation. Large areas are available suitable for the production of cotton. In addition there are experienced farmers with the necessary knowledge and machinery who, in view of the threatened restriction of sugar production, are turning their attention to the use of their land for other crops. This is, in my opinion, a sounder district for the permanent establishment of the cotton-growing industry than a number of other districts where we are endeavouring to grow cotton at the present time.

Mr. Dunstan: Do you favour expensive irrigation systems?

Mr. NICKLIN: A large proportion of the equipment required is already available in the area I have mentioned.

Mr. Dunstan: It is a specially favoured district.

Mr. NICKLIN: My suggestion simply means the use of equipment that is now available.

Mr. Jesson: Why are they not using it?

Mr. NICKLIN: I think that the owners are using it on pretty big areas in the Burdekin and Home Hill districts at the present time. I suggest that the Government, when making available the money earmarked in the Budget to encourage cotton-growing, will pay due regard to its expenditure in a manner that will bring about its development along sound economic lines. That can only be achieved by ensuring that the greater part of our cotton crop is grown under irrigation in order that we may be independent of

unfavourable weather conditions, which inevitably occur during the growing season. Such a policy would give us a return comparable to the return per acre obtained in other countries.

Mr. Dunstan: That would mean that the State would carry the greater part of the capital expenditure?

Mr. NICKLIN: Not at all. Cotton-growing could be developed to a large extent in the Burdekin and Home Hill areas without any great governmental assistance, because there already exist the land, the water, and the men competent to farm that land by means of irrigation. The necessary machinery and everything required are available; it is just a matter of giving some encouragement to the farmers and showing that they can grow cotton profitably. That can be done with very little expense to the Government.

The point that I wish to emphasise is that the cotton industry is valuable to this State, but it has not been developed along lines that will make it sound and stable, and if we are going to expend money on its development we should spend that money in a way that will stabilise it and thus bring some benefit to Queensland for the £200,000 that the Government propose to expend this year. We want to have something to show for it at the end of the financial year. We have not adopted a sound policy up to date, one which will firmly establish cotton-growing on an economic basis.

There is one other matter I desire to touch upon—namely, motor registration fees. A deputation has approached the Premier asking him to consider a reduction. I realise the difficulties that attach to the granting of this request, but I also realise the importance of it from more angles than one. Let us first of all examine it from the angle at which the Treasurer looks at it, which after all is the most important—that is, the amount of revenue derived from motor registration fees. I say emphatically that the apparent policy of the Government to give no reduction in motor registration fees and no concession to owners of motor vehicles will have a detrimental effect on the Treasury as it will cause many of them to put their cars up on blocks and not re-register.

The private owner of a 30-horse-power car pays a registration fee of between £10 and £11, and a compulsory insurance premium of 30s., making a total of at least £11 10s.

Mr. Dunstan: Why not take the case of a 25-horse-power car, which is nearer the average.

Mr. NICKLIN: It does not matter what you take, the result is the same.

These cars are allowed 5 gallons of petrol a month, and at 2s. 6d. a gallon the owner would pay £7 10s. for petrol in 12 months, which is less than he would pay for registration fees. That means that many of these people will put their cars up on blocks and the Government will lose the registration fees altogether. The State will lose also because

these car owners will not be spending money on repairs and things of that nature, and the Commonwealth will lose because a very valuable machine is laid up in time of war.

Laying up a car is not the easy thing that many people imagine it is. It is thought that in order to lay up a car one just drives it into the garage, puts it on blocks, and leaves it there. If one did that one would find in six months that the car was not worth two hoots. In order to keep a car in good condition the engine must be turned over occasionally, otherwise corrosion takes place. Tyres and other parts also deteriorate rapidly unless proper care is paid to them. If owners put up their cars the Treasurer loses revenue, money does not go into circulation, and a valuable asset deteriorates. How can we avoid that?

I think that more sympathetic consideration should be given to the question by the Treasurer. I suggest that we should either take the action that has been taken in other States and bring about a reduction in registration fees, or make it possible to pay registration fees by quarterly or half-yearly instalments. The average Australian is an optimist, and he would say, "In a few months' time there is a likelihood of getting more petrol," and he would pay his quarterly registration fee, his car would be kept in commission, and the Treasurer would receive a little more revenue.

Mr. Dunstan: Would not the 5 gallons a month still prevail? He does not run the car any more with a cheaper registration fee.

Mr. NICKLIN: I realise that, and I pointed out that the average Australian is an optimist and always hopes that something will happen in the near future. If he has to pay a 12-months' registration he will probably say, "Hang it, up goes the car," but if it is a fair bet—if it is for a period of three months—he will "give it a go," hoping that at the end of that time he will be able to get a few more gallons.

This is a serious matter. The figures released by the Commonwealth Statistician show that there has been a 50-per-cent. decline in motor-vehicle registration in Australia from 30 June, 1940, to 30 April, 1941. The Treasurer knows the effect on his revenue. I feel certain that if he gave favourable consideration to either a reduction in registration fees or a system of quarterly or half-yearly payments to encourage people to keep their machines on the road he would not lose revenue thereby, and the economic structure of the country would benefit.

In conclusion, I repeat that I regret that the Government have not taken into account fully the conditions in which the State finds itself at the present time. They have not, in arranging their expenditure, taken into account the request made to private individuals to keep down non-essential expenditure. Non-essential State spending should be cut out to enable Australia's war effort to get into top gear. That is not a feature of the Budget, and I regret it.

I am sure that all taxpayers will regret that the Government have not been able to give them some relief, small though it might have been. They will be asked to meet very heavy commitments in the near future, and the State's policy of continuing high taxation will not help. In this Budget the Government have not done everything they could to help the taxpayers or to assist Australia's war effort.

Opposition Members: Hear, hear!

Mr. BRASSINGTON (Fortitude Valley) (12.6 p.m.): A good financial position is the test of good government, and if we apply that test to the Budget under review, we must all agree that Queensland has enjoyed good government during the past fiscal year.

I congratulate the Treasurer and the Government associated with him on the comprehensive manner in which the financial position of the State has been placed before the Committee. The Budget has been prepared under four important headings. It gives a comprehensive review of the State's finances during the past 12 months. It sets out the Government's achievements. It clearly states Queensland's co-operation with the Commonwealth for the prosecution of a successful war effort. It contains hope for our people for the future in any planning for the new order. It is a very remarkable document and it represents a changing over from the old order to the new.

We are all very pleased, Mr. Gair, to see that once again, by sound administration and handling of the finances of the State, a surplus has been declared, the third in succession. It has to be understood that this has been achieved under very adverse conditions during the past fiscal year. We have been engaged in a terrific war, and this has set us many new problems that the State had not to meet in the years gone by. The Government are worthy of congratulation and the solid support of the people for the splendid financial position in which the State finds itself.

From time to time I have listened to hon. members discussing taxation, and it is indeed gratifying to note that at the present time, when the tide of taxation is rapidly rising in Australia, Queensland has not increased its taxes. The problems created by the war have been many and varied, but the present level of taxation has been maintained by means of sound legislation that gave to the people the benefits of the greatest possible amount of progress. It is a great achievement that these things can be brought about without the levying of additional taxation in such critical times as these.

An examination of this very fine document shows that one of its chief phases is the continuance of the policy of development that the Government have followed for many years. Is there any hon. member in this Committee who would contend that this policy of development should not continue? It is essential that we realise that a great heritage was bequeathed to us by the pioneers who worked to develop the country and laid a

solid foundation on which we could build. Queensland carries a population of about one person to the square mile, nevertheless, in the midst of our great war effort we find those who criticise the Government overlooking the fact that side by side with our prosecution of the war must march further development of the State so that it may be settled with the greatest number of people in the shortest possible time.

I suggest that the only way to do that is to continue the policy that we have followed up to date. In the first place, we must develop our primary industries by throwing open more land, thus encouraging closer settlement, then we must foster secondary industries and attract to our State as many people as possible in the shortest space of time.

It is interesting to note, too, that any endeavour by hon. members opposite to curtail or hamper this policy will impair the State's progress and have a material adverse effect upon the splendid effort that we are now making to play our part with the other States of the Commonwealth in withstanding the forces of brutal aggression and coercion that now threaten the democracies and the principles of liberty and tolerance throughout the world. There can be no doubt that this policy of development must be carried out until Queensland is capable of carrying the greatest possible number of people, until by the development of our primary industries we are in a position to expand our secondary industries and attract to this State and train in it the finest types of artisans so that those secondary industries may march alongside our primary industries and so bring greater progress to Queensland.

Last week I listened to the arguments of hon. members opposite against the State development tax. I ask them where, after considering the Budget and the enormous amount of development that has been carried out in this great State, there can be any objection to the way in which the Government use the money raised by that tax to create employment, develop industry, and promote the welfare and advancement of Queensland. I think I am entitled to say that their arguments against the State development tax are indeed based upon shifting sands, and that they are arguments that are not in the best interests of the State, especially at a time when we are passing through such a grave crisis as the present.

Some very interesting tables are contained in the Budget, and it is only right that we should point out that during this Government's term of office, and thanks to their policy, Queensland's primary production has increased from 16.5 per cent. in 1932 to 22.6 per cent. of the Australian total. Our factory employment—and this is one of the things with which hon. members opposite flog their political joss from time to time, telling us that this State cannot compete in secondary industries because of the Queensland Government's policy—has increased by approximately 20.2 per cent., a greater increase than that made in half the other States of the Commonwealth, including the one prized by hon.

members opposite as an excellent example of the correct policy to pursue so far as secondary industries are concerned—South Australia.

As further evidence of the wisdom of the policy of development pursued by this Government, let us take the value of the exports from this State. The latest figures that I have been able to obtain are for 1938-39, when the approximate values of the chief exports from this State were—

	£
Wool	8,500,000
Butter	7,500,000
Sugar	4,200,000

The percentages of this State's production exported overseas for the same year are also interesting, and I think that they should be made known to our people. They are—

	Per cent.
Wool	97
Butter	81
Sugar	57
Beef	47
Cheese	60

These points are worth emphasising to show the amount of progress made and the achievements realised, and to prove that the policy of this Government is sound and fruitful. Hon. members opposite, when speaking about taxation and accusing this Government of being a spendthrift Government, have to face up to the fact that all this has been accomplished in 10 years by the use of loan and other moneys and with an increase of only £14,641,000 in the public debt of the State. With a total increase in all the other States of £178,964,000, it shows that Queensland compares more than favourably with the other States of Australia in respect of the increase in the State public debt. I leave hon. members opposite to attempt to refute those facts or, accepting them, to draw their own conclusions accordingly. These figures will stand examination and, I believe, will dispel for all time the accusation and misrepresentations indulged in by hon. members opposite.

It is pleasing to note, too, that for the present financial year the Government will have at their disposal a sum of approximately £5,000,000 to be expended in a continuance of that very fine policy to which I have referred. I should like to stress particularly to the people I represent some of the things that the Government intend to do during the coming year. I refer to the expenditure on air-raids-precaution services to show that there will be ample protection in this city and throughout the State for the lives and welfare of the citizens should we be attacked by an enemy from outside.

Mr. Maher: Has anything of a definite nature been done?

Mr. BRASSINGTON: In reply to the question asked by the hon. member I say—and in this I am repeating what I said during the Address in Reply—that if the national Government were fully alive to their responsibility for implementing a policy whereby other necessary ways of protection could

be given to the people, this State and the other States would have very little indeed to complain about.

Mr. Maher: Are you going to have deep air-raid shelters?

Mr. BRASSINGTON: A certain amount of money has been allotted to air-raids-precaution work this year and I counsel the hon. member to possess his soul in patience and he will see the effects of a policy that is in the interests of the people of Brisbane.

On the successful construction of the Stanley River Dam will depend the future water supply to the citizens of Brisbane. I am glad that the Government are putting £347,000 aside for this purpose this year. Will anybody object to the advance of £125,000 for the purpose of continuing work on that magnificent institution known as the University where sons and daughters, not only of hon. members but of all citizens, will be able and entitled to go and get the best education it is possible to give them? A sum of £348,000 has been set aside for the construction of workers' dwellings and homes. I said the other day there was a housing shortage not only in Brisbane but throughout the Commonwealth at the present time. The expenditure of the sum referred to is a fine contribution towards overcoming the difficulty facing the people of this State. The Government are setting up a special committee to submit proposals for a post-war building and housing programme. That will be very necessary because hon. members must realise that when the war is over and many thousands of our brave stalwarts return there will be an urgent housing problem on our hands. It is better to prepare now to meet it than dilly-dally or push it aside only to have to face up to it in the post-war years when finance may be scarce and the problem thus impossible of solution. Accordingly I commend the Government for their very important contribution to the solution of this problem in setting up a committee to study the problem now.

I propose to refer to an item in the Budget relating to uncontrollable expenditure, and especially to the fact that interest on the public debt, sinking fund, and exchange charges to-day total £6,905,000 or 32.10 per cent. of the total expenditure of the State. Here is an immense task to be tackled. If my memory serves me, I think the Treasurer made reference to it in his Budget last year when he suggested that this enormous financial load should be reduced, if possible, so that the Government would have a greater amount of money left for development and other important purposes. I have no desire to start a political controversy by referring to financial reform or allied subjects, but I do want to congratulate the Government, the Treasurer, the Right Honourable S. M. Bruce, Commonwealth Commissioner in London, and our Agent-General, Mr. Pike, on the splendid bit of work that they accomplished recently in bringing about the conversion of £14,000,000 of our public debt bearing interest at 5 per cent. domiciled in London. It is gratifying to know that when the effect of this conversion has been felt for a full

financial year the saving in interest and exchange to this State will be about £341,000. That was a very fine bit of business for the State and the gentlemen responsible for it are entitled to our congratulations instead of the criticism that usually comes from hon. members opposite.

Mr. Nimmo: The Treasurer did not pass any of it on in reduced taxation.

Mr. BRASSINGTON: I have already pointed out that Queensland is probably the only State that is not contemplating an increase in taxation. I shall have a word or so to say about this subject later on.

The redemption of the 7 per cent. American loan has saved the State about £106,000 annually in interest and exchange. While these arrangements may lead to a lightening of the burden of the State it is important that consideration should be given to the general question of reducing the interest burden. There are many thousands of our people who are giving their lives in defence of this country, and there are many thousands more who are subscribing as much as they can to prosecute the war, but my suggestion is that the powers-that-be should thoroughly explore all avenues with the object of trying to lessen this enormous load by reducing the interest charges not only in this State but throughout the Commonwealth. From time to time hon. members opposite have contended that Queensland is receiving her fair share of support from the Commonwealth Government in the prosecution of the war effort. By that I mean that they are of the opinion that this State is receiving all the expenditure on munition and defence work to which she is entitled. That is not the fact and it calls for an examination.

The Secretary for Public Lands: Even the Prime Minister himself does not agree that Queensland is getting her fair share from the Commonwealth.

Mr. BRASSINGTON: That certainly is the opinion of the Prime Minister, but until he is in a position to alter that state of affairs there will be considerable dissatisfaction amongst the people of Queensland.

I am not going to give my personal opinion on the subject. I am going to put into the witness box no other than the Queensland Chamber of Manufactures. The gentlemen this organisation comprises are certainly not sympathetic to the State Government, nor have they ever been noted for any great degree of progressiveness, but I am going to quote from their report to show that they are alive to the necessity of this State's getting a better deal from the Commonwealth than it is receiving. An extract from the report, which appeared in the "Telegraph" of Thursday, 16 September, 1941, states—

"Queensland is entitled to equal consideration with the rest of the Commonwealth in such expenditure, not only so that an equitable proportion of the money withdrawn from this State by way of loans and taxation is spent within the State, but also because the spacing of factories and

the development of manufacturing in all suitable parts of Australia is one of the best aids to defence."

I should like the ex-leader of the Opposition to pay attention to that statement, because he said the other day in this Chamber that the Commonwealth expended more in this State than they got from it in taxation.

This article proceeds—

"However, while there has been a complaint of the relatively small share of war work so far allotted to Queensland, it must be admitted that the Commonwealth Government has been limited by the availability of suitable plant. Queensland has been and still is relatively deficient in this, because of the lack of development of secondary industry in previous years."

How can these gentlemen make that statement agree with their oft-repeated statement that there has been no increase in factory employment in this State? The main theme of their complaint is that this State has been badly treated and they ask the Commonwealth Government to give Queensland a better deal in the matter of expenditure connected with the war effort?

Mr. Nimmo: Give them plant, eh?

Mr. BRASSINGTON: I can take the hon. member for Oxley to my own electorate where there are a number of plants not engaged to-day in the war effort, and there are similar instances throughout the city. There is a goodly amount of plant available in the city for defence work, and some of the plants engaged in the war effort are not employed to their full capacity. Take the new munition works at Rocklea. Some five months ago we were told that these works would be in production about the middle of the year.

Mr. Dart: Too many strikes.

Mr. BRASSINGTON: The hon. member, true to time-honoured tradition, can only interject in the time-honoured way, but if he were only fair to the people he represents and this State he would probe at the root of this evil and approach the head of the administration. It seems to be a case of bungle, bungle, and more bungle. We read the other day that the opening of these works, instead of taking place in the next few weeks, will be delayed. All I have to say is that if this state of things is allowed to continue, and if we are going to waste valuable months before intensifying our war effort, we might see the end of the war before operations are started. That would be against the policy of hon. members opposite who enthusiastically support the war effort.

I want to make one or two observations with respect to the treatment of Queensland by the Commonwealth in comparison with other States. The Financial Statement discloses that the actual amount received from the Commonwealth in 1940-41 was £1,096,235. Let us compare that with the manner that Western Australia, South Australia, and Tasmania were treated. In doing so I am not

putting this State in the position of a mendicant State. I am merely desirous of showing the position in order to obtain the correct expenditure on the war effort that we are entitled to. If that is obtained then we shall have no complaint.

Mr. Pie: More factories.

Mr. BRASSINGTON: I was going on to quote from the Commonwealth Grants Commission's report. The recommendation for 1940-41 is that South Australia shall receive £1,000,000 from the Commonwealth. That is in accordance with the policy that has been in force year after year. Western Australia will receive £650,000, and Tasmania £400,000. If the claim made by hon. members regarding South Australia is correct it is due to the preferential treatment meted out to that State by the Commonwealth. By means of this grant that they have received year after year, the Government of South Australia are in a position to impose a lighter tax on industry than it is necessary to impose in other States. If any credit is due to anybody for the establishment of the plants in South Australia, to which hon. members opposite refer, it is due to the people of the Commonwealth who year after year have furnished the money to subsidise South Australia, and not the South Australian Government.

My point is that if hon. members opposite are so concerned over South Australia, why do they not become a little patriotic, why do they not grow in political stature and get up on the hustings, on the platforms, and on the rostrum in this Chamber and plead the case for their own State so that we may get a fair deal and be in a position to share in whatever benefits may be derived from war expenditure, and thus enabled to play our part to the fullest in the war effort?

Mr. Pie: Without affecting Australia's war effort.

Mr. BRASSINGTON: Without affecting Australia's war effort.

I think the time has come when the people should urge hon. members opposite and their Federal representatives in Parliament to see that Queensland gets justice at the earliest possible moment.

Mr. Luckins: What about the State Government doing it?

Mr. BRASSINGTON: Presumably, the hon. member has not read the papers during the last 11 years, because every citizen who has done so knows that our Premier, the hon. Mr. Forgan Smith, often accompanied by the Treasurer, has gone to the Loan Council meetings year after year, and has never failed to put up a vigorous and convincing fight on behalf of this State and its people.

Mr. Luckins: What is the Australian Labour Party doing?

Mr. BRASSINGTON: Apparently, during this session there are only two things the hon. member has been interested in: The Australian Workers' Union and the Australian Labour Party. Australia's war effort,

or the question of a better deal for this State, seems to be entirely beyond the hon. member's mental capacity. I think I have said sufficient about the need for a better deal for this State in regard to war expenditure.

I take this opportunity of adding my congratulations to those of the Treasurer to the State Government Insurance Office on its excellent performance during the past 25 years. I include in my congratulations not only the Commissioner, but every other officer on the staff.

Mr. Clayton: A monopoly.

Mr. BRASSINGTON: It would be good for Queensland if more monopolies of that kind were developed in the interests of the people rather than monopolies enjoyed by private enterprise represented by hon. members opposite. Can the hon. member deny that before the State Government Insurance Office was instituted the field of insurance was the province of the private companies? Can he deny that as a result of the want of a definite policy these companies were in a position to charge premiums that were altogether too high? We are glad to be able to say that the hon. member's so-called monopoly has done a great service to the State of Queensland and is to-day leading the way in insurance. I need only give my personal experience. In the years I have been in this Assembly, I have handled probably hundreds of cases of workers' compensation with the State Government Insurance Office in Brisbane and I am in the happy position of being able to say that as a result of sound law and administration very few of those cases were rejected. There is ample machinery to enable anyone with a just claim to get a fair deal. We must congratulate the office on its silver jubilee, its 25 years of operation, and express the hope that it will carry on the good work in the interests of the State and the people. It is an example of what people can do by co-operation and sound laws, if they get the opportunity.

And that brings me to another thought. Would it not be a great benefit to the Commonwealth if the Commonwealth Bank was under the control of the people to a greater degree than it is? Would it not be a great thing for the Commonwealth in the hour of its national need and crisis if the Commonwealth Bank of Australia was to-day what it was originally intended to be, the people's bank controlled by the people?

Mr. Decker: Control by politicians,

Mr. BRASSINGTON: Not necessarily so. The State Government Insurance Office is not controlled by politicians.

Mr. Decker: Of course it is.

Mr. BRASSINGTON: It is under the control of a commissioner. The Commonwealth Bank would not be controlled by politicians. Certainly, if politicians of the type of hon. members opposite controlled it, we should have very grave doubts as to its success. But that is by the way. Would it not, I repeat, be an excellent thing for the Commonwealth

if the Commonwealth Bank were operated as was originally intended—if instead of being a bankers' bank for the use of the associated banks, as it is to-day, it was a people's bank? Hon. members opposite, who scoff at the possibility of the Commonwealth Bank's again becoming a people's bank, cannot deny that in the years that it was a people's bank it successfully handled all the financial transactions of Australia, and in the period from 1914 to 1918 when Australia was at war—

Mr. Barnes: Under the good old Australian Labour Party.

Mr. BRASSINGTON: The hon. member who interjects apparently does not know much about the Commonwealth Bank, credit, or anything else. If he desires to educate himself he can do so by a study of "Australia's Government Bank," by Professor Jauncey, in the library. The Commonwealth Bank rendered Australia an immense service during the last war, and if to-day it was a people's bank, controlled by a sympathetic Government and not representatives of the Broken Hill Proprietary Limited, it would again render great service.

Mr. Dunstan: What about the recommendations of the Banking Commission?

Mr. BRASSINGTON: Those recommendations cost Australia many thousands of pounds to secure. They were published in book form, but because the commissioners recommended certain reforms and the necessary alteration in control, so far as we know they are in the dusty pigeon-holes of the Treasurer at Canberra. All these facts accumulate against the present administration of the Commonwealth Bank and the mismanagement by friends of hon. members opposite.

Mr. Edwards: What about the Taxation Inquiry Commission?

Mr. BRASSINGTON: It is apparent the hon. member has never read it. He should do so and find out all about it for himself.

Despite what hon. members opposite may say, this war has brought about extraordinary conditions, extraordinary financial conditions among them, and it will make it necessary in the end to reorganise the financial system and evolve a better one so that burdens will fall more equitably upon the shoulders of all the people of the Commonwealth of Australia. I believe that the Commonwealth Bank, controlled in the interests of the people, can render great service in realising that ideal.

Mr. Barnes: Tell us how.

Mr. BRASSINGTON: There is no need for me to tell the hon. member how, because, as he seems to be the A.B.C. in everything connected with finance, it would be an insult to do so.

I desire to lay stress upon one feature of the Budget that concerns me personally—the decision of the Government to help the tobacco industry as much as possible. This is an important question. It is a valuable industry, and the greater the value of the production each year, the better for our State,

and the greater the benefit enjoyed by the people. It may interest you to know, Mr. Gair—although you are not a smoker—that there is a shortage of tobacco, and that we who smoke rather heavily will soon be on rations. If for no reason other than that, I am glad to see that the Government have encouraged this industry, that they will encourage it, and that every possible means is being investigated in an endeavour to place it on the soundest possible footing.

It has been pointed out that last year the tobacco production of Queensland was 2,000,000 lb., whereas the total consumption of Australia is approximately 20,000,000 lb. a year. There is a tremendous gap between what we produce and what we consume, but I believe that because of the policy pursued by this Government that gap will be bridged. We have suitable land and enthusiastic men on it who will play their part, and they will be encouraged under the excellent system of Government aid set out in the Budget we are now considering.

The Treasurer has referred to post-war planning. I think he was wise in sounding that national note, and in bringing this matter before the people at present, because, if we are going to grapple successfully with the problems that will descend upon us, now is the time to lay the foundation for our planning. Having made a start, let the Government and the people under their able guidance continue the policy laid down, so that this State will be in the best position of all the States to face up to the difficulties that will arise when the war is over.

Can any hon. member point to any other State that has laid any foundation for post-war planning along the same lines as Queensland? He cannot. The other States are merely talking about it. While they are talking Queensland is acting. We are pleased to see that a basis has been laid down, and that the policy will go on to bigger and better things. A number of men have returned from overseas already. There can be no doubt that under the post-war planning now in operation the Government are considering the welfare of these men, and ways and means of co-operation with the Commonwealth Government in furthering their welfare. Thousands more will return; financial problems will descend upon us in the future. All these things envisage looking into the future, planning for the future, and I am glad to know that the Treasurer has sounded that note and set in operation this policy in the interests of the Government and of the people of Queensland.

In conclusion, let me say that I notice that the Treasurer encourages the people to take a bright view of the future, despite the many difficulties that are with us, and others that lie ahead of everyone. Anyone who reads the Budget, who sees the splendid progress made in Queensland during the past 12 months, who sees in it full evidence of an endeavour to develop this State to the fullest extent, will be encouraged by the Treasurer's outlook, will turn towards the sunrise with

every confidence and a full realisation that we shall come successfully through all our troubles, and that this State will become the greatest State of a great Commonwealth, and the Commonwealth the greatest country in the world.

The SECRETARY FOR PUBLIC LANDS

(Hon. E. J. Walsh, Mirani) (12.45 p.m.): This is the first opportunity I have had, Mr. Gair, of congratulating you upon your elevation to the position of Chairman of Committees, and I join with other hon. members in saying that I think you are fully qualified to occupy that important office. I know that you have the tact and capacity that are necessary to enable a Chairman to give the decisions that mean much to the decorum of this Chamber.

I also congratulate the Treasurer upon the very fine Budget he has brought down on this occasion. It will be accepted, I think, as one of outstanding merit, as it has given us a true picture of the financial position and the position of the State generally. It is a document that will be read by everyone interested in investing money in the industries of the State. Of course, the Treasurer could have indulged in a good deal of political propaganda, but it can be truthfully said that the Budget presented to us has been shorn of anything resembling it. All reasonable men will agree that the Treasurer set out to show to the people just what the State has done on the financial side as well as the production side, and what Queensland is doing in regard to the war effort.

There has been a great deal of talk from time to time about the need for a united war effort. The Government of Queensland have in the past two years given a lead in that direction, but their example does not appear to have been acceptable to other parties, not only in this State, but in other States of the Commonwealth. I go so far as to say that no Government—and particularly no leader of a Government in Australia—have had less to say on political matters during the war than the present Labour Government in Queensland, and the Premier of this State. The Government and the Premier have stood up to their responsibilities and have indulged in political criticism only when invited to do so by hon. members opposite. To the credit of this Government and the leader of the party in Queensland it can be said that they have refrained from indulging in anything that might have a retarding influence on the war effort of the Federal Government.

Reverting to the general election and comparing the policy speeches delivered by the respective leaders—it is hard to distinguish between those in Opposition—we must admit that that delivered to the electors of Queensland on behalf of the Labour Party by the Premier was similar to the Budget presented to the Committee by the Treasurer. It stated the situation to the people of the State, and pointed out the obligations that rest upon them in the stirring times we are passing through because of the war. But that did not appear to be acceptable to the

then leader of the Opposition and his party, because they immediately flew round the country, criticised the Premier as a dictator, and raised the Public Safety Act as a major issue in the election. I made the Public Safety Act a major issue in my electorate and that is why, amongst other things, we were returned with a majority. Nevertheless, the Opposition thought that they had a good trump card to play and that it would have the effect of defeating some of our candidates, but it was obvious that they had no desire to form a Government because they did not nominate enough political candidates for that purpose.

Mr. Barnes interjected.

The SECRETARY FOR PUBLIC LANDS:

I have no time to listen to the hon. member, and for very definite reasons. I cannot use the language that I should like to use, and I shall merely proceed on my way. I have no desire to take any notice of him.

The Public Safety Act was made a major issue of the elections with the idea of defeating Labour candidates, particularly in the metropolitan area, but it is to the credit of the people that they recognised at once that the Labour Government were endeavouring to do their best to meet any emergency that might arise in the event of an invasion of this country. That is more or less evident from the recent blackout trials—I do not mean a political blackout. (Laughter.) The splendid response to the appeal by the Minister in charge of civil defence, Mr. Hanlon, throughout the length and breadth of Queensland shows that the people will follow so long as they are given the right lead. It is to the credit of the people that they have responded so well to the appeal that has been made with the object of dealing with the unfortunate circumstances that may arise here in common with other countries.

However, not being content with their defeat, hon. members opposite sought to draw a screen or a cloak across the eyes of the people by forming what they called a united party. As far as I can see, there are more parties than ever on the other side of the Chamber. Even in their attempt to amalgamate the two parties that existed on their side prior to the last election there has been some criticism amongst former members of the parties. It is interesting to note that further afield in the Federal arena the same cry has gone forth. The Federal Government have such a slender majority that they insist on telling the people that nothing else will enable them to win the war but the formation of a national Government. If they had a majority of 10 or 12 or any number that would enable them to bludgeon their legislation through the Federal House they would not be concerned about making a proposal to the Labour Party to join in the formation of a national Government.

It is also interesting to note that although there was a certain amount of disunity amongst the Federal Labour Party prior to the Federal elections and before the war, we know that it is the only political party in

Australia that has become united. The Labour Party, led by Mr. Curtin, was prepared to sink the differences that existed between its members and so those who had broken away from the official Labour Party were taken back into the fold. The Labour Party has indicated that it is willing to do the job of helping in the war effort by lending its aid to the Federal Government in carrying out anything that may be worth while for this purpose.

That is not only acknowledged by the present Prime Minister, but it has also been acknowledged by Mr. Menzies, the ex-Prime Minister. No hon. member of this House can say that John Curtin and the members of the Labour Party who follow him in the Federal sphere are not giving of their best towards the war effort.

This is interesting when you come to remember that the present Prime Minister—I do not wish to say anything derogatory of him, for he has a big job ahead of him and it is not the time for anyone to indulge in criticism of his leadership until we see what he is going to do or what he proposes to do.

Honourable Members: Hear, hear!

The SECRETARY FOR PUBLIC LANDS:

Mr. Fadden came to Queensland with the object of patching up the gap that existed in the local anti-Labour forces. To what extent he has been successful can only be seen as time elapses.

Mr. Decker: You are making a party speech.

The SECRETARY FOR PUBLIC LANDS:

And I am going to do so.

Mr. Decker again interjected.

The CHAIRMAN: Order! I wish to inform the hon. member for Sandgate that I am in charge of the Committee, and it is my duty to decide if an hon. member's speech is relevant to the subject or not.

Government Members: Hear, hear!

The SECRETARY FOR PUBLIC LANDS:

When the hon. member for Sandgate interrupted I was arguing that it had been acknowledged that Mr. Curtin and the Labour Party had given of their best and that Mr. Fadden, in his capacity as Deputy or Acting Prime Minister, had visited Queensland with the object of endeavouring to bridge the gap in the disunited forces opposing Labour in Queensland. How far he was successful can only be judged as time goes on. We on this side of the Chamber are of opinion that the present Opposition will continue to remain as the Opposition Party for quite a long period yet.

It is interesting to note that a prominent member of the Country Party, the hon. member for Isis, who is now the leader, whip, secretary, and everything else, is not in accord with the so-called unity that has taken place. I propose, for the benefit of hon. members who may not have read what the hon. member for Isis thinks of the new party that has been formed, to quote what he said of it, as

reported in the Bundaberg "News-Mail" on Monday, 16 June, 1941—

"The meeting voiced its appreciation of the stand taken by Mr. Brand in remaining loyal to the Country Party. Speakers contended that a strong and virile Country Party organisation was essential to the welfare of the primary and secondary industries, particularly as a review of agricultural economy was needed owing to war disability."

Then it proceeded—

"Mr. Brand outlined the circumstances leading up to the formation of the Country-National organisation, which he believed would become wholly metropolitan. He believed there was an attempt, backed by strong, financial interests, to smash the Country Party, because of its allegiance to the primary producer.

"These forces, he claimed, would strike cunningly under the cloak of fostering a united war effort. The fallacy of this disguise was blatantly transparent from its inception when it was decided to ignore the Country Party organisation, nine members of which were serving with the A.I.F., which was admitted by the Country-National president, Sir Fergus McMaster. The Country Party would continue to organise on the basis of its separate entity, allowing its representatives to co-operate with other parties in Parliament for the furtherance of the nation's war effort."

That is the opinion expressed by an hon. member of this House of some 20 years' standing. He apparently has summed up the position by concluding that after all the proposal of unity was merely made for the purpose of getting the primary producer round the neck and strangling him for good politically. In other words, the move was one to break down the organisation that had meant so much to the Country Party and was taken in prosecution of an endeavour to elevate the United Australia Party into the Government of this State, and also to enable the financial interests to obtain a greater control of members of the Opposition than they have had in the past.

In all probability, the creation of this so-called united party was brought about largely by financial interests, who, as hon. members know, are mainly concerned with dividends.

A reference has been made in the Chamber to a letter that was supposed to have had some connection with this amalgamation of the Opposition parties in this State. I want to be fair enough to the ex-leader of the Opposition, the hon. member for West Moreton, to say that I do not think he wrote that letter, and I do not think he would stoop to such a low level as to do it; but I do believe he has round him now the machine that did descend to write that letter and also endeavoured to bring about his downfall within his own party. It is obvious that somebody associated with the hon. member's own organisation wrote that letter. It is all the more

interesting to find that an inquiry into the letter, which was claimed to be a forgery, according to the Sunday Press, was not handled by the State police, as is ordinarily the case in such matters. There would appear to be some reason for keeping it away from the legal officers or the Police Department in this State. That reason, of course, would be known only to those handling the matter. Apparently it was handed over to the Commonwealth Investigation Officers, whereas similar cases of forgery have been handled by the Police Department of Queensland. Hon. members on both sides of the Chamber are entitled to draw their own conclusions as to the reason for that. Obviously there was something to hide, but I do not think it was something to the discredit of the ex-leader of the Opposition.

After all, we have had an election at which all these things were raised, and the people in no uncertain way voiced their determination to have a Labour Government for another three years. During the election campaign all the points that could be raised—personal and otherwise—against the Leader of this Government were raised by certain members of the Opposition parties, but despite that the Labour Party was returned with a majority similar to the majority it has held for the last nine years.

My comments on this occasion are prompted by the remarks that have been made by various speakers of the other side. Although they have in a half-hearted way argued that we should have unity, paltry political criticism has characterised their speeches, with one or two exceptions.

When we come to consider the happenings in Federal politics since the outbreak of the war it has to be said that Mr. Menzies, despite his failings, is a man of ability. It appears to have been a peculiarity of anti-Labour parties throughout the history of that Government that they were never prepared to recognise ability; they wanted some tool that could be driven along by the financial interests outside—someone who would "do a job" in the interests of the big financial concerns and not in the interests of the people.

That brings me to the report of the recommendation for the appointment of a former Premier of Queensland, Mr. E. G. Theodore, as Commonwealth Co-ordinator-General of Works. We know that certain responsible members of the Menzies Government were willing to recommend it, but the rabble of the United Australia Party served a demand on Mr. Menzies that the recommendation be not proceeded with because, in their view, Mr. Theodore was the wrong man. The only crime—call it crime if you will—that they could bring against Mr. Theodore was that he was a Labour man and had been a Labour leader in Queensland, and had been a successful Labour leader in both Queensland and Federal spheres. That was an instance in which Mr. Menzies refused to recognise ability in the same way as did his own party. He was concerned more with the political aspect—what effect it

would have on his party generally if Mr. Theodore was appointed to the position. We know the result. Nothing further was heard of the recommendation by responsible Ministers for the appointment of Mr. Theodore to the position now held by Sir Harry Brown, who is another very capable man.

It must be conceded that no important position that has been filled because of war activities has been given to any man who has been actively associated with the Labour Party in this country, with the exception of Mr. J. B. Chifley. It is remarkable that the men have never been chosen who have in any way actively assisted the Labour Party, whereas a number of the appointees have given active support to anti-Labour Parties.

I remind hon. members that the proposed appointment of Mr. E. G. Theodore as Co-ordinator-General of Works leads to the whole question of disunity in the Federal sphere. The rabble of the United Australia Party—and rightly do I term them so, inasmuch as that is all they were—were prepared to come forth and say they could agree to such an appointment only so long as it fitted in with their ideas of a man's ability to carry out the work to suit their own party. If we read the names of those who demanded of Mr. Menzies that he should not proceed with the appointment, there are very few hon. members, even on the Opposition benches of this Chamber, who will contend that any of them were anything near to the calibre of Mr. E. G. Theodore.

Again, in the ousting of Mr. Menzies from leadership, a set-up appears to have been deliberately organised. Whether the united parties in this State had anything at all to do with it we have no knowledge, but the story makes very interesting reading. Recognising that Mr. Menzies had been accepted as having the ability necessary to carry out the duties of Prime Minister, we feel it to be remarkable that during the most critical period in the country's history they should set about the undermining of the man who had been returned as leader of their own Government. He had to step down to satisfy the interests of a few disgruntled supporters of his own party. I said at the outset that I had no desire to say anything about Mr. Fadden.

An Opposition Member: Hear, hear!

The SECRETARY FOR PUBLIC LANDS: I qualify that—I may have much to say in the future. There is much I should like to say to-day, but it is only fair to Mr. Fadden that he should be given a chance to show how he measures up to the standards of leadership.

Mr. Nimmo: You killed the other man.

The SECRETARY FOR PUBLIC LANDS: The Labour Party never killed Mr. Menzies.

In the daily Press of the past few days we read reports of the existence of some secret fund in the Federal sphere that has been used during the war period. It is contended that this fund has been in existence since 1917. Curiously enough, Mr. Scullin denies the

existence of any such fund during his term of office, and it is well to remember that the only time Labour has been in office since 1916 was when the Scullin Government occupied the Treasury benches.

He denies that any such fund—a fund used for the purposes for which this fund has been used, I take it—existed under his regime, or if it did he says he had no knowledge of it. Then we notice that the anti-Labour Press are keenly desirous of having the debate on this matter confined to the secret fund. They do not desire that the other phases that have been opened up in the documents presented to Mr. Curtin should be discussed because such discussion would reveal to the public of Australia just how far the financial and other big interests interfere with the Government who are in power at the present time in the Federal Parliament.

Mr. Nimmo: You know all about it.

The SECRETARY FOR PUBLIC LANDS:

I leave it to the hon. gentleman to deny it. It has been suggested that there were certain telephone rings to a responsible member of the War Council—not the War Cabinet. It would appear, from these reports in the Press, that certain information relating to the Budget that was to be brought down was conveyed to the financial houses and other commercial bodies. That is a very serious thing in the life of any Government, and I have my own reasons for believing that the Press are not so anxious to have that phase of it discussed, because we have to throw our minds back to the famous Thomas case in Great Britain in which exactly the same thing happened. Jimmy Thomas, who was a "rat" from the Labour Party—and they are the people who usually do the dirty work for the anti-Labour parties—did exactly the same is being charged against a responsible Minister in this country, and if the Minister concerned has any good in him at all he will do just as Jimmy Thomas has done—resign and get out of the business; that is, of course, if he is guilty. If he is not prepared to carry out the oath of office that he has taken on acceptance of the position he holds, then it is his duty to hand it over to somebody else, and it is the duty of the Government, and the party in charge of the government of this country, to see that that is done.

There is not the slightest doubt that there may be some ground for believing that there is such a fund as has been mentioned. It has been contended by the Government interests that the fund has been used to counter subversive activities, but it seems ridiculous to suggest that a fund of £4,000 would combat subversive activities. Even if we accept that phase of it, the Federal Leader of the Labour Party, who has seen material associated with this matter, has come to the conclusion that the work that has been done by these people was done against the Labour Party, and I believe that there is something in that. When we cast our minds back over the history of politics in this country we realise that money, which

has no conscience, is prepared at any time to buy the support of any opposing party in order to gain control of the Government benches and legislate in their own way. We can look back to many instances of this in Australia. We can go back to 1916-17, a period when there is not the slightest doubt that the money-bags got in amongst the Labour Party.

Mr. Decker: Are they still here?

The SECRETARY FOR PUBLIC LANDS:

The hon. member did his share of it, too, I think. I can remember, too, that when they were not successful in the Senate, we had the famous case of the Senator from Tasmania, the case in which a certain party required only another representative to come over to its side in 1917. The Tasmanian Senator took "a turn" on top of the steps and obtained a medical certificate that he was not fit to conduct his duties as Senator, thus giving the opposing party complete control of the position. We come a little further and we know that it was attempted in this House. A member of this side was offered a bribe of £3,000 because the Labour Government's majority was so small that they thought that if they could buy him over they would wreck the Government.

Mr. Luckins: Did he take it?

The SECRETARY FOR PUBLIC LANDS:

If the hon. member knew the history of the case, he would not be past offering it to him. These people would sink to any level to bring about a downfall of the Labour Party or a Labour Government.

It is interesting to note that at the present time we have many so-called industrial organisers—allegedly Labour men—who have been able to tour the length and breadth of Queensland. I can remember that there was a time when some of the organisations in which they were interested were not in a position to pay their salaries because anti-Labour in power from 1929 to 1932 so cut about the building activities and other forms of industrial undertaking that men were thrown out of employment and were not in a position to pay levies and, consequently, not able to pay their officials. These same men are touring the whole of Queensland at the present time advocating a certain course in regard to a country engaged in war. They are getting a story whispered far and wide, but when they come out into the open we shall be able to tackle them. Their job is to split the Labour vote if a Federal election is held between now and December; that is their only job. It is up to industrialists, generally, throughout this State to tear the mask off these agitators who are going through Queensland with the idea of bringing about disruption within the Labour Party of this State. This party will meet all the challenges thrown out by the section of agitators I refer to.

Let me now come to the question of a national Government. I remarked before the luncheon adjournment that the only motive behind the desire of the Government to form a national Government was to be found in

the slender majority they had. Let us compare the position in Australia with other countries who are members of the British Commonwealth of Nations. Is there a national Government in Canada, New Zealand or South Africa? Would anybody say that any one of those three countries was not doing its bit so far as the war effort is concerned? As there is no reply from hon. members of the Opposition, I take it that those countries are doing their utmost in the war effort against Nazi-ism and Fascism throughout Europe.

Mr. Maher: The British Government gave a lead.

The SECRETARY FOR PUBLIC LANDS:

And the hon. member has given me a lead. The British Government formed a national Government, but circumstances in Britain are entirely different from what they are here. Over the years anti-Labour Governments in Great Britain made such a mess in the matter of preparedness that it was necessary for the industrial Labour leaders to pull them out of the morass. That is the explanation, and hon. members cannot deny it.

Mr. Nimmo: What about Ramsay MacDonald?

The SECRETARY FOR PUBLIC LANDS:

A very interesting story of another man who rattled from the Labour Party. Rats from the Labour Party are the people who do the dirty work for the anti-Labour parties. When Ramsay MacDonald faced the people of that country as the leader of the National-Labour Party, there were only 12 National-Labour men returned against the 458 Conservative members returned. They were the people who kept MacDonald in because he was good enough to form the Government.

The statement has been made in this country that Labour is prepared to govern when it is given a complete mandate by the people. That has always been Labour's policy. We refuse to be associated with any other party or numbers of other parties that come along to us with the idea of bargaining. And I may say that part of the bargaining might be in the nature of corrupting members of Parliament. In this State Labour has shown that it is capable of governing when given a mandate by the people. The Labour Party has been successful in New Zealand where it has a complete mandate, and it will be successful in the Commonwealth sphere if the people will give it a clear mandate.

There are a few remarks that I should like to make in connection with—

Mr. Nimmo: The Budget.

The SECRETARY FOR PUBLIC LANDS:

The hon. gentleman will live and learn. He should know that the Chairman of Committees controls debates in this Chamber, as the Chairman of Committees has already told the hon. member for Sandgate. The hon. member for Oxley will live and learn and one of the things he will learn is that in this debate an hon. member may ramble over the countryside, as hon. members opposite have

done in their speeches on this debate. When I get to the Budget I shall give the hon. member ample material that will have a direct connection with what I am saying, but I am taking this opportunity, the only one that presents itself to me in this Chamber, to make a few remarks concerning the questions that I have discussed.

The hon. member for Maree made some reference to the Australian Workers' Union and here again is an attempt to create disunity amongst the industrial section of the party to which I belong. If there is one thing that all hon. members should be doing at the moment, it is to endeavour to bring about unity amongst all industrial bodies so as to have a complete and united organisation for the production of those things that are necessary to equip our men who have gone overseas. The hon. member for Maree has, in this Chamber, attempted to condemn an organisation that has done much useful work for this country and for the workers—I have yet to know that the hon. member for Maree has done much useful work for this country. I want to say that the Australian Workers' Union has been thanked by the Federal Government for its activities in connection with industry and unionism in this State since the war began.

Mr. Nimmo: Where did you see that?

The SECRETARY FOR PUBLIC LANDS: I saw it in the Press.

Mr. Nimmo: You cannot believe all that you see in the Press.

The SECRETARY FOR PUBLIC LANDS: I do not think that the mind of the hon. gentleman would allow him to believe the truth. That reminds me of a remark by the mover of the Address in Reply, the hon. member for Gregory, Mr. Devries. He said that the workers of this country were very much interested in the outcome of the war, and he went on to add that they were the people who were bearing the brunt of the war. Despite what may be said to the contrary by hon. members opposite, I want to say with emphasis that I agree with what the hon. member for Gregory said in the course of his speech, and I want to tell hon. members opposite that the Australian Workers' Union was built up on oppression similar to that which is being inflicted on people in various countries throughout Europe. Exactly the same things that are happening in Europe happened in this country, too, although to a smaller degree. At that time, the capitalists and the unscrupulous employers were prepared to shoot their own kith and kin in this country because they were fighting for a fair deal.

Government Members: Hear, hear!

The SECRETARY FOR PUBLIC LANDS: That is the real basis of the history and organisation of the Australian Workers' Union. No matter how it was known, whether as the Machine Shearers' Association, the Australian Workers' Association, or by any other name in the pastoral industry, the fact remains that unscrupulous employers in this

State were prepared to shoot their own kith and kin rather than give them a fair deal in the government of this country. Therefore, when those employers get up and make the plea of what should be done for the improvement of this State, we have to remind them of what they did after the last war. They had even stated what they are doing in this war. Cases can be cited even to-day in connection with men who have returned from the present war that are a disgrace to the Commonwealth Government.

Mr. Edwards: You are doing all the harm you can.

The SECRETARY FOR PUBLIC LANDS: The hon. member for Nanango has become a very mellowed man ever since I have entered this Chamber. I want to congratulate him on the two speeches he made during this session. They measure up to what is required of hon. members generally. Since members of his party have asked hon. members on this side to express their views as they have done, I believe the obligation is on us to do so.

No matter what may be said of the Australian Workers' Union, it is an organisation that has had a good record in this State. It would take more than the hon. member for Maree, and his supporters who may desire to do so, to bring about its downfall. A while ago I referred to certain agitators who were touring Queensland presumably to bring about disruption amongst industrial organisations in this State particularly. I believe they are being paid by someone opposed to Labour. I remember a similar happening in 1935, when a similar position occurred. The Communist Party sent up its agitators to this State and succeeded in bringing about a strike in the sugar industry. It remained for the employing section to join hands with the Australian Workers' Union to bring about the defeat of that Communist Party, whose endeavour was to secure the downfall of unionism in the sugar industry. It is interesting to note, no matter what the hon. member may say about the Australian Workers' Union, that during the period of his own Government—the anti-Labour Government, who were in power in this State from 1929 to 1932—the industry that is the biggest employer of Australian Workers' Union members in this State, namely, the cane growers' organisation, were prepared to ignore the Act brought down by the Moore Government, prohibiting the court from granting preference to unionists. They continued to give preference to unionists during the whole period of the Moore Government, and they did so by agreement with the Australian Workers' Union. That in itself is recognition of the fact that the employing organisations in that great industry are willing to recognise that the Australian Workers' Union desires industrial stability within it.

Since hon. members opposite are desirous that I should tell them something about Queensland industries, I propose to do so, particularly as that is one of the important phases of the Budget speech. The general tendency of hon. members opposite is to deery

Queensland industries. We hear the argument and discussion of hon. members opposite, one after the other, that Queensland is the highest-taxed State in the Commonwealth, and that this fact militates against the development of industries, particularly secondary industries. It is obvious that those hon. members have not studied the numerous publications that come to them as members of Parliament because in them details are set out showing the expansion that secondary and primary industries have made. Those facts are to be had in the statistical publications, where the position is made clear.

Let me touch first on the question of taxation. I remarked, during the course of the speech of the Leader of the Opposition on the Appropriation Bill, that this State had not increased the rate of income tax since 1932. That statement is still correct. When one looks over the Australian position generally, one sees how favourable to Queensland is the case in this respect. The percentage increases of taxation, and the figures I will give in support of my statement, will show that this has had a very material effect on the expansion of industry in Queensland, apart from the fact that we still are able to maintain the lowest percentage of unemployment, the highest wage of any State, and the lowest cost of living.

Now let me quote figures comparing the taxation increases in the Commonwealth and the States between 1934-35 and 1939-40—

—	Increase.	Increase.
	£	Per cent.
Commonwealth ..	31,256,000	53-19
New South Wales ..	8,718,000	62-44
Victoria ..	3,717,000	41-32
Queensland ..	2,270,000	34-67
South Australia ..	1,353,000	41-41
Western Australia ..	1,294,000	53-12
Tasmania ..	601,000	48-98
All Governments ..	49,182,000	51-65

Queensland, which is allegedly the highest taxed State, shows, in fact, the lowest increase in Australia. I did not know that we were in such a favourable position.

Mr. Nimmo: Who told you that?

The SECRETARY FOR PUBLIC LANDS:

The hon. gentleman requires my authority. I am not in the habit of making statements unless I can back them up with authority. These particulars are taken from the Official Year Book and the Quarterly Summary of Australian Statistics, Bulletin No. 162, for December, 1940, showing the 1939-40 figures. Now that the hon. gentleman has my authority he can investigate the figures and endeavour to find mistakes in them.

I have so far shown that we have the lowest percentage increase for taxation receipts of any State in Australia.

Mr. Maher: You have the highest per-capita taxation of any State in Australia.

The SECRETARY FOR PUBLIC LANDS:

The hon. member can argue it in whatever

way he likes. The figures I have quoted are taken from the Official Year Book and the Quarterly Summary of Australian Statistics.

Dealing with the question of the expansion of industry, I wish to refer to a statement made by the hon. member for Hamilton during the course of his speech on the Address in Reply. It was a very good speech, and the hon. member endeavoured to measure up to his independence as a member of this Parliament. Judging from that speech and other statements he has made in later speeches—one being the small amount of capital he started with—I think he deserves much credit. We should all have a little admiration for a man who comes to this State with so little capital and builds up an industry that provides work for a number of employees. However, I wish to correct some figures he quoted, as reported in "Hansard." I understand the hon. member agrees that a mistake was made inadvertently, but I wish to place the figures on record so that there will be no misapprehension as to our position in comparison with South Australia. In 1937-38 the number of factories in Queensland was 3,063, and in 1939-40 the number was 3,064, which shows an increase of one.

Another phase of the same subject, the number of employees, is also interesting. In 1937-38 Queensland had 52,119, in 1939-40, 55,541, an increase of 3,421.

Mr. Maher: I believe they take fish shops into the count as factories.

The SECRETARY FOR PUBLIC LANDS:

The hon. member for West Moreton, like his supporters, attempts to draw a red herring across the trail when a good case is being presented—although I say it myself—against the arguments of the Opposition.

The Treasurer: His red herring is often a blue duck.

The SECRETARY FOR PUBLIC LANDS:

As the Treasurer remarks, his red herring is often a blue duck.

The figures I quoted are collected on the same basis in all the States, and if fish shops have been taken as factories in this State, fish shops in the other States have been taken as factories there also. In South Australia the number of factories in 1937-38 was 1,980, and in 1939-40 it was 2,265. That is an increase of 285 and not the figure of 1,285 attributed in "Hansard" to the hon. member for Hamilton.

In a comparison of the number of employees, whereas Queensland shows an increase of only one factory in the period as against an increase of 285 in South Australia, Queensland has an increase of 3,421 employees as compared with an increase of only 966 employees in South Australia. That is the position of employment in factories and the Government in Queensland are interested in giving employment to those desirous of working rather than following a policy of earning high dividends and paying low wages, which is followed in other States. Should

the hon. member desire my authority for these figures I refer him to the "Quarterly Summary of Australian Statistics," Bulletin No. 163.

A comparison between the States generally in regard to factories in the period from

1931-32 to 1938-39 is particularly interesting for the reason that it covers the period of this Labour Government's term in this State. One finds that the number of factories in the different States in 1931-32 and 1938-39 was as follows:—

—	New South Wales.	Victoria.	Queensland.	South Australia.	Western Australia.	Tasmania.	Australia.
1931-32 ..	7,397	8,204	2,013	1,662	1,490	891	21,657
1938-39 ..	9,464	9,250	3,087	2,067	2,129	944	26,941
Increase ..	2,067	1,046	1,074	405	639	53	5,284
Per cent. Increase on 1931-32	27.9	12.75	53.35	24.37	42.88	5.95	24.4

These figures have been based on the same definition of factory whether in New South Wales or any other State.

When dealing with expansion of industry there is a tendency for hon. members opposite to single out secondary production. If we on this side were to adopt the same attitude, we should single out primary production in Victoria and New South Wales, because in those States primary production is not so great as ours. Obviously, that would be a wrong method of comparison. Remembering that Australia is, as a whole, dependent on the production of all the States, the reasonable thing is to take the total production, primary and secondary, into consideration.

It is interesting to note, again, that during the depression period, although the anti-Labour Government may claim that there were lower percentage cuts in wages and conditions than elsewhere, the fact is that whereas Queensland is a highly-organised primary-producing State—thanks to the efforts of Labour Governments over many years—this State had the least unemployment of any in Australia. So much for the boosting of secondary industries in other States and their capacity to employ men. We have to remember, too, that secondary production is not such a great factor in balancing overseas imports and exports as is primary production; nevertheless, even there Queensland measures up very favourably. I recite these facts for the benefit of hon. members because it is important to note that while this Government have been in office we have continued to expand production. We have not taken the whole credit for that expansion as a Government, but we do claim the credit due to us, because the policy of the Labour Government has encouraged the primary producer generally. Queensland receives the lowest percentage of Commonwealth moneys for primary-production purposes. The figures showing the amounts granted to the various States from 1930-31 to 1938-39, the period during which this Government have been in office, range from £2.1 millions to Queensland to £7.6 millions granted to New South Wales, figures that show conclusively that we get the lowest percentage of aid to primary production throughout the Commonwealth.

Figures disclose, too, that during 1938-39 Australian exports aggregated £140,496,312,

whilst the imports from overseas amounted to £127,950,831. Hon. members opposite may say that our imports include those from New South Wales and Victoria, and in order to combat that I point out that in 1938-39 the overseas and interstate exports from Queensland totalled £44,820,000, whilst the imports from overseas and interstate amounted to £32,804,000. The favourable trade balance for Australia as a whole during that period was £12,545,000, and of that amount Queensland's favourable trade balance was no less than £12,016,000. In other words, we provided the favourable trade balance for the whole of Australia for the year 1938-39. No matter what hon. members opposite may say about secondary industries the position is that under a Labour Government Queensland has always provided a satisfactory trade balance between this and the other countries of the world with which we trade.

I should like to refer to the movement that is under way in Queensland at the present time advocating certain aid to a country that is being attacked by Germany. I want to say that there is ample scope for all those people who are out to give or advocate the giving of aid to that country to get up in various places and advocate aid for Britain and Australia. We are entitled to ask these people who are so active where they have been during the period since the outbreak of war, and in what places they have advocated aid for Britain and Australia. The screen that is being thrown out before the public at present is an endeavour to allow Communists to get in and white-wash the very principles for which we are fighting against Hitler and Fascism on the other side of the world. I suggest to those people, whether they are members of this Parliament or members of the public, that they should come forward and take their places wherever necessary to advocate the giving of aid to our boys on the other side and to Britain, which is putting up a wonderful fight on our behalf.

Government Members: Hear, hear!

Mr. NIMMO (Oxley) (2.59 p.m.): I had no idea that the Secretary for Public Lands was such a bitter man. As a matter of fact, his speech is very antagonistic. I can see quite an audience in the gallery to-day from State schools who have come here to hear

something about the Budget, but they have seen a good deal of dirty linen washed.

The Minister set out by eulogising the recent Prime Minister. We all know that Mr. Menzies was the best and brainiest man in Australia for the job, and he was simply hounded out of office by all sections of the community who were opposed to his particular brand of politics. Whispering was going on everywhere. Even the Secretary for Public Lands said that he could not carry out the job. The present Prime Minister, Mr. Fadden, apparently is commencing to try and fight. I am pleased that the Secretary for Public Lands said he did not intend to attack him yet, but he would later on. As a matter of fact, he would not have been in Parliament to-day but for the expenditure of some funds on a certain road and the putting of a number of men up there who were pledged to vote Labour. That road is known in that electorate to-day as Fadden's Downfall. I think it was very bad taste for the hon. member for Mirani to discuss in this Chamber at all the question of secret funds or the trouble that exists in the Federal Parliament. He knows very well that the Prime Minister is pledged to the Leader of the Labour Party to make a statement on the matter to-morrow, and to my way of thinking it was very bad taste to anticipate anything in connection with the matter. It shows the mentality of a man who will try to make political capital out of the question of secret funds, which funds I suppose have been in existence under every Government in the world. There must be such funds in existence or Governments could not carry on. There must be subversive activities at all times that have to be controlled. I am sorry this matter crept into the debate.

At 2.2 p.m.,

Mr. BRASSINGTON (Fortitude Valley), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. NIMMO: What did Labour do during the period of peace when it was in power in Great Britain? We had the spectacle of a Labour Government sinking £90,000,000 worth of boats in order to disarm. That accounts for the state of the British defences to-day. The present position came about because of Labour. Its policy was, "Don't go in for defence; give the people a higher standard of living and we will buy their votes." It shows that Labour has failed. In Australia, under the Scullin Government, loans were made bearing 6 per cent. interest, but immediately Mr. Lyons assumed control the rate of interest dropped to 4 per cent. and under the present Government the rate of interest is gradually being brought down. Why, only yesterday we saw in the Press that fixed-deposit interest rates were being reduced. The cost of money is very low. When Labour has assumed power, the rates of interest have increased.

When the hon. member for Fortitude Valley was speaking this morning he said that he was very pleased with the Budget; he was pleased to know that a surplus had been

declared and was also pleased that there was no increase in taxation. Labour has never reduced taxation, except in a very minor matter. Taxation has been piled up at an alarming rate since the present Government came into power. Every form of taxation, not only the ordinary income tax, was increased. Stamp duties and every fee we have in the country were increased to an alarming extent to tide the Government over the depression period. The high rate of taxation is being maintained in the present Budget, and no effort is made to reduce taxation.

The hon. member also said that we must continue with the high rate of expenditure in order to populate the State. Ever since Labour has been in power it has done everything possible not to populate the State. Why, Mr. Gair, the Government were opposed to immigration at every turn because they were afraid that the unions might criticise them for bringing labour competitors into the country. The hon. member for Fortitude Valley said that everything was being done to foster the State, but I say that the policy pursued over the last nine years has tended to retard the State.

That is evident from year to year as the loan indebtedness of the State piles up. It is all very well for the Government to think that they can become the sole employer of labour, but they should bear in mind that if they continue to create loan assets that do not return enough to meet a reasonable proportion of the interest charge involved in the expenditure they will be heading for serious trouble. For instance, last year the charge on revenue to meet the interest on loan expenditure in connection with State enterprises amounted to £139,000, and the amount required to meet the interest on funded deficits was £110,000. For public buildings an amount of £230,634 was required. During a period of reasonable management in this State, 40 per cent. of the interest required for loan assets was provided out of revenue, and 60 per cent. out of Loan Funds, but to-day almost the whole of the charge has to be met out of Loan Funds. A public building may have been erected a number of years ago, the loan indebtedness associated with its construction may not have been paid in full, but the building is pulled down, a new one erected, and so the cost of the new building is incurred as an additional debt.

I want to draw attention to some of the matters mentioned by the hon. member for Fortitude Valley. He pointed out that by the conversion of certain loans in London the State had effected a saving in interest of £341,000, and by the conversion arrangements in connection with an American loan it had effected a saving of £106,000, but the Government calmly swallowed the whole benefit without any intention of passing part of it on to the public in the way of reduced taxation.

The hon. member for Fortitude Valley also said that more defence work should be given to Queensland by the Commonwealth Government, and he went on to read a report by

the Chamber of Manufactures that said that more work was not made available because we had not the plant to cope with it. He added that there was plant available for this work in his electorate. There may be something in his argument, and I think that if the proper thing was done an attempt would be made to co-ordinate much of the small plant in the metropolitan area and arrangements made whereby it could be used as the basis for tenders for some of the Commonwealth war work. However, no effort has been made by the State Government to co-ordinate these small plants.

The hon. member also referred to the delay in the construction of the Rocklea munition works, but his remarks were really a reflection on the workers of Queensland. (Government dissent.) I do not know whether any hon. members have been out to see these works under construction, but if they have, I am sure they will be satisfied that a very great job of work is being done. I never dreamt for one moment that these works would be operating this month. I was of the opinion that someone was mistaken in believing that it was possible to have works of this magnitude in operation this month. At any rate, I am sure that anyone who has been to Rocklea to see these works will agree that a great job is being done there.

Let us turn to the other side of the picture and see what is being done by the Government to assist the war effort. To-day we have the spectacle of a big number of men employed at the Ipswich workshops on strike. I happened to go to Ipswich yesterday morning. I talked to some of these men as I went along and they astounded me by telling me that not one thing had been sent out of the Ipswich workshops up to the present to help the war effort.

The TREASURER: I rise to a point of order. I do not think, particularly in regard to the State's war effort, that a statement such as the hon. member for Oxley has made should be allowed to go unchallenged. It is subversive. As a matter of fact, some very fine munition presses have been distributed amongst factories in Queensland and elsewhere. Mr. Essington Lewis was astonished, and said it was the finest work done in the Commonwealth to that end. I ask that the hon. member for Oxley should accept my statement.

The TEMPORARY CHAIRMAN: Order! I ask the hon. member for Oxley to accept the statement of the Treasurer.

Mr. NIMMO: Yes, Mr. Brassington, I have to accept that statement. I should like to go further and say that the men informed me that certain contracts had been let for munitions. They told me about shells, tools, and other work of that nature for which contracts had been let by the Commonwealth Government, and they informed me that, except for the presses mentioned by the Treasurer, not one article had left the shop.

The Treasurer: No contract was ever entered into for shells. That is a deliberately false statement.

Mr. NIMMO: I have to accept the Minister's statement.

The Treasurer: I think you should.

Mr. NIMMO: The war effort is being retarded and not furthered at Ipswich.

The TEMPORARY CHAIRMAN: Order! I ask the hon. gentleman to accept the Treasurer's statement and proceed with his speech.

Mr. NIMMO: I wish to deal with another matter mentioned by the hon. member for Fortitude Valley—namely, the grants made by the Commonwealth to South Australia. The people of South Australia, together with the other States of the Commonwealth, have by Commonwealth policy greatly contributed to the stabilisation of one of our main industries. The grants made to South Australia have extended over a long period, and the hon. member suggests that is why South Australia has been able to encourage manufactures and we have not. The grant is not such a huge sum when all is said and done as hon members would have us believe. I should like to point out that Queensland gets a tremendous grant from the people of the Commonwealth by the embargo on the importation of sugar.

The Treasurer: That is not true.

Mr. Pie: What about the dried fruits industry?

Mr. NIMMO: I am talking about sugar, not dried fruits. The Commonwealth grant to that State is only a small amount compared with that benefit. I am perfectly satisfied that it is a great benefit to impose the embargo on sugar because it has encouraged the stabilisation of the industry in Queensland. It has enabled us to build up agricultural settlement and a barrier right along our coast that would not otherwise exist, but I hate to hear all this talk about how the Commonwealth helps other States by these grants and criticism of its action when the people of other States nobly accept the sugar embargo, which has enabled us to build up our great sugar industry.

At 3.13 p.m.,

The CHAIRMAN resumed the chair.

Mr. NIMMO: At this, the most critical period of the war, I looked to the Budget to disclose some great effort by the Government to help the people in every possible way in this time of crisis, but it is one which might well have been presented in normal times. No-one would believe that it was a war-time Budget. It provides for the greatest expenditure in the history of the State. The need for war-time economy is absolutely ignored. No attempt is made to relieve the people of taxation burdens to enable them to meet Commonwealth war-time taxation. We should endeavour to lighten the burdens of our people in order to enable them to meet Commonwealth war commitments.

We find, for example, the Government are budgeting for additional £400,000 from users of our railways despite the fact that this is the most critical period of the war. They are hard hit by all this taxation. We know that per head of population Queensland is the heaviest taxed State in the whole of Australia. Much of the taxation that we are paying was imposed during the depression period and immediately after it, and immediately normal conditions arrived it was supposed to be abolished.

The Premier has made statements to the effect that he believes in raising large sums in bad times and spending them, and when revenue is buoyant in saving money for the next depression. That is very sound policy, but, unfortunately, it was absolutely ignored by the Government.

The Budget shows that there has been a grabbing of as much loan money as it was possible to grab. Even at the last Loan Council meeting the States asked for all they could get, and a motion that the amount be reduced was only carried on the casting vote of the chairman.

The first plank in the Government's policy is apparently again providing money for public works. We are going right ahead and providing for every A.R.P. activity because we think there may be a danger from bombing in this country.

A Government Member: Do you not think there is?

Mr. NIMMO: Of course I know there is a danger. But why spend public money for the erection of buildings that may be knocked down by bombs? Why not spend that money on instruments of war to fight the raiders and those who may attempt to land here? The whole policy of the Government as to the construction of buildings is wrong, and I charge the Government with absolutely neglecting to carry out duties that are so apparent to every thinking person. Instead of spending money on public buildings during time of war, we should reserve that money till the men return from the war, and then if the Government of the day wish to spend it on public buildings it will provide employment for them. Certain big business people would agree with the policy of spending all the money you can. As Lenin said in the early days, "Big business will commit suicide for a question of profit." There is no doubt that they will. As long as they have something to do it is all they are looking for.

No mention is made of the difficulty of getting primary products to markets. The marketing of primary products should occupy considerable space in the Budget of a State such as Queensland. It is important that marketing facilities for primary products should be provided.

When the Budget is brought before the House hon. members are given an opportunity of perusing and criticising it; but a close study of the tables reveals the difficulty and complexity of that job. I do not suppose

there is a layman in this Committee who can fully grasp the significance of those figures.

A Government Member: Do not judge them all by yourself.

Mr. NIMMO: The hon. member may know all about them—he may be an exception—but it is a very difficult matter for the ordinary layman to find out what the exact position is. I have often thought that those figures should be set out in a manner in which they would be easily understood. As it is, we have a whole group of figures before us, but nothing to guide us. I do not remember ever receiving the Auditor-General's report before the Budget discussion. We have of necessity to have recourse to the Auditor-General's report for the previous year. If the Treasurer were genuine in this matter, he would help hon. members to obtain a clear understanding of the figures and arrive at the true financial position of the State, but every effort is made to cloud the issue. One studies one set of figures and thinks he understands them, but on turning to another set of figures the first conclusion is contradicted. One cannot arrive at the true position of affairs.

The capital indebtedness of the railways was reduced in 1931-32 to £36,000,000, the sum of £28,000,000 being written off to consolidated revenue, I suppose. The point is that every hon. member in the Assembly believed that the writing off was done to permit that department to rehabilitate itself. Section 6 of the Act passed for that purpose stated that a fund was to be established at the Treasury to which any surpluses were to be paid, the amount to be used for renewals. Since 1931-32 the railway indebtedness has increased to £40,786,000; whereas only 9 miles of track were constructed in the period, nearly £4,000,000 was added to the indebtedness. If that policy is to be continued there will have to be another writing-down later, although in the discussion on the Bill in Parliament it was decided that a 1-per-cent. depreciation fund should be provided for the railways. I ask hon. members: is it right for the Treasurer now to say that this department produced £8,000,000 in revenue from which it has to pay wages and certain other commitments, but that he shall determine the commitments that will be paid? The balance is paid into Consolidated Revenue Fund. Nothing is provided for depreciation. There is a suggestion that certain alterations in the railway yards at Maryborough will be provided. The practice of pulling down a building, an asset off-setting this fund, and erecting a new structure with loan moneys is a mere continuation of the vicious circle. Indebtedness is being piled up.

Railway receipts were—

		Gross.	£
1931-32	.. ..	..	5,936,000
1940-41	.. ..	..	8,242,000
		Net.	
1931-32	.. ..	..	1,583,000
1940-41	.. ..	..	1,673,000

Irrespective of the fact that the indebtedness has increased and much loan money has been spent, the net revenue is virtually the same as it was when the gross revenue of the department was only £5,000,000.

I am dealing with the Railway Department because I think it is one of the greatest industrial activities we have. Since the present Government have been in office railway fares and freights have been increased enormously. They were increased by £350,000 in 1932-33, by a further £400,000 in 1938-39, and by a still further £400,000 in 1941-42, making the total increase £1,150,000 during their term of office.

In addition, transport costs have been increased to the people of Queensland in that motor registration fees were increased by £120,000 a year in 1938-39, and the sky has been the limit so far as increases in State transport fees for heavy vehicles are concerned. I am pointing out these things to show that immediately motor transport is driven off the road the Government step in and tax the people to the limit through the Railway Department.

The receipts for 1941-42 are estimated at £8,620,000, an increase of £377,702 over 1940-41. Although the Government are to derive this increased revenue, the estimated expenditure is £416,249 over that for the previous year. We therefore have a reduction of £38,547 in the net return to the State for the year 1940-41. What a lovely piece of business management! Any company that showed such a result as that ought to be ashamed of itself. In fact, it is undeniable evidence that once again the Railway Department has become an employment bureau for the friends of the Labour Party.

We have to assume that the figures quoted are correct, but some grave doubts as to their accuracy have been voiced recently.

The Attorney-General: By whom?

Mr. NIMMO: I have just received a letter from a man who was a senior officer in the Railway Department, and I suppose that what he says is the most serious thing that has ever been brought before the notice of Parliament. That letter says—

“The following particulars are forwarded to you, as Parliament has not been fully apprised thereof by its financial officer, the Auditor-General, although the Legislature, and the public are entitled by the provisions of the Audit Act of 1874 to get the information from him.

“On 2nd September, 1940, a report on Queensland Railways Accounts was presented by me to the Auditor-General. I was then senior inspector of accounts engaged on the audit of the Railways. Information therein embodied—

(1) Details denoting that the balance-sheet of the railways contained fictitious assets £2,066,085.

(2) That these fictitious assets were included in previous balance-sheets, that had been presented to Parliament.

(3) That relaying charges £508,767 had been charged to Loan Fund in place of to Consolidated Revenue Fund for nine years ended 30th June, 1940, and that information was supported by a statement to that effect signed by the Chief Accountant, Railways.

(4) That Consolidated Revenue Fund balances given in Treasurer's Financial Statements for nine years prior to 30th June, 1940, were, therefore, incorrect by £508,767.

(5) That Consolidated Revenue Account for 1939-1940 was incorrect by £45,313 and instead of a surplus for the year of £15,755 there was a deficit of £29,558 at least.

(6) The report also contained particulars of other financial irregularities.

“No balance-sheet was included in the report presented to Parliament for 1939-1940 although one had been prepared and presented to me as auditor and the results detailed above were partly obtained from this source.

“In previous years the balance-sheet was a conspicuous feature of the report. In view of the financial disclosures outlined one could not have been presented without disclosure of some of the irregularities to Parliament and, therefore, to the public. A ‘hush’ policy was decided upon.

“On 14th November, 1940, I was removed from the audit of the Railways by the Auditor-General and was assigned to junior country work. The House had closed for the 1940 session just prior to this occurrence.

“On 18th and 27th November and 4th December, 1940, I wrote letters to the Public Service Commissioner in which was embodied information—

(1) That Auditor-General John David Ross had been guilty of improper conduct in that I, as senior inspector of accounts, had been removed from the Railways for having reported serious financial irregularities there.

(2) That by ignoring section 6 of the Railways Capital Indebtedness Act of 1931 a sum of £740,173 had been short charged to Consolidated Revenue Fund by the Queensland Treasury.

3. That sinking funds under Commonwealth control had been deprived by this happening of contributions of at least £100,000 from the Queensland Treasury.

(4) That Consolidated Revenue Fund expenditure was lessened by £840,173 by non-compliance with the section quoted.

(5) That many head officials had conspired to bring about these astounding financial results.

(6) That Commonwealth revenues had been affected to the extent of some thousands of pounds through the incorrect charging of relaying costs £508,767 to

Loan Fund during the nine years prior to 30th June, 1940.

(7) That the Commonwealth Treasury had not been informed of these doings in the report on Sinking Funds for the year 1939-40.

“The Railway Renewals and Replacements Fund cash account, which previously appeared in the Treasurer’s Financial Statement and which was included as a cash balance of £720,165 in the public account of 1938-1939, was omitted from that table for 1939-1940, and the Auditor-General reported to Parliament that the cash fund, as a fact, had never existed, although previous Auditor-General’s reports assured Parliament that the law in this respect had been complied with, and that profits of the railways had been devoted to the creation of this cash reserve. It had now to be admitted that all these moneys, £740,173, went direct to Consolidated Revenue Fund and were utilised to balance Budgets.”

“The Auditor-General, Parliament’s officer, had fallen down on the job. The Auditor-General is specially protected as an officer of Parliament and should not be the tool of the party in power. His duty is to report truthfully and correctly to Parliament on the State’s finances.

“Receipt of these letters was acknowledged by the Public Service Commissioner’s Office, and I was empowered to correspond direct to the Commissioner.

“On the 23rd December, 1940, I was suspended from duty by the Auditor-General and a series of charges were made. None of these charges had any reference to the matters previously outlined. The ‘hush’ policy was continued.

“An enquiry was held by a police magistrate in January, 1941. The enquiry was in camera. The police magistrate gave this ruling on taking his seat on the bench before any application was made and would not shift from that attitude although my request was that the enquiry should be an open one. I was not permitted at the enquiry to give details of the financial happenings at the Railways and Treasury, although such matters were relevant and of value to my case. The ‘hush’ policy was still continued.

“On the 14th February, 1941, I received a document from William Forgan Smith stating that I had been dismissed from the public service as I had been found guilty of certain offences. The only one of substance was that I had obtained moneys from the Crown, by way of expenses, to which I was not entitled.

“The facts were—

1. Audit inspectors at certain towns adjacent to Brisbane were permitted for years to return to Brisbane nightly and at week-ends and to draw full travelling expenses for those periods provided the cost of transport was defrayed by the inspector.

2. This practice, though proved to be illegal at the enquiry, had been in operation for over 40 years. The Crown held that the practice applied to Ipswich and Goodna only. There was nothing documentary to support this contention. I held that towns adjacent to Ipswich or where an inspector returned home in his own time and at his own expenses were covered by the practice. I acted on this authority as regards visits home at two week-ends from Boonah and Laidley. No time was lost to the department and costs of transport were paid by me. When it was ascertained that my actions in this regard were to be questioned and before I was suspended on 23rd December, 1940, I deducted from the travelling expenses voucher the sum of £3, the equivalent of four days expenses at 15s. per day. I received expenses for 15 days 17 hours only for December, 1940, and not for 19 days 17 hours, the time specified by William Forgan Smith.

“This deduction of £3 plus the costs of transport to and from Brisbane for the two week-ends was considerably in excess of the 10 hours at 10d., 8s. 4d. that the Crown contends I wrongfully obtained. To enforce deductions of expenses for the two week-ends I had of necessity to be transported to and from Brisbane, and the Crown cannot justly claim the deductions of the travelling expenses and escape the transport costs.

“These transactions resulted from the illegal practice brought into operation by the Auditor-General. I did not know in December, 1940, that the required authority had not been obtained by the Auditor-General, nor was it my duty to pry into this matter.

“There was the question of another week-end visit on 30th November and 1st December, 1940, but Police Magistrate Wilson decided in the circumstances detailed by me at the enquiry that I was justified in coming home and drawing full expenses for that week-end. The Crown then abandoned this section of the charges. The whole dispute hedges round an amount of 10 hours expenses at 10d. per hour, 8s. 4d. The Crown contends that it was overdrawn by me. I contend that the Crown owes me considerably more than the 8s. 4d., by way of transport costs paid personally by me and not yet refunded by the Crown.”

“To colour the finding the Crown detailed particulars of the top portion of December expenses voucher but gave no particulars of the deduction of £3 nor was it mentioned anywhere in the findings that transport costs to and from Brisbane were paid by me. Endeavours were thus made to imply that the expenses claimed to have been overpaid were considerable. No specific amount was mentioned by the Crown as it was known that an overcharge of 8s. 4d., even if proven, could hardly be considered a major offence.

“The other findings are all for minor offences, even more paltry than the 8s. 4d. They are capable of reasonable explanation acceptable to any independent and impartial tribunal. Three of the charges do not infringe any provisions of the Acts they were levied under.

“The Auditor-General who was responsible for the illegal privilege, as regards travelling expenses, has suffered no penalty for infringement of the provisions of the Public Service Act in regard thereto, although his actions in that regard were solely responsible for the incident.

“On this unjust finding as regards the 8s. 4d. I was dismissed from the public service after 37 years service.

“In May, 1941, over four months after the date of suspension, an appeal by me was heard. A State general election was held in April, 1941. I requested the presence of a Supreme Court judge at the appeal. Three public servants were appointed to the Appeal Board. The combined salaries of these three public servants were considerably in excess of the salary of a judge. I was not consulted by the union as to the person to be appointed to the board by that body. At the appeal I was not permitted to submit information about happenings at the Railways and Treasury, and I was not permitted to make public the contents of my letters of 27th November and 4th December, 1940, to the Public Service Commissioner. The ‘hush’ policy was again in evidence.

“The appeal was dismissed with one dissentient as regards penalty imposed—dismissal. The Crown still saw red about the 8s. 4d. or about other happenings.

“The charges levied by me in connection with certain transactions at the Railways and Treasury have not been answered, and the lapse of nearly a year has not brought the true facts to light until now.

“There is little doubt that my official action in indicting William Forgan Smith and Frank Cooper for irregularities that resulted from the recording of certain financial transactions at the Treasury and Railways, as already outlined, were the real reasons for my dismissal.

“These public men have been guilty of ignoring the provisions of section 6 of the Railways (Capital Indebtedness) Act of 1931. They thereby involved the State of Queensland with the Commonwealth Government in an invidious way.

“The agreement entered into by Queensland with the Commonwealth Government vide the Commonwealth and States Financial Agreement Ratification Act of 1927 has been dishonoured by the Premier and Treasurer by the incorrect use of loan moneys for relaying in the Railways and by permitting the payment thereon by the Commonwealth of five shillings per £100 yearly contribution to Sinking Fund.

“The financial officer of Parliament, Auditor-General John David Ross, has been guilty of serious breaches of truth in that—”

The CHAIRMAN: Order! The hon. member for Oxley will not be in order in criticising the Auditor-General personally or reading an expression of opinion of any individual regarding that officer.

Mr. Brand: He can do it on a substantive motion.

Mr. NIMMO: I have little more to read. It says—

“He has withheld from Parliament.”

Is that against your ruling?

The CHAIRMAN: Yes.

Mr. NIMMO: It continues—

“The Commonwealth Government accepts the signature of the State Auditor-General as a guarantee in regard to certain State financial transactions in which the Commonwealth is interested and the State Auditor-General’s report on Sinking Funds was evidently accepted by the Commonwealth Government in good faith.

“When Rex is plaintiff the trial of a public servant by other public servants, who are dependent on the Crown for promotion and even for continuance in employment, as in my case, is not an ideal method.

“As certain official doings of the Premier and Treasurer were really issues at my inquiry and appeal, investigations so conducted and findings derived therefrom were farcical. Main incentives were to prevent exposure of certain official acts of these two prominent men at all costs.

“The courage, independence and impartiality displayed by judges of the Supreme Court were needed by the Bench at my appeal. There were good reasons for my request for a judge at the appeal and the Crown bears the odium that now follows through disclosure of all the facts.

“After all, the presentation of clean, public accounts is not a personal matter. It is a national necessity, even though the Audit Act of 1874 is ancient and gives no security to an audit inspector who has sufficient moral courage to expose questionable acts of persons highly placed.

“Let this unwholesome and unedifying spectacle of public finance and the other happenings be terminated by the reference of all these matters to a skilled and impartial person, a judge of the Supreme Court, and his findings on all the issues would be of value.

“Yours sincerely,

P. MCCAFFREY, F.I.C.A.,

(Late) Senior Inspector of Accounts,
Audit Department.”

DOCUMENT LAID ON TABLE OF HOUSE UNDER
STANDING ORDER NO. 298.

The **TREASURER** (Hon. F. A. Cooper, Bremer) (3.48 p.m.): I move—

“That the hon. member for Oxley be ordered to lay upon the table of the House the letter which he has just read.”

Motion agreed to.

Whereupon, Mr. Nimmo laid the letter on the table.

Mr. NIMMO: I have read that letter, which I received, and I think it is a very grave indictment of the Government on the whole of the finances of this Budget. We have to consider fully whether that letter is true, whether it contains the whole of the facts as set out by that senior officer, who went there to examine the railway accounts and found certain facts. Those facts were submitted to the Auditor-General and the Auditor-General said, “I don’t want that report. That is not what I sent you there for. I sent you there for an audit of the Railway Department’s accounts.”

The **CHAIRMAN:** Order! I have already told the hon. member for Oxley that he is not in order in reflecting upon the Auditor-General. He has been long enough in this House to know that hon. members may discuss the Auditor-General only on a substantive motion moved for that specific purpose.

Mr. NIMMO: Thank you, Mr. Gair. I did not intend to reflect on the Auditor-General. All I say is this man was sent to do an audit at the Railway Department and he made that audit and that audit was not satisfactory. The point is that an auditor has great responsibility. If he is to be ruled by fear, if he is afraid of what might come to him, he might as well forget it. Parliament places a great responsibility on an auditor. We have Acts of Parliament dealing with them. The Criminal Code has certain sections dealing with auditors. It is most serious. We know some auditors recently have been afraid to sign their names to balance-sheets without a very full investigation because the new company law provides a very drastic penalty if an auditor makes a mistake. Surely the people of Queensland are entitled to the same service as the shareholders of a company. It is our duty to do all we can to protect auditors.

If this auditor’s statements are correct, he has rendered a very great service to the State. On the reading of his letter, I am not at all satisfied that he was given a fair spin. One must remember that he was a public servant and was dismissed for doing his duty. His trial took place before three other public servants who also would have fear implanted in their hearts. However, I intend to leave the matter at that. I feel sure that the matter will have the careful investigation that is necessary, and if the facts are at all as stated by this man they demand a royal commission of inquiry into the accounts of the Railway Department. If that statement is correct, we must not burke the responsibility but see to it that the matter is cleaned up once and for all.

Mr. DART (Wynnum) (3.53 p.m.): I am disappointed that at a time when the country is so prosperous and we need for our war effort all the money that is available the Government have not seen fit to reduce taxation. The prosperity of the country is not the result of the action of the Government in power, but of the energy of the people. Each and every one of us knows that a terrific struggle is before us, and a Budget at a time like this should give consideration to the critical period ahead. No heed has been given to the needs of the Commonwealth Government in the taxation field. The Government of Queensland carry on in the same old way. They collect as much as possible and spend even more than they extract from the pockets of the people. It is time the Government called a halt to their extravagance in spending money and imposing very heavy taxation. This is a time when they have the opportunity to reduce taxation, but they persist in the same old policy.

The Secretary for Public Lands did not speak to the Budget to any great extent. He must have remembered one of his electioneering speeches and delivered it to-day in the fond hope that it was a criticism of the Opposition. Since the opening of this Parliament we stated that we were prepared to co-operate with the Government in framing better legislation for the people of Queensland, and to help with the prosecution of this war to a successful issue in order that we might win lasting victory and a righteous peace. The Government, however, are endeavouring to mislead not only the Opposition but the people of Queensland also. I believe in constructive criticism, and all I can say about the speech delivered by the Secretary for Public Lands is that it was more in the nature of destructive criticism in an effort to create among the electors of Queensland a feeling of antagonism to those of the Opposition who are willing to co-operate with the Government in the interests of the State.

The Minister opened his speech by congratulating the Chairman of Committees, thus indicating that he was making his first speech in three weeks. This would seem to indicate that we have more Ministers than we need for the government of the State. We find, too, that the Premier is absent attending an Australian Labour Party conference in the Southern States. This is further evidence of the fact that we have too many Ministers here. I believe that the number might well be reduced to seven. It is my belief, too, that hon. members on the Government side are merely seat-seekers who are more interested in their party than in the welfare of the people they govern. I do not agree with the hon. member for Hamilton, who said he favoured the appointment of an extra Minister to control the Department of Labour and Industry. If he advocates the expense of an additional Minister it would seem that his views are more in sympathy with those of the Government than with the ideals of the Opposition, and one begins to wonder why he sits on the Opposition side of this Chamber.

Much has been said about South Australia, but it must be admitted that there they can govern more successfully with six Ministers. In that State four departments are controlled by one Minister, whereas here there is only one instance in which one Minister controls two departments. That Minister is the Secretary for Public Works and Public Instruction. I suggest that the Secretary for Agriculture and Stock, the Secretary for Public Lands, and perhaps another, should control two departments each, but it often happens that there are only two Ministers occupying their benches in this Chamber, and to-day, when all 10 should be present during the discussion of such an important matter as the Budget, we find only three of them are present. The fact that they are absent is at least some evidence that they are not required. It is evidence, too, that this country might well be run with fewer Ministers. The Government here might well follow the example set by South Australia, which, I repeat, is controlled by six Ministers, one of whom administers four departments.

I should now like to say a word or two in connection with the railways, because I contend that they are not being managed or controlled as they should be. There is extravagance in the department, not only by the Minister, but the Co-ordinator-General of Public Works. In the department there are 15 grades of men above fettle. Much has been said about the middleman in farming production, but in the railways we have 15 classifications above the fettle. There is the Minister for Transport, the Commissioner, the general manager, the chief engineer, two chief inspectors, district engineer, assistant engineer, five inspectors, the ganger, and over them all there is the Co-ordinator-General. I say that all those officers are not required. The Co-ordinator-General of Public Works was appointed to the position by this Labour Government, and he receives more salary a week than nine men on the basic wage. The Labour Government say that they are out to help the working man, but, I ask, are they? Let us take the utterances of the Secretary for Labour and Industry, and particularly the one in which he said, "We will continue taxation as usual in the way of the State development tax." By means of that tax he has collected over £2,000,000 from the workers of this State as well as the business men.

Mr. Jesson: The basic-wage worker does not pay it.

Mr. DART: An exemption was made in respect of the recent increase in the basic wage, but give the ordinary worker a little overtime, and what is his position? If he is granted a few hours' overtime, it will bring his wages for the year up to an amount on which he will have to pay State development tax throughout the year. That is not fair, and if this Government were humane at all they would consider the working man.

It is to be noted that the Railway Department has returned £377,702 more for this year than for the previous year. The Secretary

for Labour and Industry has taken £144,000 of the money raised by the imposition of the State development tax and utilised it for track renewals. The Minister for Transport, if he is active and doing as he should do, should make his own department pay its way. Why take money obtained from other sources and utilise it in his department? I say that the Secretary for Labour and Industry should be using the money received by way of the State development tax for the purpose of developing the State as was promised when the Bill was introduced. Instead, £144,000 of that money is being spent on track renewals.

The revenue from State development tax makes the Treasurer very wealthy, in his official capacity. It is a convenient tax, too, because if one department requires a little more money than it has the Treasurer is able to bolster it up by taking the required amount out of consolidated revenue. The Treasurer knows also that the Minister for Transport proposes to raise another £400,000 by an increase of 5 per cent. in railway freights and fares. If the Treasurer can balance his Budget in this way and is even able to double the present freights and fares, does it follow that that procedure is equitable? Should such an unfair levy be made upon the working people, amongst others, in this State? The majority of the people who live in the suburbs and will have to pay the tax are working people, and thus the working class will be called upon to contribute to this tax more in proportion than people who are fortunate enough to have motor cars and are able to travel to work in that way. The Treasurer is making a great mistake in submitting to the will of the Cabinet in this respect. I do not know whether all hon. members of the Cabinet were present when it was decided to impose the extra 5 per cent. I know that all hon. members of the Cabinet are not present every day that Parliament meets, and I cannot say whether they are all present at every Cabinet meeting.

The Attorney-General: Why not come along and have a look?

Mr. DART: I do not think that I should be allowed to go in, but if I am, then I shall be very pleased to come along and listen to Cabinet discussions. However, I am not asking for that concession just now. My point is that the Treasurer has allowed himself to be influenced by Cabinet to impose a levy of another £400,000 on railway users. This increased charge will have to be paid, not only by the working man, but by the small farmers, too. If the Secretary for Public Lands is sympathetically disposed towards the farmers why does he permit the Treasurer to impose another 5 per cent. on the farmers in his electorate? The Government are able to balance the Budget, perhaps, but only by imposing an unfair burden on the people.

Mr. Jesson: You advocated the electrification of the railway line to Wynnun.

Mr. DART: I advocated the electrification of the suburban railway system before

the outbreak of war, but I am pleased to see that the cost, which I understand would be £1,000,000, has not been placed on the Estimates this year for that purpose, because we cannot entertain the idea before the war is won. When the war is over I shall be one of the first to support a proposal for the electrification of the suburban railway system. Indeed, I think it should be plan No. 1 in the process of reconstruction after the war. At any rate, after the war is over and the men return I hope the Government will be good enough to give them preference over the people who remained at home. I believe in preference to returned soldiers.

There is another way in which I can show the Government how to save money. I refer to the introduction of one-class travel on our suburban railways. I am favourable to that policy. To-day we have gentlemen so hide-bound and tied to a set policy that they cannot do a good turn to their city or fellow-men. If the Government were asked if they were favourable to one-class travel on our suburban railways we should be told that is not their policy but they would do a good turn to many of their supporters if they adopted that policy. Why do they not change their present policy? If it is wrong they should certainly do so. They are elected by the people to give them a fair deal and it is their duty to give the people one-class railway travel.

Look at what the British Government are doing! Recently I read the following cablegram in the Press:—

“First-class Travelling to be Abolished on English Trains.

“London, September 10.—The War Transport Ministry announces the abolition from October 6 of first-class train travel within a radius of 35 miles from the centre of London, also suburban areas of other cities. It is believed that first-class travel will be abolished, even on long distance trains. The object is to economise the accommodation and make the most of available rolling-stock.”

That is just what we should have here. The few first-class carriages used by a few dead-heads and a few others should be made available to the working man, the man who is a great asset to this country in that he pays his rates, taxes, and fares. Why the necessity for this class legislation by the Labour Government? It is no good to Queensland. If we want democratic legislation then we must work together to get it. If the Government adopt a policy that is not acceptable to the people, then some day they will tell them where to go.

Mr. Jesson: You travel first class yourself.

Mr. DART: I do, and second class also. I travel as frequently in second-class carriages as I do in first-class and I am just as comfortable there. The accommodation provided in the second-class carriages is just as comfortable as in the first-class carriage. Recently

I asked a question respecting the revenue obtained from first- and second-class fares on a certain branch line during the previous 12 months. I was informed that it was £1,500 approximately from the sale of first-class tickets and £79,000 from second-class tickets. If the Government would only economise in this direction we might get somewhere.

I desire to say something with respect to secondary industries, as it seems to be the topic of the day. The Government appear to be so wedded to their own ways that they cannot think along lines that would help the State by establishing secondary industries. The reason why we do not receive more war-time orders from the Federal Government is that Queensland has not advanced far enough in secondary industries to possess the necessary tools, lathes, and many other essentials used in foundries and factories for that work. The Secretary for Mines knows well that the Commonwealth Government give the orders to people who have the lathes and other machinery ready for use.

Evidence of high taxation in this State is to be found in the fact that taxation of secondary industries ranges from 2s. 1.2d. to 6s. 3.6d. in the £1. The population of Adelaide is 322,988, whereas that of Brisbane as 335,520. In 1937-38 South Australia had 1,980 factories and Queensland had 3,063, whereas in 1939-40 South Australia had 2,265 factories and Queensland had 3,062. The people in Adelaide at one time were paying 3s. to 3s. 3d. in the £1 in taxation, and to-day they pay a flat rate of 2s. in the £1. That alteration in taxation has brought about their prosperity and that is why they have the material and the machinery to manufacture the goods that are now required. Here such opportunities are not given to men with small capital, and men with capital are not encouraged to come here as they should be.

The Secretary for Public Lands: Did you hear what the hon. member for Hamilton said the other day: that he came here with £75 and is now employing 200 people? That happened under a Labour Government.

Mr. DART: If the Secretary for Public Lands will listen I will read a report of an interview with the hon. member for Hamilton on his return from England a few years ago. It reads—

“New Mill Planned.

“Cotton-Piece Plant Here.

“A cotton-piece goods mill will be established in Brisbane in the near future, if the management can obtain preference and relief from taxation in the initial stages.

“This statement was made by Mr. Bruce Pie, managing director of Bruce Pie and Company, who returned yesterday from England by air.

“The proposal was distinct from that of Davies, Coop Company, of Melbourne, he said. Half the capital would be found in England and half in Queensland.

“A weaving plant of about 100 looms was ready to be shipped immediately.

"It will be set up in Brisbane, if satisfactory arrangements can be made with the Queensland Government regarding preference and taxation until the industry is established, Mr. Pie added.

"The site has not been selected yet. It may be that two more storeys will be added to my company's premises in the Valley, or some other site may be obtained.

"It was intended, it was stated, to bring between 20 and 30 operatives from Manchester in the initial stages."

I do not know whether the hon. member for Hamilton has made these arrangements with the Government since he returned from England, but I will say this: every man who is prepared to establish a business here and who is prepared to bring capital into the country or help capital to come in, should be encouraged by this Government, irrespective of whether he is Mr. Bruce Pie or some other pie. (Laughter.)

Mr. PIE: I rise to a point of order. I take strong objection to the use of my name in the manner adopted by the hon member for Wynnum. It is a good name and I appreciate it; I do not appreciate the hilarity the hon. member for Wynnum makes about it.

The CHAIRMAN: Order! The hon. member for Hamilton takes exception to the remarks of the hon. member for Wynnum in connection with his name. I ask the hon. member for Wynnum to withdraw.

Mr. DART: I will say the hon. member for Hamilton. The State Government can look forward to much assistance from the Commonwealth Government. They have handsomely assisted us up to the present. I have here the report of a statement made by the new Australian Prime Minister, Mr. Fadden, which reads—

"Queensland's Part in War Effort.

"The Prime Minister (Mr. Fadden) made a statement in Canberra last night amplifying his reference last week to Queensland's place in the war effort.

"I want Queenslanders to be perfectly clear on my desire to decentralise the war effort, he said.

"References have been made to a reported military idea that there is nothing to defend beyond Brisbane. Queenslanders, surely, no longer need assurances about the complete defence of Australia.

"The air force does not stop at the Tweed; nor does the work of the navy end at Point Danger; and the army is so mobile that it can be used wherever it may be needed.

"State's Raw Material.

"In the matter of war industries Queenslanders will, I am sure, make allowances for the time factor. In the first two years of war the Government has had to use industrial facilities where they existed—in New South Wales, Victoria, and South Australia. Queenslanders, however,

should not lose sight of the fact that while greater industrial activity is taking place in other States the bulk of the raw material is being drawn from Queensland.

"I am fully alive to the need for decentralisation, but under war pressure we must first make full use of Australia's established industrial strength, which, unfortunately for Queensland, lies in other States.

"I repeat, however, that Queensland and other States not yet so industrialised will be compensated in other directions."

In confirmation of that, we read statements in the "Sunday Mail" and the "Courier-Mail" of yesterday's date—

"£8 Millions on War Job Machinery.

"Queensland has received orders for £246,207 worth of the machines to be used in munitions work.

"Revealing this today, the Munitions Minister (Senator McBride) said that enormous demands were made on the engineering industry to manufacture production plant for munitions.

"Many thousands of machine tools, presses, and other production units already had been delivered, and the tendency was for an ever-increasing proportion of Australian plant to be installed in new factories, or extensions to existing shops.

"Distribution of the orders had been—

	£
Queensland	246,207
Victoria	3,461,205
New South Wales ..	3,773,949
South Australia ..	460,983
Western Australia ..	112,467
Tasmania	73,425"

Had Queensland a greater number of industrialised plants working in the secondary industries, I am sure that the State would receive a greater amount of war work, but taxation is so high that in the past people have been afraid to come to this State to expend their money on secondary industries. Queensland is a primary-producing State, but it can support secondary industries also. Both should work hand in hand. We in the city have the interests of the country people at heart just as much as have the residents of our rural areas. We know the city and country must work together. If we cannot have co-operation between the country and city, this State will never progress. So long as we have the country districts producing and the city areas manufacturing, we shall have all that we require. We shall attract to this State people who wish to invest money. Our citizens will enjoy the benefits of work. They will receive not only award rates, but extras by way of overtime, if they are good men. We all know that most employers are prone to give more than the basic wage to good men.

Mr. Jesson: You want to be careful of your blood pressure.

Mr. DART: If I were as weak as the hon. member, I might be afraid of blood pressure. I have never been afraid of blood pressure. I think the hon. member has been making hot pies for too long.

I can see many ways by which the Government could have improved the Budget, many ways by which they could have effected savings and encouraged people to invest capital here. Our unemployment is down to 3 per cent. Almost every man who cares to seek it can find work. There may be a few who have been unable to get it, and such a man should receive more from the Government than he does. Not all men are fortunate enough to be out of work only long enough to enjoy the benefits of the unemployed workers' insurance. Some are unemployed for so long that they have to depend on the 17s. from the Government for a man and his wife and a mere pittance for the children. It is time the Government did more for the child whose parents are unemployed.

Mr. Jesson: You could easily help them yourself.

Mr. DART: I have helped them. The Government must give some consideration to the young men and women who are just going out into the world to earn their living. Immediately they start work they are expected to keep their parents, if they are out of work, even though these youngsters may be getting less than the basic wage. One case came before my notice in which two young girls were expected by this Government to keep their father and mother, and one of those girls was under 20 years of age. Neither young girls nor young boys should have to keep their parents.

It may be said that if those youngsters board away from home they can retain all that they earn. That may be so, but if that is the Government's attitude, then all I can say is that they are driving young girls and boys away from home if their fathers and mothers happen to be unemployed.

It is a shame for any Government to encourage young girls to live away from home. I realise that there are some sensible men occupying Government benches who believe that a young girl should not live away from her parents until she has reached the age of at least 20. If a young woman is earning a certain amount of money she should be allowed to live at home without hindrance and if her father is out of work then the mother and the father should receive whatever aid the Government can give them.

I think that unemployment assistance is not adequate in the case of a married man with a wife and children, and I hope that the Treasurer will be kind to such persons. The Government should be humane and consider the down-and-out man who has a wife and children to keep. Personally, I do not think that they have given very much thought to the question because if they had they would have felt constrained to help along the lines

I have mentioned. I cannot believe that the Treasurer would say that a little child should live on 3s. 9d. a week with an extra 9d. for milk. Let us reckon that out and see how much it is a day. Why, it represents less than half a pint of milk.

The Treasurer: It is 1s. a week.

Mr. DART: 3s. 9d. was the amount, and the Government added 9d. to make it 4s. 6d. I say the sooner this state of affairs is remedied the better.

I do not think that the Treasurer has given very much consideration to the difficulties of the people on the land. They should get every consideration. The Secretary for Labour and Industry has a happy knack of camouflaging or pooling figures. He said that after he had pooled certain moneys, including those received by way of the State development tax, he was able to devote £80,000 to irrigation purposes. In a country such as Queensland, which is subject to prolonged droughts, that is not sufficient. The Federal Government have been kind to the producers in Queensland who are engaged in cotton production. They have promised to pay up to 15d. a lb. for cotton and that payment is guaranteed for the duration of the war and 12 months thereafter. If it can be successfully grown cotton will prove to be an industry of national importance and this State Government should give such national assets every possible encouragement.

I went to the department presided over by the Secretary for Public Lands and made inquiries as to what was being done about irrigation. The officers of his department were not able to give me full particulars and referred me to the Minister. That hon. gentleman made a very long speech this morning, and was more concerned about party politics than about people living on the land who should be served by irrigation. He did not mention the sum that his department will spend this year to help growers to get the price offered by the Commonwealth Government for cotton. If he is sincere he should bear in mind the important part that the cotton industry will play in this State, particularly in the war effort. There is a livelihood for many people in this industry.

There are some people who enter Parliament, not for what they can get out of it for themselves, but with the object of helping people to earn a living for themselves. These people on the land do not look to the Government for a great deal of help. The Government may say that they have already constructed roads and railways. I give them credit for the roads that they have built, but at the same time I remind them that Governments before them built roads and railways. If the means of transport are already available, why not give the people irrigation so that they can grow crops that they can sell?

Mr. Jesson: What point are you trying to make?

Mr. DART: My point is that without irrigation the crops will fail. The hon. member for Kennedy represents a canegrowing

district and he should know that cane is a drought-resisting plant and that it can withstand much hot, dry weather, whereas cotton is grown on a small bush that is not drought-resisting but requires moisture. We have many good streams that could be harnessed for irrigation purposes and we have land suitable for cotton cultivation, and I am sure that if money was spent in this direction the State and the people would reap a considerable benefit.

There is one outstanding fact about hon. members opposite, and that is that the Government are not capable of deciding big issues. Since I was returned to Parliament an Act has been passed providing for the appointment of a Co-ordinator-General of Public Works to assist Ministers of the Crown, but the Ministers should be able to carry out their ministerial duties and decide big issues without a Co-ordinator-General. Before the appointment of any Co-ordinator-General bridges were built, roads constructed, millions of pounds spent upon the construction of railways, and fine public buildings erected throughout the city and the State that have been a monument to the people responsible for them. To-day, the money has to be spent under an even higher direction than a Minister and thus the responsibility for failures can be passed on to someone else. When I was in the Brisbane City Council and the majority decided upon certain expenditure, the money was always spent for that purpose. However, since I have left the council a bridge has been closed, and although the Co-ordinator-General has been consulted about it a new one has not been built to replace it. It has been closed for three years. At the last elections some members of the Brisbane City Council were elected to this Parliament and they can verify my remarks. The bridge I have in mind is at Doboy Creek. It was closed after I left the council and it is still closed. I have been to the Co-ordinator-General with other aldermen of the Brisbane City Council with the object of having a new bridge built, but nothing has been done.

The Treasurer: Is there not an electric-light undertaking in that district? You should have the power from that plant switched on to your parish pump.

Mr. DART: There are other hon. members who use the parish pump much more vigorously than I do. The Treasurer himself is a very live wire, even without the power. The least we can do is to switch the power on to him.

I have nothing personally against the Co-ordinator-General—Mr. Kemp is a very fine man, and a gentleman—but if we have too many officers dealing with the business of the country we are reminded of the old saying that too many cooks spoil the broth, and if we have too many fingers in the pie there is bound to be failure somewhere.

Progress reported.

The House adjourned at 4.42 p.m.