

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 27 SEPTEMBER 1945

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Mr. SPEAKER (Hon. S. J. Brassington, Fortitude Valley) took the chair at 11 a.m.

QUESTIONS.

BUILDING OF SEASIDE HOMES.

Mr. MORRIS (Enoggera) asked the Secretary for Public Works—

“In view of the projected handing over of all responsibility and control for housing from the Federal Government to the States, will he consider restricting the building of seaside holiday homes until the urgent need for permanent homes has been relieved?”

Hon. H. A. BRUCE (The Tablelands—Secretary for Public Works) replied—

“If and when the State takes over this responsibility from the Commonwealth Government, it will continue its policy of giving preference in the matter of homes to those who are homeless, irrespective of their location.”

IMPERIAL PREFERENCE OF SUGAR.

Mr. PIE (Windsor) asked the Acting Premier—

“In view of the seriousness of certain moves being made by a section of the Press and responsible people in England to delete Empire preference, will he consider the advisability of sending to Britain a delegation consisting of, for example, the Minister for Transport and the hon. member for Isis to state Queensland’s case for the retention of Imperial preference on sugar before the interested British Ministers?”

Hon. E. M. HANLON (Ithaca—Acting Premier) replied—

“No. The hon. member is apparently unaware of the fact that, if any change is proposed in the rebate on sugar duties, the British Government is required to give 18 months’ notice. The Agent-General (Mr. Pike) is the Australian representative on the International Sugar Council and keeps the Government fully advised on matters affecting the sugar industry. The Queensland Government will continue, as in the past, to do all that is necessary to safeguard the best interests of the Queensland sugar industry.”

CHILD IMMIGRANTS.

Mr. PIE (Windsor) asked the Acting Premier—

“In view of the statement made by the Commonwealth Immigration Minister (Mr. Calwell), appearing in the ‘Courier-Mail’ of 26 September, which makes it clear that Australia intends to go to the continent of Europe to obtain child immigrants, does the State Government intend co-operating with the Commonwealth Government in this matter, and, if so, would he advise this House at the earliest opportunity so that I can place before the Government certain facts in my possession, obtained whilst in devastated Europe, in relation to child immigration?”

Hon. E. M. HANLON (Ithaca—Acting Premier) replied—

“The Queensland Government holds the view that a vigorous migration policy should be adopted at the earliest possible date, and is prepared to co-operate with the Commonwealth Government in this matter. The Commonwealth Government is already aware of the hon. member’s desire to import German youth into this country, and he is at liberty to make any personal representations that he may desire on this matter, to the Commonwealth Government.”

DEVELOPMENT OF NORTHERN AUSTRALIA.

Mr. SMITH (Carpentaria), without notice, asked the Acting Premier—

“Has he seen the report in the ‘Courier-Mail’ of the 27 September, concerning a plan for the development of Northern Australia? If so could he give the House any information as to the position in this matter?”

Hon. E. M. HANLON (Ithaca—Acting Premier) replied—

“The following is supplied for the information of hon. members: At the conclusion of the Premiers’ Conference in Canberra on 23 August last, the Premier of Western Australia and myself conferred with the Prime Minister and the Minister for the Interior regarding the future of North Australia. After discussion, it was resolved that it was necessary in the interests of the nation to develop and populate the northern part of this continent.

The following plan was approved for recommendation to the Governments concerned:—

“That a committee for the direction of the scheme be established consisting of the Prime Minister as Chairman, the Minister for the Interior as the Minister responsible for the Northern Territory, the Premier of Western Australia, and the Premier of Queensland.

“That a working committee be appointed consisting of two representatives each of the Department of the Interior, the State of Queensland and the State of Western Australia, and a representative of the Ministry of Post-War Reconstruction as chairman; this committee to undertake a survey of the northern part of the continent to ascertain the industries most suitable for the North and the areas in which such industries should be established. It is proposed that the representatives on this committee should embrace as wide a field of technical and industrial knowledge as possible. This committee will ascertain the intentions of the defence services with regard to northern works and report upon location of possible water storages, areas suitable for pastoral, agricultural or mining development, and possible marine industries which could be established on the northern coast.”

“This recommendation has already been approved by the Governments of Queensland and Western Australia, and according to newspaper reports has now been approved by the Commonwealth Government.

“It is heartening indeed to see that the necessity for northern development is now fully realised. I consider that if this policy is actively operated that it will be the most important political development since Federation.”

STANDARD GAUGE RAILWAYS.

Mr. DUGGAN (Toowoomba) (11.6 a.m.): I move—

“1. That, in the opinion of this House, proposals for the construction of standard gauge strategic railways for defence purposes should be allied with the successful development of the nation’s resources, the promotion of increased population, and the establishment of industries, particularly in the tropical North.

“2. That this House considers those factors are essential elements in any scheme of national defence.

“3. That this resolution be forwarded to the Commonwealth Government for consideration and with an intimation that this State would co-operate to the fullest extent in the formulation of a sound Australia-wide national railway gauge scheme.”

Mr. Speaker, standardisation of railway gauges in Australia is one of the most widely discussed public questions of the moment and without doubt the biggest single national public-works programme presented to the Australian people.

The estimated cost of unifying railway gauges throughout Australia, with the requisite rolling stock and ancillary facilities, is estimated to be not less than £250,000,000. This sum is only £71,000,000 less than the aggregate capital of the Australian railways as at 30 June, 1945. The astronomical sums of money being made available for the prosecution of the war has encouraged sponsors of this railway unification scheme to make a strong plea for provision of the necessary funds for its implementation. It is my considered view that a decision on such a scheme should not rest on a comparison of the cost involved with the size and rate of war expenditure, but on whether the expenditure involved is justified in present circumstances. The measuring stick of justification should be the development of the nation's resources and its strategic defence requirements. In addition, the importance of other projects to increase production and population must be considered and assessed and a determination made on their priority as against the railway gauge unification.

As the motion reveals, my attitude to this question is one of co-operation and sympathy with the Federal authorities and the other States, but at the same time, as a member of this Parliament, having a responsibility to the people of Queensland, I feel that the question should be approached realistically. All intelligent and responsible people in the community having the welfare of the State and the nation at heart should examine these proposals from four main points of view: our financial capacity as a State to finance this undertaking, our safety as a sovereign State, our development, and, above all these, our future.

It will be necessary for me, if members of this Assembly are to get a correct appreciation of this problem, to recapitulate in chronological sequence the main decisions that have been made at the political level in Australia regarding this scheme.

In 1921 a Royal Commission was appointed and recommended the conversion of the whole of the Australian railways to a 4 ft. 8½ in. gauge at an estimated cost of £57,200,000. The second recommendation made by this Commission provided for the unification of a main trunk line between Brisbane and Fremantle, including the conversion of the entire 5 ft. 3 in. gauge in South Australia and Victoria, at an estimated cost of £21,600,000. The various States agreed with the Commonwealth to appoint a Royal Commission of two railway experts chosen from outside Australia, and one expert not a member of the railway service in the Commonwealth to report on the unification of the gauges—what the gauge should be and of the cost of conversion. The Commonwealth and the States agreed to abide by the decision of this tribunal. The Commonwealth was to bear one-fifth of the cost of conversion and the five mainland States four-fifths, on a per-capita basis. The point I wish to make in this early part of my speech is that that was a decision affecting all States of the Commonwealth. All States felt bound or

were bound by that decision. But it is rather unfortunate when the question arose of constructing a 4 ft. 8½ in. railway linking Sydney with Brisbane, all the States bound by it, Queensland and New South Wales were the only States that paid their shares of the cost of that scheme.

We should keep before our minds the fact that in any agreement involving the expenditure of many millions of pounds of the money of the taxpayers of Queensland we should have an undertaking in writing that will enable us to enforce the discharge of the commitments of other States when Queensland's turn comes to have its railways converted. Such a commitment must be honoured by those States. An agreement was made to construct that 4 ft. 8½ in. line in 1924 and the work was completed in 1930.

The next development of importance in the unification scheme was that on 14 March of last year the Full Cabinet of the Federal Government appointed Sir Harold Clapp to prepare a comprehensive report on the standardisation of Australian railway gauges. On 10 November, 1944, the same Cabinet affirmed the desirableness, in the interests of defence and national development generally, of standardising Australian railway gauges on the 4 ft. 8½ in. basis. The State authorities were in conformity with the Attorney-General's opinion to be informed of the Commonwealth's intention to proceed with the preliminary work on those projects that are necessary to promote general standardisation, and of the desire of the Commonwealth to obtain their co-operation so that the Commonwealth plans might be harmonised with railway plans of the respective States. Sir Harold Clapp furnished a voluminous report in March, 1945, which is substantially endorsed by the present Federal Government.

Mr. Maher: Did he take any evidence in the districts where those railway projects were to be undertaken?

Mr. DUGGAN: No public evidence was taken, but under a Cabinet minute he was instructed to report on the lines suggested for conversion, new lines to be constructed, a scheme of conversion and erection of structures, a scheme for the conversion of locomotive and rolling stock, estimated costs of associated works not chargeable to the project, estimated man-power the project will absorb in its various phases, the standardisation of rolling stock, other considerations associated with the project and the estimated time involved in the various phases of the work.

That report was prepared by Sir Harold Clapp after consultation with various interests in the different States. At a later stage I propose to show that Sir Harold Clapp failed, in my opinion, in his obligations by not consulting responsible public officials in this State as to the effect the proposal might have on the economy of this State.

After the presentation of this report which was enthusiastically endorsed by the Federal Minister for Transport, the subject was listed

for the consideration of the Premiers' Conference in August of this year. The Commonwealth representatives moved a motion to implement in the main Sir Harold Clapp's recommendations. That was countered by an amendment moved by the Acting Premier of Queensland that the matter should be held in abeyance until there had been fuller opportunity to examine the proposal. Eventually a compromise motion was carried, reading—

“(1) That the conference declares that the work of standardising Australia's railway gauges should be proceeded with as being essential to national defence and development.

“(2) That a committee be appointed of representatives of the States and the Commonwealth to consider what sections of the recommendations in Sir Harold Clapp's report should be accepted and what additions or modifications should be made to same.

“(3) That a committee of representatives of the States and Commonwealth confer and report upon the division of financial commitments having regard to—

(a) the defence value of the work,

(b) the value of the work for purposes of development.”

Two main points stand out in this report. The first is that in all future considerations Sir Harold Clapp's recommendations were to form the basis of all technical discussion. Although the general tenor of my remarks will be condemnatory of Sir Harold Clapp's recommendations, I have no intention of suggesting that Sir Harold Clapp is ill-qualified to submit to any Government recommendations involving purely technical points affecting railway systems. I believe that he is well fitted to discharge that obligation and I have no objection to his report's forming the basis of discussion of technical officers of the various State Governments for its implementation.

The second point that stands out from that Premiers' Conference is that the Commonwealth and the States must agree to weigh very carefully the defence value of the work and its value for purposes of development. It is at this point that I desire to say that I think it a very retrograde step for any Federal Government and any State Government to be bound to a financial programme involving in the aggregate not less than £250,000,000 by one man's recommendations and that man a technical railway officer.

I believe that a proposal involving an expenditure of this sum of money should have formed the subject of a very careful and close examination by a body of experts competent to discharge their obligations firstly from the population and development point of view, and secondly from a defence point of view. The defence consideration, which I shall deal with at greater length a little later on, involves the submission of evidence to give an appreciation of tactical and strategic military plans for the defence of Australia. On my reading of the document shown to me there was no evidence, other

than the bald assertion, that the Army required the line along the routes suggested by Sir Harold Clapp. Much more convincing military evidence will have to be made available before we should be entitled to say that we were justified in accepting the recommendations involving the plan as necessary to the future defence of this continent.

Sir Harold Clapp's scheme falls into five main categories and for purposes of convenience they are termed Proposals A, B, C, D, and E. Proposal A is—

Standardisation of gauges to 4 ft. 8½ in. be effected between Fremantle, Perth, and Brisbane, involving conversion of South Australian-Victorian system, cost £44,318,000, mileage 7,597 miles.

Proposal B is—

That a standard gauge strategic and developmental railway be provided to link Bourke, New South Wales, with Townsville and Dajarra and tributary lines via Central Queensland. Cost £21,565,000, mileage 1,544 miles.

Proposal C is—

Standard gauge, strategic and developmental railways between Dajarra, Queensland, and Birdum, Northern Territory, and conversion Birdum, Darwin line to standard gauge. Cost £10,868,000, mileage 961 miles.

After proposals A, B, and C have been completed in that order authority will then be given for a survey to be made of the Queensland system with a view to its conversion to 4 ft. 8½ in. The point is that after these proposals are implemented in the order in which I have mentioned them, a period of eleven years will have elapsed and at the end of that time the Queensland requirements in regard to conversion to 4 ft. 8½ in. will be considered, but only then. There will be no binding agreement on any Government in 11 years' time to honour the recommendation contained in Sir Harold Clapp's plan. There will be no binding agreement whatsoever. As I said earlier, the significant failure of the other States to accept their financial obligation when the Brisbane-Kyogle-Sydney line was constructed is evidence that if this Government and that of Western Australia are the only remaining two not connected with the standard 4 ft. 8½ in. gauge we might have to incur the whole cost of such conversion ourselves, which is estimated to be £130,000,000 in Queensland alone. That does not make provision for replacements, for the obsolescence of locomotives, coaches and vans, and other heavy incidental expenses that Sir Harold Clapp considered to be normal charges on the railway administration in each State.

I want to know what are the Army recommendations for these proposals. I propose to show in a few moments that Sir Harold Clapp himself is convinced that this case rests primarily on defence considerations, whereas no evidence has yet been submitted to show that the various conferences convened by the Commonwealth Government have been attended by Army experts.

I propose to show, too, that the conversion of the Victorian and South Australian systems will not add one penny of revenue to those States. Victoria is now regarded as perhaps the greatest "railway-ised" State in the Commonwealth, and it is thought that no new land will be opened up and no new development will take place. The cost of operating that system, because of the elimination of trans-shipping charges and certain other expenses associated with break of gauge, will be less than elsewhere, and there will be no loss of operations on the conversion as made.

I mentioned a moment ago that after a lapse of 11 years Queensland will still have 86 per cent. of her railway system with a 3 ft. 6 in. gauge, so that after a period of 11 years only a very small proportion of the Queensland railway system will be converted to the 4 ft. 8½ in. standard gauge. As a matter of fact, it is important to consider that such a conversion will be a liability in Queensland as far as trade and development are concerned. I propose to show that if the route recommended by Sir Harold Clapp is adopted the tendency will be to divert the trade that normally flows to Brisbane through Bourke to Sydney.

I consider that in the interests of a balanced national economy we should prevent the diversion of more trade and population to the Southern States if it is to be at the detriment of other parts of the Commonwealth. The motion postulates the development and increased population of the tropical North as being essential factors in any scheme of national defence. Sir Harold Clapp's proposals will provide very little in the way of either increased population or development of the vulnerable States, with the exception of the Barkly Tableland. Those States of course are Queensland and the Northern Territory. We in Queensland need secondary industries if we are to build up a greater population but unfortunately, because we were considered by the experts carrying on the war to be a vulnerable State, we lost the opportunity of establishing secondary industries in Queensland. That proportionately increased the expansion permitted in the Southern States. We should do everything possible to make up for the disadvantage we suffered during that period and to do so we are entitled to ask for Commonwealth assistance on all legitimate occasions. If what I say is true—and it is well-known that during the war years certain munition annexes were equipped in New South Wales, Victoria, and South Australia, to our detriment, to cater not only for the requirements of Australia but also for 5,000,000 service personnel in the Pacific—our claims in this respect are greatly strengthened. The point is that those tremendous production resources were created in the Southern States, and that the industries thus established can now cater for another 5,000,000 people over our present population before the need of secondary industries becomes felt in Queensland. That is putting it in a very general way. A great deal of modification and amendment is necessary in what I am saying, but in the

main the tremendous concentration of industries in the States I have mentioned makes it very difficult for Queensland to enjoy her equitable share in the extension of secondary industries in this continent, which would have occurred had the war not taken place.

The point I am leading up to is this: that we have already been denied the opportunity of sharing in the industrial developmental programme and if Sir Harold Clapp's recommendations are implemented effect will be given to the proposals affecting Victoria and South Australia before those affecting Queensland. Tremendous additional plant will be required, such as quarrying material, pneumatic drills, rolling stock and all kinds of things associated with work of this kind. It will all be manufactured and located in those States. It is obvious that manufacturers will not come to Queensland specially to erect workshops, tool and fitting shops and associated industries for that purpose. They will all be in the Southern States. So we shall have no benefit from the rail conversion in those States. Then, if the standard-gauge railway is constructed from Bourke through Cunnamulla, Charleville, Blackall, Longreach, Winton, Dajarra, Camooweal and thence on to Birdum and Darwin, it will be distinctly uneconomical to discard the equipment that has been used in the Southern States for the conversion of the railways there and set about manufacturing for the necessary requirements in our State. Owing to costs of transport it will be clearly more economical to use the facilities in the Southern States on the construction and conversion of the railways in Queensland. That is an elementary fact and sound logic. Consequently, again we shall not share in any degree in the establishment of secondary industries, that is, in the manufacture and maintenance of rolling stock in this State. That is a retrogressive step.

I propose to show that the standardisation of railway gauges rests mainly on the defence aspect. I will show, too, that Sir Harold Clapp is unsympathetic with the provision of workshops in Queensland. To do so I will quote from his own report, paragraph 184, which reads—

"The cost of workshops as estimated by the Railways Department is £1,000,000, but, in my opinion, it is improbable that workshops of the size contemplated, together with the requisite plant and equipment for the construction of the locomotives and rolling-stock, could be provided in time. There might also be difficulty in obtaining sufficient skilled workmen to staff large new workshops in Queensland. I have accordingly made provision in the Estimate for workshops costing half this amount, viz., £500,000, and would suggest that any work outside the capacity of the Queensland Railway Workshops, including the proposed new workshops, be allotted to workshops in other States. The justification of building the smaller workshops suggested is that, as pointed out by the Commissioner for Railways, there is very little prospect of building any standard

gauge locomotives, passenger cars and waggons in existing Queensland workshops (railway and private) as they will be fully occupied on rehabilitation work after the war. The proposed new workshops would subsequently serve as main repair workshops for standard gauge equipment."

Mark that point: even when erected they will merely become maintenance shops, not production shops.

In addition to that, surely to goodness the other railway systems have the rehabilitation problem on their hands! It cannot be reasonably argued that the only State that needs the rehabilitation of railways is Queensland. The reports of Railway Commissioners in the other States will show a degree of obsolescence in locomotives in the Southern States greater than that in Queensland. With the exception of the diesel locomotives and a few others made available to New South Wales and Victoria, there has not been any greater replacement of the locomotives in Victoria than Queensland. It is fallacious to argue that because we have the responsibility of building better trains and reconditioning old trains we should be denied our fair share of the opportunity of building rolling stock in Queensland.

I suggest, moreover, that the proposed route through Queensland will do little to promote development within the State, but most certainly will divert trade from our coast to New South Wales.

Disregarding for the moment strategic considerations, closer settlement is not possible along areas adjacent to the proposed rail link as the country is essentially grazing land and stock is now carried on it to its maximum capacity. No-one can seriously argue that the land adjacent to the proposed standard-gauge railway running through Central Queensland is generally capable of closer settlement. There will always be big holdings in those areas; irrigation schemes are not feasible or possible in those areas. From a population point of view, no good purpose can be served by taking any line along this route. If defence considerations suggest that it should go there evidence to this effect should be submitted to the Government that a strong claim exists for this route and no other route. It is my opinion that if people living in the West are entitled to greater amenities—and they are—a line either farther west or farther east would be more suitable to their requirements. I believe that a line farther west would serve areas of Cooper's Creek, Diamantina, Georgina and Bulloo Rivers in drought periods. The country is flat and when floods occur on these watercourses and their tributaries the water spreads for miles and the clover that results makes excellent fodder for fattening cattle. I think that in evidence given some time ago before the Royal Commission appointed to inquire into inland killing centres in Queensland, Mr. Fletcher of Brighton Downs gave evidence that 23,000 cattle had been fattened on Brighton Downs since 1940. If that is so—and there is no occasion to question the authenticity of those figures—the country is

eminently suitable for fattening, if a rail link is made that will enable the cattle to be moved quickly. The flat country enables channels to form from 6 to 60 miles and in odd places 80 miles wide, which creates a self-irrigating system and it takes four or five weeks for the water to subside. The resultant clover provides food for a few months. It is an annual grass and when the floods go the land is useless for fattening purposes, so the cattle must be taken quickly from that area if it is to be regarded as fattening country.

If the developmental aspect is of that importance, we should consider alternatives to the proposed route recommended by Sir Harold Clapp. I do not want to be misunderstood as being obstructionist, or expressing anti-Federal sentiments, but a strong recommendation must be submitted by a proper authority in support of the unification of gauges as a defence measure and a developmental project before we finalise this scheme. The decisions reached on the higher representative levels have been reached on material considerations rather than on an appraisal of the facts. I say that because the reports on the route, particularly from the Federal Minister for Transport—whom I congratulate on his zeal and enthusiasm—persist in mentioning the necessity for fostering a national sentiment. But we have to assess these emotional outbursts against the cold, hard facts. If this country is to develop, we require funds for that purpose.

We do not propose to surrender our sovereign rights to the Commonwealth. We propose to develop this State in our own way—and it will require full development—but if we permit a charge to be laid on posterity for a railway system, and at the same time deny ourselves the capacity to finance other developmental undertakings, the progress of this country will be retarded for very many years.

Of course, some organisations, such as the graziers' organisation and meat interests generally in Western Queensland, are very enthusiastic about any rail link west of the present services in these areas. It would be appreciated by big interests in that part of the State.

Mr. Edwards: And a great help too.

Mr. DUGGAN: No-one will deny that it would be a great help to these people. I think I have already explained that with the exception of the Barkly Tableland and Victoria Downs in the Northern Territory there is very little country in those areas that is suitable for greater development. The great fattening areas of Queensland lie in the area between Charters Towers and the Darling Downs, and no provision is made for a link there. I propose to mention that briefly in a few minutes. The Northern Territory generally speaking and the North-West of Queensland are not suitable for fattening purposes. It is breeding country. Wyndham meatworks operate for only a few months in the year because the supply of fat cattle from north-western Australia and

the Northern Territory is insufficient to keep them operating the year round. Cattle from the Northern Territory have to be rested there for 12 months and then brought down to Queensland. I propose to show later that a rail link would probably save that resting period of a year and the Queensland meat-works could handle the cattle coming from those areas. I believe that the interests of the meat people will be better served by having a Dajarra-Birdum link because it would affect this saving of approximately 12 months to the cattle that are now resting in the Northern Territory preparatory to their long walk across Queensland.

The routes scrapped by Sir Harold Clapp, whose report on them I read, show that expanded killing works should be established at Bourke where Mr. Tancred has a very large undertaking at present, but graphs that I have seen show a variation of approximately 40 degrees in the temperature between Bourke and Sydney. Vestey's insist that there should be a variation of only 2 to 3 degrees between the works and the ship. If meat is to be transported, as Sir Harold Clapp recommends, from Bourke and other areas in the North-West of New South Wales, the suggestion is that by the time it reaches the overseas market it will be rotten because of this variation in temperature. That is a consideration that should be borne in mind before we yield to this desire to establish new killing works so far from the sea. I am not putting that forward as a personal opinion. It is an expert opinion.

A further point is that I think Sir Harold Clapp showed at least a lack of proper sense of courtesy and appreciation of his responsibility by getting in touch with these private interests solely. He admits he drove Mr. Tancred all over New South Wales and we know that he did not consult the Commissioner for Railways, the Premier or the Minister for Transport in Queensland. If Sir Harold Clapp takes on himself, probably with all good intention, to consult purely private interests and disregards responsible public officials and public men in the State he leaves himself open to the charge that there is some reason why he does not wish to consider these people. The charge may be—I do not say with any ulterior motive at all—that he does not want any information that would be unfavourable to the recommendations that have been forming in his own mind, in respect of the route to be that recommended by him and enthusiastically supported by Mr. Tancred from Bourke. Sir Harold Clapp's mind has been entirely influenced by private enterprise rather than the interest of those people appointed for the purpose of looking after the interests of the State and the Commonwealth.

I believe that plans for the promotion of development and population should precede actual rail construction. Thinking that it was very desirable to embark on a migration policy, the Federal Government established a Royal Commission on Development and Migration for the purpose of expending £34,000,000. That was the proper sensible

approach to the problem. Sir Herbert Gepp was chairman of that Commission, which collected evidence from all parts of the Commonwealth and reported on areas suitable for settlement of overseas migrants. No such action has been taken in this instance. Merely a high-placed railway official has been entrusted with the task of suggesting where the railway should be, and because he has suggested a route should we be automatically committed to it? That would be wrong.

At this point I offer my congratulations to the Acting Premier of Queensland (Mr. Hanlon), the Prime Minister (Mr. Chifley) and the Premier of Western Australia (Mr. Wise) for their foresight and courage in suggesting that steps should be taken to investigate the potentialities of the Northern Territory.

That is the proper approach to these things. We should see what development can take place in the Northern Territory, along what lines it should go, how long it will take to provide the necessary facilities to enable people to be settled in the area. Having prepared plans for that our rail link should then serve those areas. No approach along those lines was suggested prior to the last Premiers' Conference. As the Acting Premier has made a full statement of the position this morning, I do not propose to deal with that aspect of my subject at great length.

I suggested that there are alternatives. I do not intend to adopt the attitude of a destructive critic without offering something constructive in the place of what I seek to destroy. I suggest that a line could go further west and a line should come further east. My friend, the hon. member for Carnarvon, who will second the motion, has gone closely into the question of an alternative route, and as he has a duty to perform in seconding the motion I shall leave the elaboration of the case for the alternative route east of the present line suggested by Sir Harold Clapp to him.

Mr. Brand: The alternative route is so obvious.

Mr. DUGGAN: I believe it is obvious.

I come back to the point I postulated earlier, that even those in authority contend that the case for this standardisation of railway gauges rests primarily on the defence aspect. In his report, Sir Harold Clapp said—

“The justification for standardisation of gauge must of course rest primarily on defence rather than on economic grounds. The likely requirements for defence were fully discussed with the C. in C. After a thorough survey of the transport implications as well as the economic and developmental aspect, I submitted proposals for the conversion of existing lines and the construction of new strategic lines.”

Two major points emerge from this statement. The first is the question, “Is the military evidence allegedly in support of Sir Harold Clapp's recommendations sufficient?”

The second is that if the case for standardisation rests primarily on defence considerations, why is Queensland expected to pay four-fifths of the cost of that conversion scheme? I am not prepared to overrule the defence considerations, but I do say that if that is to be the determining factor the Commonwealth must accept its obligation for the defence of the Commonwealth and should bear a far greater proportion of the cost of conversion.

It is pertinent perhaps to ask whether a proper military appreciation of the problem has been made by the military authorities. Furthermore, in the light of experience, what alternatives and modifications are necessary in the basic strategic and tactical plan for the defence of Australia? A military appreciation is a review of a military problem or situation culminating in a plan to meet that situation. That is a military definition and it always precedes action by military authorities. A military appreciation is of two kinds, strategic and tactical. A strategic appreciation will of course be conducted by officers attached to the general staff or the Defence Secretariat and it would involve factors such as the potential aggressor, the physical resources of that potential aggressor, our own physical resources, communications, and considerations of that kind.

(Time, on motion of Mr. Devries, extended.)

Mr. DUGGAN: I thank the hon. member for Gregory for proposing the extension and I thank the House for its courtesy in granting it.

Tactical plans usually devolve upon the commander on the spot. A strategic plan may be made for the defence of Australia by armed forces in New Guinea, for example, but the tactical plan would involve the actual combat use of the forces in New Guinea and would include decisions on the spot by the commander on the spot who is entrusted with the task of carrying out that military operation. These strategic and tactical plans are made by all countries and Governments. I am not a strategist and do not propose to pose as one in this Chamber this morning, but as an ordinary layman, with some experience of army life, I believe that any military plan for the defence of Australia must embrace Queensland.

Our present geographical isolation is no longer a protection. Modern warfare demands the use of strong army, naval and air forces. Few nations can afford all these things. Australia certainly cannot. Australia can never achieve quantitative superiority against a potential aggressor.

It is questionable whether we can achieve very much in the way of qualitative superiority in armaments and weapons. The history of modern war shows that no nation can be strong enough to have qualitative and quantitative superiority against a potential aggressor in the three branches of the services. We know that Germany in 1914, and again in 1939, had quantitative and undoubtedly qualitative superiority on the land against any other single nation, but she

was qualitatively and quantitatively inferior to Great Britain in naval arms. With the Luftwaffe she had qualitative and in some respects quantitative superiority over any other single nation.

I feel that whatever strategy is employed in the defence of the Commonwealth in the future every consideration will have to be given to the development of bases in the North, North-East, and North-West. They must play a very important part in the plan of defence which must include a strong air striking force and a highly mobile force of infantry. If that is so, we have to give increased attention to the development of the tropical North. Even Sir Harold Clapp himself was influenced by the possibility of the threat to this country because in his report he says—

“In past years, we Australians have been content to develop our rich coastal lands and the more handy grazing country west of the Great Dividing Range. International aspects of an overcrowded East and the question of defence have cropped up only once in a while to cast their shadows over our sparsely-settled North. But with the war and the threat of invasion, the need for stimulating a greater development of Australia north of Capricorn has assumed vital importance in the minds of those who have studied the question.

“To-day, Asia and the islands in the north have a new significance to Australia. Darwin has become an important base for ships of war and aircraft. When peace returns it can hardly lose its importance as the Northern gateway to Australia and as a defence outpost. Settlement and cities will undoubtedly materialise on the coast of the Far North, but first this coast area must be served by a railway to connect it with the blood stream of Australia's settled areas which will impart strength and enterprise in the development of lands hitherto too remote for anyone to be interested in.”

Sir Harold Clapp has emphasised the danger to Queensland of the disturbed East, an overcrowded East. I think that most thinking people realise that if Australia is ever again threatened the threat will come from the north or the north-west of Australia and that Queensland and the Northern Territory must play a prominent part in our plan of defence.

Sir Harold Clapp in his report says that if the inland strategic route is completed it will meet the requirements of the Army and that consideration of the defence required for the other 86 per cent. of the rail gauge must be left in abeyance for 11 years. What is going to happen if it is necessary at some future time to send troops from Australia to the islands? Everyone can see that we should not be wise in vacating the islands. We must always accept some of the responsibility for the establishment of adequate bases in North Australia to cushion the first attack on our shores or to form the basis of a springboard to repel a possible invader. Are our troops to go along the inland route to Darwin or are they to use one of the many ports

developed along the Queensland coast? Sir Harold Clapp's plan provides for six transshipping points as against two at the present time. If the troops detrain at these six points, considerable congestion will be caused on the railways. To avoid this congestion troops will have to be transported to Darwin and embark from there. I leave it to hon. members to suggest how absurd it would be to ignore the congestion, with the population that we have on our eastern seaboard at the present time.

I agree with the Minister for Transport in the Federal House that the war has demonstrated the essential value of railways as a fighting weapon. All those people who have studied the subject will know that communications are a very important factor in war. No matter how superior an army may be and no matter how favoured in the adequacy of its supplies, these advantages are useless unless the men and the supplies can be transported to the scene of battle operations. Its superiority in supplies is of no value unless those supplies can be transported.

Mr. Pie: Not necessarily by rail.

Mr. DUGGAN: No, but the war has proved that the railways are an important instrument in war. Sir Harold Clapp and Mr. Ward dismissed it by saying that there would be such a pool of locomotives and rolling stock that you should shift a division across the continent in seven days but I consider that statement to be just arrant nonsense. Are the States to have a pool of railway locomotives and rolling stock at every ordnance depot to be used solely in case of war? Has there been any attempt in the past by the Commonwealth Government to bear the cost of these items on behalf of the States? There has been no desire in the past to subsidise Governments in order that they will build greater quantities of rolling stock for the purposes of war.

The point is this: in times of war, development will be increasingly towards mechanisation. We are dependent on foreign oil. If we are to have a mobile force it will have to be a mechanised force such as we witnessed during the late war. If we are dependent on foreign oil, there will be in time of war a heavy demand on petrol, which will be foreign fuel, to serve the requirements of our armed forces. Therefore, there can be no pool unless the Commonwealth is willing to help in building up reserves in depots in this and other States. Because of our dependence on foreign fuel and the contraction of motor transport, there will be the same heavy demands in these respects as we witnessed in our State in the late war. If the question were one solely of building locomotives, and we had extra locomotives during the war years, we should have been able to transport troops much more expeditiously than we did because of the shortage of those things.

The aim must be to provide communications in areas where population exists. Better transport facilities naturally follow where there is development. It was a good

thing for Australia that there had been in Queensland over the past years Governments who were alive to the importance of developing Northern Queensland. We had reasonably good ports along our coast, and good roads, which enabled large armies to be gathered, organised, trained and fitted to embark for the Far Northern fighting areas. Because of the population in those areas road and rail facilities were better, but if we want improved transportation facilities in them, we should do everything possible to build up development to an increasing degree. Development will not be possible at or adjacent to the line suggested by Sir Harold Clapp. We must build up industries in the North. In the course of time our trade with the East must increase. What State is better fitted to share in that trade than Queensland? We, as a component part of the Commonwealth, are entitled to our full share of it. We are entitled, too, to see that development proceeds along lines to build up population.

We must have improved communication facilities, which must be able not only to serve developmental purposes but to meet the needs and demands of war. Those improved communication facilities must overcome the difficulties we were faced with in the last war, when the only means of conveying troops was on a 3 ft. 6 in. railway gauge line along the whole of our Eastern seaboard. We must develop a national sentiment if we are to build up a virile people. That is largely dependent on the central Government's ability to convince the State that they are sincere and earnest in building up a balanced economy in all States. An anti-Federal spirit is to be deplored. We must get together and unite our efforts and forget about State boundaries.

My speech is not opposed to the principle of the standardisation of railways. All I say is that if the case rests—and it must—primarily on defence, there must be an appreciation by the Commonwealth of the strategic value of such work. In this respect the Commonwealth must be advised by experts who must know what the plan is and must submit the plan to the State Governments. If that plan is forthcoming I believe, as disclosed at the recent Premiers' Conference, the States will co-operate in breaking down State barriers and implementing a standard rail gauge that will permit standardisation of equipment, which will greatly increase mobility and meet the demands of greater freight and passenger traffic. At the same time, such a scheme would provide for our essential requirements. These will come but they must be preceded by a proper investigation. We should not let one man, who is a rail expert, determine the future economy and development of this country.

That is the general line I think the Queensland Parliament should take. We are a sovereign State. We have spent and are spending large sums of money in developing the State. We have ideas, for instance, for the reticulation of electricity to the various parts of

the State to increase production. We have schemes for irrigation in the various parts of the State, also to increase productivity. We have a Secondary Industries Commission appointed to investigate the possibility of expanding secondary industries in this State. All these things are necessary to maintain and expand the standard of living we enjoy. They are all necessary if we are to remain an important and integral part of the Commonwealth. We have more natural resources than any other State. A large part of this State is situated in the sub-tropical zone in which a large diversity of products can be grown. All our resources should not be put into one little pool, which will possibly serve Southern interests to the detriment of our own.

We are prepared to play our full part in the development of a Commonwealth scheme, we are prepared to play our part as partners in the Commonwealth, but whatever our responsibility in this direction it should not cause us to shut our eyes to the responsibility we owe as Queenslanders to Queensland itself.

Hon. Members: Hear, hear!

Mr. HILTON (Carnarvon) (12 noon): Mr. Speaker, it is with sentiments of great pleasure and an earnest desire to further the development of our great continent that I rise to second the motion so thoughtfully and ably debated by the hon. member for Toowoomba. I recall that on Private Members' Day last year this House dealt with the motion calculated to stimulate immigration to this country, and develop the northern portions of it. I think the debate and the resolution we carried on that occasion were worth while. I am not going to say that as a result certain action is now being taken, but it is very interesting to note from the Acting Premier's announcement this morning that the Commonwealth and the States of Queensland and Western Australia are about to take very definite action for the development of the Northern part of Australia. I think that to a certain extent the motion moved by the hon. member for Toowoomba is complementary to the motion carried by the House last year.

In seconding this motion I realise that rather weighty arguments can be adduced against the whole proposal. From the defence point of view we can argue that from the experience of the war just concluded and the future conduct and methods of warfare the railways may more or less play a very inconsequential part. Furthermore, it may be argued that in the future, because of the possibility of the development of atomic power and other modes of transport, the railways may become obsolete. That is possible, but at this stage we do not know what the future holds in that respect; therefore we must be realists and consider the existing circumstances.

I know that from an economic point of view the standardisation of the railways of Australia can be discounted immediately if we take into consideration only the financial returns the Commonwealth and all the

States will get from the railway system. Looking at it from a purely business point of view we can disregard it altogether, but, as the substance of this motion indicates, we have to take a much broader view than that. If scientific development in the future renders the railways obsolete from the defence and developmental points of view, it is most likely indeed that we shall know of those developments before the plan proposed for implementation throughout Australia can be put under way. I go further and say that, disregarding the possibility of scientific development in modes of transport and warfare in the future, if we in Australia knew a war in the future was inevitable and if we knew a standardised and efficient railway system would be a major factor in preserving this continent from invading forces we should right now be very happy to levy high taxation on ourselves for many years to come and to direct all our resources to obtaining that objective—a standardised railway service.

It is very sound philosophy always to hope for the best. It is good and wise philosophy also to prepare for the worst. Let us therefore consider briefly what is absolutely necessary in this great continent to prepare for the worst. I should say that apart from obtaining an effective defence service in all its branches we must aim at obtaining, first, the means of deploying such a service to the best possible advantage in the event of threatened invasion. Consequently we must aim at attaining a greatly increased and virile population. We must aim particularly at obtaining the greatest possible development and decentralisation of our industries, both primary and secondary. As a matter of fact, this will be necessary if we are to achieve the desired increase in population.

Having agreed on these points, let us examine the question of standardisation of our railways in relation thereto. It is very evident that the essential factors in promoting development and population will prove to be—

- (1) Fertile lands.
- (2) Adequate rainfall and water conservation.
- (3) Fuel with power generated therefrom.
- (4) Efficient transport.

In considering this policy of standardisation and paying due regard to these factors I have just mentioned we naturally search for the most suitable tracts of land throughout this vast continent where the implementation of the policy will bear the most fruitful results; and looking at the subject from that point of view, Mr. Speaker, I find that I am in violent conflict with certain of the recommendations made by Sir Harold Clapp, with which the hon. member for Toowoomba when moving this motion so effectively dealt. I am also in conflict with certain statements made by the Federal Minister for Transport and External Territories, the Hon. E. J. Ward. It is all very well, at least from the superficial point of view, to say when one

reads statements that Mr. Ward has prepared and broadcast throughout the country that the proposed route through Queensland and the Northern Territory looks very attractive indeed but on examination we find it was recommended, firstly without due consultation of the authorities in Queensland, and secondly without reliable evidence having been taken on any aspect of it. One of my strong objections to the proposal that Sir Harold Clapp and the Hon. E. J. Ward have put forward is that they are in effect putting the cart before the horse and not giving due consideration to the first steps that should be taken from the viewpoint of defence and development.

Like the hon. member for Toowoomba I do not want to appear as a Little Australian. I realise it is a national question and it must be considered from a national viewpoint, but I ask, Mr. Speaker, firstly from the defence point of view, what State is entitled to the first consideration in the standardisation of our railways? The experience of the war just ended proves that Queensland is the State that should receive first consideration. When the North was threatened, the railway system of Queensland did a magnificent job in transporting men and materials north. We were indeed fortunate that the enemy was not successful in making any break in our railway system. Ships from overseas, including America, discharged at the port of Brisbane and the Queensland railways were strained to the utmost in conveying those supplies north. We all agree that the railways did a magnificent job in that respect, but should such circumstances arise again it is very patent from our past experience and what we can anticipate that Queensland will again be called on to perform the same task. It is therefore very evident indeed that from the defence point of view if from no other Queensland should receive first consideration in the construction of new railway lines. I contend very strongly that people down South have overlooked this aspect. I agree that the inland route they propose would be to a very large degree effective in bringing supplies forward, but they do not propose to construct that route until standardisation has taken place in Victoria, South Australia, and Western Australia.

That suggestion is altogether too absurd. Whilst this Parliament and this State should co-operate to the greatest extent on this question, they should insist that full consideration be given to the defence aspect particularly in Queensland. They should give consideration also to the developmental aspect, which this motion implies is an important factor in framing a policy of standardisation.

Like the hon. member for Toowoomba, too, I do not wish to appear an obstructionist. If we condemn the proposals that have been put forward and the recommendations that have been made by Sir Harold Clapp, we are obliged to submit an alternative. I have given some little consideration to an alternative route and so have a large number of thoughtful citizens. Having in mind the big

factors of increased production, development and population, we must realise from our knowledge of this State that the sensible alternative is a standard-gauge line running from Boggabilla in New South Wales which is very close to the Queensland border via Goondiwindi, Miles, Wandoan, Springsure and Blair Athol, to Charters Towers or Hughenden, then west and north-west across the Barkly Tableland to Darwin, with another line running east from the point of contact with the northern railways to Townsville.

Mr. Maher: That is the only sensible route.

Mr. Brand: That is the only alternative.

Mr. HILTON: That is so.

First let us consider the natural advantages from the developmental point of view. The mileage in Queensland would be shorter than that recommended by Sir Harold Clapp, although in considering the whole standard line right through to Darwin the inland route might be a little shorter. We cannot be dogmatic on the length of these lines until definite surveys have been made. The question of another few thousand miles one way or the other should not weigh very greatly in considering this project. The main thing is to see that it does open up the country and promote the development to which we have referred. The route I have suggested is from 200 to 300 miles inland. It would traverse a belt of good rainfall. The rainfall along that route would average from 24 to 29 inches, as against 16 to 23 inches along the route suggested by Sir Harold Clapp. It would serve rich country that lends itself admirably to closer settlement. From the figures I have obtained and the data I have examined I find that there is at least from 50,000,000 to 60,000,000 acres of first-class land suitable for mixed farming and the fattening of stock.

Mr. Brand: What distance from the line?

Mr. HILTON: It is hard to say that. The line would traverse a belt of country of at least 50,000,000 to 60,000,000 acres, and that is a very conservative estimate.

Furthermore, in that area there are also many suitable irrigation projects awaiting development. These would add still further to the productivity of the area this alternative route would serve. Again, in periods of drought the belt of country referred to would prove to be excellent refuge country for the western areas with lighter rainfall.

This belt of country contains also many large coal deposits which are of great importance to railways, particularly from a defence point of view. As the hon. member for Toowoomba pointed out, in the event of war and the cutting off of supplies of oil from overseas we must rely on our natural resources. So far we in Australia have not been able to tap adequate flows of oil. That being so, we must always keep in mind that if in future wars we are isolated from the outside world and our oil supplies are cut off we must be able to exploit our coal deposits to the fullest possible extent, for transport in particular.

The first route proposed, from Bourke in New South Wales further inland in Queensland, does not pass through any coal-bearing country.

The distance from Sydney to Darwin, I think, is about 2,000 miles. If a division of men was required urgently in the North a number of trains would have to be run daily over this long stretch of railway, which is without natural coal supplies. Even if it meant only 10 trains a day, from my calculations they would require 2,000 tons of coal each day. Hon. members can easily see, too, that the train service that would be necessary to maintain these coal supplies would be a very important factor. The alternative route would pass through rich coal deposits that would be available at many points and so the trains that would be needed for providing coal supplies on the route suggested would be eliminated.

Again, the alternative route offers access to large forests as yet untouched, forests with excellent stands of hardwood and cypress pine, which would be an important factor in war. These hardwood forests could be drawn on for the sleepers for the construction of the new line.

Briefly, these are some of the natural advantages arising from the construction of the alternative route. From the defence aspect it would be just as safe as one some hundreds of miles further inland. In these days of highly developed aerial warfare it would be just as easy for any invading or hostile air force to damage a line, say, 1,000 miles inland from the coast as one 400 to 500 miles inland. And so the suggestion that a standard line further inland than that is needed for security reasons and protection against hostile air attack will not hold water. Again, the alternative route would pass through a region of abundant food supplies, meat, fruit and vegetables, all very necessary and important in the maintenance of an army.

I am glad to know that the Queensland Minister for Transport, Mr. Walsh, has expressed himself in favour of that route.

Mr. Brand: Where did he express himself in that way?

Mr. HILTON: He made that statement recently.

Mr. Walsh: The Commonwealth people know what I said, even if the hon. member for Isis does not.

Mr. HILTON: Any hon. member who views the proposal in all seriousness must align themselves on the side of the alternative route. This motion, after it has been fully debated and carried, as I hope it will be, will be an intimation to the Federal authorities of our attitude towards the proposal they have put forward. I agree with the hon. member for Toowoomba that we must co-operate, but co-operation does not mean that we should blindly accept and recommend the proposal Sir Harold Clapp has made.

Mr. Pie: It is hard to co-operate with Mr. Ward, is it not?

Mr. HILTON: I have not had any personal experience of him in that connection, but if he is acquainted with the arguments in favour of the alternative route we must say that as a reasonable man he will give consideration to them. I know that he is very keen and very enthusiastic about this matter, and that in order to achieve co-operation and win the utmost support for his proposals he will have to give due weight to the evidence that we in Queensland put forward in support of the alternative route. I realise that there are some hon. members of the Opposition who wish to participate in this debate and so I am not going to take an undue share of the time of the House. This motion calls for the support of every hon. member, and I have very much pleasure in seconding the motion.

Mr. BRAND (Isis) (12.25 p.m.): First I wish to congratulate the hon. member for Toowoomba on the excellent way he brought down this motion. He gave some excellent reasons for it and is to be commended for his action.

I hope that the seconder has not given out a Cabinet secret in announcing that the Minister for Transport has recommended a certain route. That is a very pertinent point today. The need for the unification of railway gauges has been discussed very fully between the Commonwealth and States, and certain resolutions have been arrived at. I regret very much that this motion was not brought down as a Government motion instead of a private member's motion. It would then have given an opportunity to every hon. member to discuss this great question as it affects Queensland and say what he thought.

We have to look to the Commonwealth Government through their Minister for Transport for evidence as to how this question is going to affect Queensland. I propose to read what he had to say in a broadcast address in which he incorporated the principal features of the report of Sir Harold Clapp, K.B.E. He said—

“To meet the requirements of defence as indicated by the Department of the Army, and also with a view to facilitating development, the construction of a transcontinental south-north standard gauge railway, linking Bourke, New South Wales, with Hughenden, Queensland, has been recommended. From Hughenden the standard gauge line would continue eastwards to Townsville thus providing a less vulnerable route to North Queensland, and westward to Dajarra. From Dajarra the line would extend across the Barkly Tableland to Birdum and on to Darwin. The total mileage involved is 2,505 miles.

“The basis of providing the line would be the conversion to standard gauge of existing railway lines on the route and the construction of new lines through territory where, at present, no railway lines exist. The estimated cost is estimated at £33,000,000.

“Whilst there is agreement as to the need of a railway connecting the south with Darwin, the Queensland Minister for

Transport, the Hon. E. J. Walsh, is to submit an alternative route through Queensland”

That is what the Hon. E. J. Ward, M.P., had to say to the people of Australia in that broadcast address.

I desire to join with the hon. member for Toowoomba and the hon. member for Carnarvon in condemning the methods by which Sir Harold Clapp investigated the proposals in Queensland for a defence line running through the State. Whatever may have been the desires of the Department of the Army I feel that in the absence of any records from that body to justify the report at least Queensland should have been consulted by him. That he did come to Queensland but did not interview the authorities in this State is indicative of discourtesy, to say the least of it, and also of the fact that he was not prepared to give this State a fair deal.

It is difficult for any hon. member to suggest a preference for any railway, particularly one that affects the far West of Queensland. The people there have for a very long time had a very raw deal in all transport facilities. The matter is one we should discuss in the same manner as those who have put Queensland's claims in this matter have adopted.

I am particularly interested to find that our Acting Premier was prepared to join with other Premiers in asking that the whole of this proposal be deferred until further investigation and debate took place on it. At the recent Premiers' Conference the Acting Premier was reported to have made the following statement—

“I think the Clapp report fundamentally wrong and unsound. There is no hope of defending this country except by populating the North. The Queensland Government regards the work as necessary and urgent, but we are not bound by decisions reached in 1921. We must face the facts as we see them today, because the economic outlook on railways today is also different. We are not trying to evade our fear of the cost of the project, but we want the scheme to be drawn up properly. There should be a geophysical survey to determine a strategic railway project which would not be another fool railway serving no useful purpose.”

I submit the Acting Premier's summing up of the position at the Premiers' Conference was sound and one that Queenslanders who have given a thought to the question of defending this State would support. After all, no people in Australia can be more interested in the defence of this country than the people of Queensland, and they should have some say as to where the defence can be most effectively made. We have the experience of two great wars, World War No. 1 and World War No. 2, and the people of Queensland were the first in the defence of our shores. The first troops who left Australia in World War No. 1 went from Townsville, and in this war the first defence along the Pacific was made from Queensland shores and I am satisfied the people of this State will be

the first line of defence in any war in the future. It is therefore our duty to see that all the necessary facilities will be made available by the Governments, Commonwealth and State, that will help the people of Queensland in any future defence they may have to conduct.

The hon. member who seconded this motion has submitted an alternative route to the one proposed by Sir Harold Clapp, and accepted by the Commonwealth Government or submitted by them to the Government of Queensland for their consideration. That route, he suggests, is from Boggabilla on the border of New South Wales, thence in almost a direct line to Charters Towers, passing through Miles, Taroom, Springsure and Blair Athol, areas that offer outstanding opportunities for the settlement of people in Australia. There is no area in the Commonwealth that offers better facilities for settlement than the country that can be found along the route submitted as an alternative route. If the Minister for Transport has made a recommendation to the Commonwealth Government that that route should be substituted for the one recommended by Sir Harold Clapp, I believe the whole of the members of this House will stand behind him, and there would be no division in Queensland as to which is the better route.

Mr. Walsh: I am surprised at your being in agreement with me.

Mr. BRAND: The hon. member evidently has made such a recommendation and I can assure him I think he will obtain the approval of the whole House.

One of the most important matters that we must deal with if we are to defend this country successfully in the future is the building up of our population by people of our own race. It should be peopled not in a small way but by millions. During the present war it has been shown that for the adequate defence of Australia it is necessary that we increase the population of Australia to at least 20,000,000. I feel that a high priority in the expenditure of money for defence needs must be money for population, that population to be placed in the vulnerable parts of this continent, and for that reason the expenditure of large sums of money should be undertaken in localities in which the greatest number of people can be settled rather than in other areas. A railway line has been suggested from Bourke to Cunnamulla, via Barringun. That has been on the list for a long time; it represents the desires of New South Wales. It is hoped by such a line to secure for that State the trade from the western and the south-western parts of Queensland that now comes to the coast at the port of Brisbane.

At 12.37 p.m.,

Mr. DEVRIES (Gregory) relieved Mr. Speaker in the chair.

Mr. BRAND: That may be an excellent line for the ordinary business needs of the country, and it could be a line that would assist in transport during a war, but if we

are to single out one line as being the most serviceable to this State to do all the things necessary for adequate defence we must leave the far-western lands and concentrate on those in which we can expect greater settlement. When I was a member of the Public Works Commission in 1938-39 I travelled the lands mentioned by the hon. member for Carnarvon this morning, and I know they are equal if not superior to those that have been closely settled in the region that would be served by such a railway.

Mr. Pie: Waiting to be opened up?

Mr. BRAND: Awaiting development, and that would bring not only to Queensland but to Australia a completely new territory, lands that because of their remoteness from the railway are not able to produce to the full at present. In addition, the whole of this area, having the very excellent rainfall of 25 in. to 30 in. annually—an hon. member said from 24 in. to 29 in.—is capable of reasonably small settlement through its distance. And, further, coal and timber deposits cross the route and this would be in the best interests of a railway line.

It is to be deplored that we appear to have reached the stage when what is called a standard railway gauge has been accepted by Australia for the unification of the Australian railway system.

New South Wales, being a large State with the 4 ft. 8½ in. gauge, has been able to convince the Federal Government that theirs is the desirable gauge for the whole of Australia. Last November our Premier said that in his opinion the 3 ft. 6 in. gauge was the better one for standardisation throughout the Commonwealth, and in this he was supported by our present Commissioner for Railways and our present Commissioner for Main Roads. It was their opinion that the 3 ft. 6 in. gauge could be laid down throughout Australia with greater economy and that this would prove more serviceable. When we realise that the 4 ft. 8½ in. gauge in New South Wales cost three times as much to construct as did Queensland's 3 ft. 6 in. gauge we can appreciate the tremendous amount of money that will have to be found by the citizens of the Commonwealth if the standard is to be 4 ft. 8½ in. The estimated cost of the proposal is £71,000,000, but our Commissioner for Railways is of the opinion that the actual cost will be £91,000,000. The 3 ft. 6 in. gauge could be constructed throughout the Commonwealth at a much cheaper cost than this.

Again, with the exception of New South Wales and a small section of Western Australia, the whole of the railways of the Commonwealth are 3 ft. 6 in. gauge. South Africa has the 3 ft. 6 in. gauge and there they have proved it to be equal to, if not better than, the 4 ft. 8½ in. gauge of Great Britain. On that 3 ft. 6 in. gauge in South Africa they can use the heaviest locomotives known, those with 9,000 horsepower. New Zealand also has the 3 ft. 6 in. gauge. In view of these facts we are quite within our rights in arguing that 3 ft. 6 in. should be the standard for the Commonwealth and that it

would be of more benefit to the people both from a developmental and defence point of view than the one adopted.

It has to be remembered that during this last war the Queensland railways rendered extremely valuable service. They were able to take the loading from the 4 ft. 8½ in. gauges at South Brisbane and Wallangarra, and at the same time transport to the armed forces in the North all the cargo being discharged by ships at various ports along the coast. Surely this is ample proof that the 3 ft. 6 in. gauge can do all that is necessary for development or for defence. In Queensland we have 6,497 miles of 3 ft. 6 in. gauge railway. From the first war year until the end of 1944, the mileage run increased from 13,800,000 to 19,500,000, passenger journeys increased from 24,500,000 to 37,500,000 and railway revenue jumped from £7,500,000 to £15,500,000. We doubled our revenue return from those railways and they proved they were able to take the necessary loads on that 3 ft. 6 in. gauge and were capable of rendering great service to Australia in its war effort.

I support the hon. member for Toowoomba in bringing forward this motion, and I hope we may be able to convince the Commonwealth authorities that it should be carried into effect. I hope also that we can convince them that the suggestion made by the hon. member for Carnarvon, who seconded the motion, that a route from Boggabilla to Cairns will traverse areas that will provide settlement and at the same time give a service that will result in the adequate defence of Queensland.

Mr. PIE (Windsor) (12.47 p.m.): I have listened with a great deal of interest to the addresses made by the hon. members for Toowoomba, Carnarvon and Isis. I think that all members of this House fully realise that during the war years anyhow the change of gauge throughout Australia resulted in considerable disruption in our transport facilities, but in my opinion we must realise that railway transport in the future, from a war point of view, will not play such an important part as it has in the past.

Scientific developments have brought into use the atomic bomb and aeroplanes on a very big scale. Railway transport is one of the first things that can be disrupted. That fact was brought home to me very forcibly when I was in Germany. I saw every railway junction absolutely destroyed and devastated. It meant that Germany could not bring up supplies by railway.

However, in Germany I saw great autobahns that ran completely across the country. They provided four traffic routes. There were lines for slow and fast traffic on one side, in the centre there were gardens or huge grassed areas, and on the other side there were two lines of traffic going the other way. It meant that when railway junctions were destroyed—and they were destroyed because our Air Force went there every day and night until they were destroyed—Germany could bring up supplies along those autobahns which traversed the country, sometimes for 400 to 500 miles. Certainly, bridges were destroyed, but that was only a matter of the engineers

erecting a temporary bridge to enable transport to go on.

I say under the conditions of war in the future, in which the air will play an important part, railways will not be so important as hitherto. I suggest that we should give considerable thought to the construction of huge autobahns running from Cairns to Melbourne. They could be run right through, skirting the towns to the left or to the right, and feeder roads could be constructed into towns or ports as required.

Mr. Maher: And what happens if we are cut off from petrol supplies?

Mr. PIE: That is important. The hon. member for Toowoomba said that it might be hard to get petrol to carry on transport by road, but I visualise future scientific developments as a result of which petrol will not play such an important part in the matter. Already in America and Britain they have developed engines to such an extent that they do not require petrol, but run on diesel oil. The next question will be, "Where are we going to get the oil?"

In the next 20 years, during which I hope we shall be free from war, science will produce something to take the place of petrol, oil and similar fuels.

Mr. Maher: Too risky.

Mr. PIE: It may be too risky. Already we have developed aeroplanes and other vehicles of the air that can go without petrol. Where did Germany get her petrol during the war? She had no huge petrol supplies on which she could draw. She maintained her entire lines of communication by means of road transport, because her railways had been completely destroyed. That is the answer to the question of the hon. member for West Moreton.

Mr. Maher: She imported huge quantities of petrol before the war.

Mr. PIE: That is not so. When the Roumanian oil-fields were damaged Germany was still able to use a liquid fuel but it was one that she had manufactured. Science will produce a substitute for petrol and such substitutes would be invaluable to us in this country in road transport.

Mr. Maher: Germany had control of the Silesian and Polish oil-fields.

Mr. PIE: That may be but she developed a synthetic fuel too. When the Americans went into Germany they were amazed at the scientific developments that had taken place there in the direction of replacing petrol fuels. The hon. member for Toowoomba rightly pointed out that Sir Harold Clapp in his report, in dealing with strategic questions, emphasised that railways were necessary but in my view they will not be so important in the future as they have been in the past. I am a great believer in the creation of a tremendous road transport system in Queensland. Road transport, combined with air transport, will be the solution of our problem. During the war tremendous aerodromes were built all over this State. I was surprised when I went to Bundaberg and to

Maryborough to see the facilities that had been provided for aeroplanes. At Exmouth Gulf, in Western Australia, tremendous aerodromes were constructed to enable the biggest planes that we are likely to have for a considerable time to land and take off. They had 2,000-yard runways, which are quite big enough to enable the biggest aeroplanes to take off. The size of aeroplanes is being continually increased and today we have aeroplanes that can take a 40-ton load. There again the railway system, except for heavy haulages, will gradually go out of date. That is why I suggest that consideration should be given to the development of road transport in conjunction with air transport. In America I saw the transport system conducted on a very different scale from that which it has reached here. The railways are used in many cases but mainly for passenger traffic and that was particularly so during the war.

Mr. Maher: Was not the railway system used for the conveyance of produce to New York city?

Mr. PIE: Produce may be. Huge centres were constructed at which there were not fifty but hundreds of big tenders loaded with goods. At night-time other tenders came in and hauled these loaded tenders to other depots, perhaps 200 to 300 miles further north by road. Then those hauling tenders came back again to the point of commencement. There is tremendous road transport development in the United States. In the wars of the future the rail transport system will be very vulnerable. We do not really know what total war actually is. Go to Europe and see what it is there. Every railway line was destroyed in some vital part and not one railway line was running in Germany. Why? Because a railway junction is the first object the planes bomb. If war came to this country, the position would be exactly the same. Enemy bombers would destroy every rail junction. A bridge may be blown up but it can now be replaced in a few days with a structure like the Bailey bridge, which is built on the meccano system. If railway transport is suggested for strategic reasons, then we are years behind the times, because it will not survive modern methods of warfare. It may be necessary from a developmental point of view.

If this report of Sir Harold Clapp's is based on strategy it is of no importance whatever. Consideration should be given to the appointment by a special commission which should examine the proposals it contains from the point of view whether rail transport is strategically important. The members of the commission might go overseas and see for themselves what use railways were on the Continent during the war. They were of no use at all because our boys "fixed them properly." Wherever one may travel on the Continent one sees evidence of the deadly accuracy of our boys who bombed these strategic points.

Mr. Muller: Do you think railway transport is beneficial for primary production?

Mr. PIE: From a purely developmental viewpoint railway transport may be better than road transport. This report, however, is based on the strategic value of the railways. Therefore, the suggestion by Sir Harold Clapp in this regard is of little value if we remember how little use the European strategic railways were.

Mr. Walsh: But we could have developmental railways and they would be of strategic value also.

Mr. PIE: That is why I agree with the hon. gentleman's plan. To take the standard-gauge railway through the western districts, as Sir Harold Clapp recommended, would be of little developmental value to this State, but the Walsh plan put up in this House would be of great importance to this State because it would traverse areas that could be developed.

Mr. Hanlon: Defence is impossible without population.

Mr. PIE: We must not overlook the fact that in the light of the development of air war railways would be of little value for defence. I have seen too many of them destroyed. Surely we can take a lesson from what happened in Germany, where every rail junction was destroyed. No railways were run in Germany because of that fact.

Mr. Hilton: Railways were used there in the early stages of the war.

Mr. PIE: That is so, but that does not alter the fact that in the light of aerial warfare railways are of very little importance strategically.

Motion (Mr. Duggan) agreed to.

At 2.15 p.m.,

In accordance with Sessional Order, the House proceeded with Government business.

ADDITIONAL SITTING DAY; EXTENSION OF HOURS OF SITTING; PRECEDENCE OF GOVERNMENT BUSINESS ON THURSDAYS.

Hon. E. M. HANLON (Ithaca—Acting Premier) (2.15 p.m.): I move—

“That, during the remainder of this session, unless otherwise ordered—

1. The House will meet for the dispatch of business at 10.30 o'clock a.m. on Friday in each week, in addition to the days already provided by Sessional Order, and that Government business do take precedence on that day.

2. The House may, on the days allotted for Supply, continue to sit until 10 o'clock p.m. Each of the periods between 11 o'clock a.m. and 4 o'clock p.m. and between 4 o'clock p.m. and 10 o'clock p.m. shall be accounted an allotted day under the provisions of Standing Order No. 307. All provisions of Standing Order No. 307 and of Sessional Order of 21 August last shall, *mutatis mutandis*, continue to apply.

3. Government business do take precedence on Thursday in each week.”

It is proposed to allow Private Members' Day to go on next week and it is not proposed to sit tomorrow. Double sitting days will take effect from the time the Estimates are being discussed.

Mr. NICKLIN (Murrumba—Leader of the Opposition) (2.18 p.m.): I called “Not formal” to this motion, not with the idea of objecting to the House's sitting on Friday nor with the idea of objecting to double days, which usually come when the Estimates arrive—although I do not like double days; in fact I do not think anybody does—but because I was concerned in regard to a further debate on the private members' motions before the House at the present time. Up to the present we have had three mornings on Private Members' Day, which is a little less than we usually have. In view of the motions, particularly the one dealing with the uniform gauge, I think it would be of advantage to have a further period of discussion. In view of the fact that the Premier has stated he would give another Private Members' Day after today, I will raise no objection.

Mr. AIKENS (Mundingburra) (2.18 p.m.): I, like the Leader of the Opposition, do not object to that part of the motion which provides that the House shall sit on Fridays; nor do I propose to object to the part that provides that the House shall sit double days. We hear a great deal of talk by hon. members who say they do not like working till 10 o'clock at night. I only hope they remember what inconvenience they cause to other people when they sit here in luxurious and salubrious surroundings till 10 o'clock, and give some thought to the unfortunate workers who have to work not only till 10 o'clock but till the early hours of the morning.

I object, however, to the usual stereotyped motion that on Thursdays Government business take precedence. I was in the House last year when the Premier moved a similar motion and I was given to understand—and I suppose I was just as gullible as the average new member—that an opportunity would be granted to every member to debate every motion. I found to my consternation that I had been the victim of a little political confidence trick that had been practised ever since this Parliament was a Parliament.

Mr. SPEAKER: Order! The hon. member's expression “confidence trick” in relation to parliamentary practice and procedure is out of order.

Mr. AIKENS: I withdraw the term “confidence trick,” and I will say the victim of a little bit of political prestidigitation on the part of—

Mr. SPEAKER: Order! The hon. member must withdraw the expression unreservedly. There has been too much of a tendency of late for hon. members to withdraw statements and then say the same thing in a different form. I ask for an unreserved withdrawal.

Mr. AIKENS: In accordance with your ruling, Mr. Speaker, I will make an unreserved withdrawal. I only want to say that

like all new members I really thought that the Premier meant what he said, that an opportunity would be given later to discuss all the motions on the business sheet. I found to my astonishment that when the Government had finished the business of the last day of the session the Premier stood up and moved—"That the House do now adjourn," and consequently the session ended. We did not get an opportunity to debate many of the motions that were on the business sheet. If we are to have a Private Members' Day—and we are told at various times that this Parliament follows the precedent established by the Mother of Parliaments—the British House of Commons—Private Members' Day should never be interfered with and Government business should never take precedence over private business until all the business on the sheet for discussion on Private Members' Day has been exhausted by reasonable debate. I understand that in the British House of Parliament Private Members' Day is an inviolate right. It stands there for all time, and even in times of great stress and emergency the Prime Minister hesitates before he interferes with the right conferred on members by Private Members' Day.

Although, perhaps, I shall as usual be a voice crying in the wilderness, I will never again vote for an adjournment of a session while there is any uncompleted business on the business sheet. If members of Parliament are going to compile motions of platitudinous ponderosity and place them on the business sheet merely to prevent other motions from being brought forward it is time the House grappled with that problem. How can we be honest with people when we are not honest with ourselves? We have on the business sheet four motions.

Mr. Hanlon: One is finished.

Mr. AIKENS: One is not finished.

Mr. Hanlon: Yes, you were away.

Mr. AIKENS: I understand that a motion was before the House and the hon. member for Windsor was speaking and that the House merely adjourned for lunch, as it does.

A Government Member interjected.

Mr. AIKENS: Very well, if hon. members of the Government want it, I will tell them what I will tell the people from the public platforms in the North when I go back after this session, the same as I told them from the public platforms of the North when I went back after last session. I told them the truth, and if any member of the Government thinks I have not told the truth, then let him accept the challenge I offered to any member of the Government from the public platform. Let him get up on the public platform with me and deny the truth of anything I said from the public platform. I will not take advantage of the security offered by this "dingoes' den."

Mr. SPEAKER: Order! The hon. member will withdraw that expression and apologise to the Chair.

Mr. AIKENS: I will obey your ruling and apologise to the Chair. I have often

heard this Chamber referred to as a coward's castle, so I take it I am in order in referring to it in that way also. I will not take advantage of the security offered to hon. members within the privileged precincts of this coward's castle to say something I will not say outside.

There was a motion on the business sheet moved by Mr. Moore. It came first on the business sheet, and it was debated for a couple of days. Last Thursday I came into the House determined to speak on it. The whip of the party, Mr. Farrell, came to me about a quarter to 1 and said, "Do you intend to speak to Mr. Moore's motion?" I said, "Yes, I do." He said, "Then you will not get a talk." I said, "Won't I get a talk? If I do not get a talk today I shall be here at 11 o'clock next Thursday morning and get a talk then." I went over to the hon. member for Logan, who had the call, and he told me that he had agreed with Mr. Farrell to finish his talk at three minutes to 1 o'clock in order to enable the motion to be put and determined between three minutes to 1 and 1 o'clock. When I told the Government Whip that I was determined to speak on Mr. Moore's motion, he went to the table, wrote out a note to the hon. member for Logan and placed it on the rostrum in front of him. On that note was written, "Go to 1 o'clock." I saw the note. At 1 o'clock, then, you, Mr. Speaker, said, "I will resume the chair at a quarter past 2." That suited me. I am wide awake now to the little practices of this House. I determined then to be in my place this morning at 11 o'clock in order to be able to speak on Mr. Moore's motion. I found that once again I was a political babe in the woods. I found that once again the Government had put it over me because Mr. Moore's motion had been dropped on the business sheet and Mr. Duggan's motion had been moved up and given precedence.

Mr. SPEAKER: Order! I must correct that wrong impression that the hon. member has. The procedure of this House is based entirely upon the Standing Orders.

Mr. AIKENS: Then let me say there are some fairly elastic Standing Orders if they allow a motion to be dropped from No. 1 to No. 5 priority. I always adopt the policy that in whatever company I find myself I must be prepared to fight them according to their own rules. As I said in this House once before, I came here to fight according to the Marquis of Queensberry rules. If, however, I find I am compelled to fight according to dog and goanna rules, then no man is more competent to fight according to those rules than I.

You know, Mr. Speaker, that I shall never get the opportunity of speaking to Mr. Moore's motion. You know, too, that next Thursday I shall be very lucky if I ever get a chance to speak to Mr. Duggan's motion about the unification of railway gauges, although no man in this House is more competent than I am to speak on this motion.

Government Members: It's been carried.

Mr. AIKENS: If I had thought there was a possibility of my getting an opportunity to speak on Mr. Duggan's motion, I should have adopted my usual practice and veritably parked my swag on my back bench where I usually sit. I have no doubt that the Government saw that I was absent from the Chamber attending to some correspondence to my constituents and took advantage of it to "spring" one over."

Hon. Members interjecting—

Mr. AIKENS: I hope I do not have to adopt the same tactics today in order to make myself heard that I had to adopt yesterday, but if necessary I will, and I can assure you, Mr Speaker, that when I want to be heard no-one else will be heard in this Chamber.

Mr. SPEAKER: Order! I can assure the hon. member that he will have every opportunity of being heard if he will obey the ruling of the Chair.

Mr. AIKENS: No-one is more desirous than I am of obeying the ruling of Mr. Speaker. I doubt if there is any hon. member in this House who obeys your rulings as promptly and as implicitly as I do, and I hope I shall be able to continue to do that.

At times, Mr. Speaker, even you cannot control the noise in this Chamber. I have been gifted by God, or whoever else gave me the gift, with the power to make myself heard above any interjections or any interruptions, and if the need arises I will exercise that power again.

Mr. Decker interjected.

Mr. AIKENS: I will tell the truth up in the North.

Mr. SPEAKER: Order! If the hon. member for Sandgate does not obey my call to order I shall deal with him.

Mr. AIKENS: Tomorrow when I address the students of the University I shall tell them the truth about Parliament and if the Government want to send anyone there to find out what I am going to say they are quite at liberty to send someone and take a shorthand note of what I say.

I am going to vote against this motion because I do not believe in dispensing with Private Members' Day. I believe that Private Members' Day is a right and privilege and by tradition that belongs to private members themselves and I do not believe the Government have the right to deprive them of that privilege, just because it suits the Government to do so.

Mr. SPEAKER: The question is that the motion as read be agreed to. All those in favour say "aye" and to the contrary "no."

Hon. Members: Aye!

Mr. AIKENS: Divide!

Mr. Hanlon: Nobody called "no."

Mr. SPEAKER: I think it is carried unanimously.

Mr. AIKENS: That is something else I have learned.

Mr. SPEAKER: When hon. members vote on questions they should say distinctly "aye" or "no."

TREASURER'S FINANCIAL TABLES.

Hon. E. M. HANLON (Ithaca—Treasurer) presented the tables relating to the Treasurer's Financial Statement for the year 1945-1946.

Ordered to be printed.

LIQUOR ACTS AMENDMENT BILL.

THIRD READING.

Bill, on motion of Mr. Gledson, read a third time.

ESTIMATES-IN-CHIEF, 1945-1946.

Mr. SPEAKER announced the receipt of a message from His Excellency the Governor forwarding the Estimates of the probable Ways and Means and Expenditure of the Government of Queensland for the year ending 30 June, 1946.

Estimates ordered to be printed, and referred to Committee of Supply.

SUPPLY.

OPENING OF COMMITTEE—FINANCIAL STATEMENT.

(Mr. Duggan, Toowoomba, in the chair.)

Hon. E. M. HANLON (Ithaca—Treasurer) (2.37 p.m.):

Mr. DUGGAN,—

I have pleasure in presenting this, my second annual review of the State finances, and have followed the usual practice of submitting detailed explanations of the transactions of the past financial year and later dealing with the estimates for the current year and matters of general interest in connection with the economy of the State.

The Budget Tables are made available in conjunction with the Financial Statement and I am sure these will be studied very carefully by members. The Tables are prepared having in mind the necessity of a full analysis of the finances.

It will be noticed that a variation has been made in the form of the presentation of the Estimates of Expenditure, an additional column being inserted in which the expenditure under the various Votes for the year 1944-45 is shown.

Hon. Members: Hear, hear.

Mr. HANLON: This procedure has been adopted in order that comparisons between such expenditure and the requirements for the current year may be made. Previously this information has only been available from the Treasurer's Financial Statement accompanying the report of the Auditor-General, which is generally tabled later in the session. I feel sure that the innovation will be appreciated by hon. members.

Mr. Pie: Very much appreciated.

Mr. HANLON:

FINANCIAL YEAR, 1944-1945.

The year closed with a surplus of £569,215 as disclosed hereunder:—

	Estimated.	Actual.	Over Estimate.
	£	£	£
Receipts	25,879,655	26,447,274	567,619
Expenditure	25,850,604	25,878,059	27,455
Estimated Surplus	29,051	..	..
Actual Surplus .. .. .	..	569,215	..

The surplus was £540,164 more than anticipated in the Budget and is actually the largest surplus that has been disclosed in the Public Accounts of the State.

REVENUE.

The following is a statement of revenue under the main headings, comparisons being made with the estimated figures:—

	Budget Estimate.	Actual Receipts.	Over Estimate.	Under Estimate.
	£	£	£	£
Amount received from Commonwealth	1,096,235	1,096,235	..	..
Taxation	7,930,130	8,066,504	136,374	..
Land	1,548,520	1,579,977	31,457	..
Mining	52,950	53,791	841	..
Railways	13,150,000	13,569,217	419,217	..
Other Receipts	2,101,820	2,081,550	..	20,270
Totals	£ 25,879,655	26,447,274	567,889	20,270
Over Estimate .. .. .	..	£567,619	£567,619	..

It will be seen that the principal variation with the Estimates is shown in respect of the Railway Department, the amount received being £419,217 more than was expected.

In assessing the likely revenue for the year, it was realised that the requirements of the Defence and other Commonwealth Services would be a decreasing factor in the Department's operations and estimates were framed accordingly. However, although the decrease was not as great as was anticipated, the revenue was £2,547,189 less than the receipts for the year 1943-44. The train mileage for the year was 17,373,685 as compared with 19,544,360 for the previous year.

Receipts from taxation were £136,374 above the estimate, this being mainly accounted for by the excess amount received from Stamp Duties, a total of £732,210 being received, as compared with an estimated figure of £630,000. The receipt of the increased amount under this heading is a reflex of the return of the community to more normal trading conditions. Receipts from Totalisator and Betting Tax were £31,708 above the estimate and fees under the State Transport Act were also £13,637 more than were expected.

In accordance with the provisions of the States Grants (Income Tax Reimbursement) Act a payment of £5,821,000 per annum is due

to the State during the term of the Uniform Taxation Agreement and the State is also entitled to all arrears of State Income Tax outstanding at 30th June, 1942, and collected since that date. The collections on account of arrears are not payable until immediately prior to the expiration of the Act and in the meantime are treated as a loan to the Commonwealth from the State, with interest to be determined. At the 30th June, 1945, a sum of £888,114 had been collected on this account and this sum, with accrued interest, will be paid to the State as previously mentioned.

Land Receipts for the year totalled £1,579,977, this being £33,068 more than the receipts for the previous year and £31,457 above the estimated total.

Other receipts were £20,270 less than the estimate and £114,257 less than for the previous financial year. Receipts for the year 1943-44 included a non-recurring amount of £157,985 on account of the profit on the sale of stock in connection with a London Conversion Loan.

The diversion to Consolidated Revenue from the Main Roads Trust Fund of £250,000 was again not made and as provided in the Main Roads Amendment Act of 1943 this amount was invested in Commonwealth securities and is available for road works when required.

EXPENDITURE.

The expenditure from the Consolidated Revenue Fund totalled £25,878,059, this amount being £27,455 more than the Parliamentary appropriations. The following table sets out the position in respect of the various Departments and Services:—

Heads of Expenditure.	Budget Estimate.	Actual Expenditure.	Over Estimate.	Under Estimate.
	£	£	£	£
Schedule	1,365,888	1,463,422	97,534	..
Interest on Public Debt	4,944,257	4,870,734	..	73,523
Executive and Legislative	37,464	39,696	2,232	..
Premier and Chief Secretary	196,204	220,903	24,699	..
Health and Home Affairs	2,573,967	2,403,560	..	170,407
Public Works	232,741	206,244	..	26,497
Labour and Employment	144,151	124,115	..	20,036
Justice	297,120	285,132	..	11,988
Treasurer	2,538,913	2,324,736	..	214,177
Public Lands	269,064	229,092	..	39,972
Agriculture and Stock	215,230	181,072	..	34,158
Public Instruction	2,060,006	2,079,535	19,529	..
Mines	140,802	123,596	..	17,206
Railways	10,800,000	11,293,030	493,030	..
Auditor-General	34,797	33,192	..	1,605
Totals	£ 25,850,604	25,878,059	637,024	609,569
Over Estimate		£27,455	£27,455	

Generally speaking, savings of expenditure as compared with Budget Estimates were shown in respect of departments, and I have pleasure in expressing my appreciation to my colleagues for the effective control of disbursements exercised by them in their respective departments.

The expenditure by the Railway Department was £493,030 above the estimate, the increase being due to the payment of increases in salaries and wages under the amended award, which were not provided for in the estimates for the year. A substantial amount was also required to meet renewals and replacements, and a sum of £100,000 was repaid to Loan Fund in further redemption of the advances made from that Fund to the Railway Superannuation Adjustment Fund during the financial years 1933-34 and 1934-35.

The expenditure was £1,424,207 less than the disbursements for the year 1943-44, the decrease being mainly due to the smaller amount paid to the Post-war Reconstruction and Development Trust Fund, the sum of £1,750,000 being made available to this Fund for Railway purposes in 1943-44, as compared with £350,000 during last financial year.

The expenditure by the department of the Treasurer was £214,177 less than the Budget provision, the variation being partly accounted for by the fact that £150,000 was provided on the estimates to meet additional requirements for salary increases in all departments, other than Railways, consequent on the Public

Service Reclassification and which could not be allocated at the date of the presentation of the estimates. These charges were met from the votes of the respective departments and accordingly no charge was made against the Treasury vote.

The expenditure under the heading of Developmental Works and Services was £259,921 less than anticipated, this being due to the impossibility of proceeding with all developmental projects, owing to the shortage of manpower and material.

A sum of £200,000 was paid to the Post-war Reconstruction and Development Trust Fund, no provision having been made in this regard when the estimates were framed.

The disbursements of the department of the Premier and Chief Secretary were £24,699 more than the appropriation. This was mainly accounted for by excess expenditure of £31,951 for railway freight on behalf of the Red Cross Society and other patriotic funds, the total expenditure in this regard being £65,951.

The expenditure by the department of Health and Home Affairs totalled £2,403,560, this amount being £170,407 less than the provision. The saving in expenditure was due to the lesser amount required for air raid precaution expenses and because it was not possible to proceed with renewals and replacements of machinery and equipment in various State Institutions, provision for which had been made in the Estimates.

As in previous years, the following analysis of expenditure is given and a comparison made with the year 1943-1944:—

Expenditure—1944-1945.		Percentage to Total Expenditure.	Compared with 1943-1944.	
Particulars.	Amount.		Amount.	Percentage.
	£		£	
<i>Uncontrollable Expenditure—</i>				
Interest on Public Debt	4,870,734	18.82	Dec. 42,484	0.85
Sinking Fund	896,071	3.46	Inc. 72,256	8.77
Exchange	802,224	3.10	Inc. 22,812	2.93
	6,569,029	25.38	Inc. 52,584	0.81
Salaries and Wages	11,749,505	45.40	Inc. 530,263	4.73
Statutory Payments (excluding Sinking Fund) ..	523,074	2.02	Inc. 15,687	3.09
<i>Other Expenditure—</i>				
Railway Materials and Supplies, Stores for Institutions, Services, and Contingencies generally	7,033,451	27.20	Dec. 3,574,897	33.69
	£25,878,059	100.00	Dec. £2,976,363	10.32

Interest on the Public Debt decreased by £42,484 as compared with 1943-44, but Sinking Fund and Exchange increased by £95,068, and salaries and wages by £530,263. Reference is made in a later portion of this speech to the Sinking Fund payments.

TRUST AND SPECIAL FUNDS.

The receipts of the various Trust and Special Funds aggregated £12,623,415 and the expenditure £10,558,319. The corresponding figures for the financial year 1943-44 were £25,452,804 and £19,862,545 respectively.

The principal variations in the receipts and expenditure were in respect of the Main Roads Commission—Allied Works Fund and the Defence Works Fund. The total receipts for these Funds for the year 1944-45 were £2,431,945 as compared with £12,557,301 in 1943-44, and the expenditure was £2,672,787 as against £12,951,768 in the previous year. The expenditure from these particular funds represented the amounts disbursed by the Main Roads Commission, Department of Public Works and the Harbours and Marine Department on account of defence works and works for the Services and the receipts represented the recoupment by the Commonwealth authorities of such expenditure. It will be realised that these works diminished very considerably during the year and this accounts for the substantial variation in the transactions of the Funds as compared with 1943-44.

The receipts of the Post-war Reconstruction and Development Trust Fund for the year were £739,240 as compared with £3,249,841 for the year 1943-44. Further reference to this Fund is made later in this review.

Increases as compared with 1943-44 were shown in the receipts of the Fish Supply Fund

£29,247; Hospital, Motherhood, and Child Welfare Fund £105,039; and the Housing Relief Fund £152,264.

A decrease of £266,076 was shown in the receipts of the Port Development Trust Fund. The construction of the Brisbane Graving Dock was financed through this Fund and, owing to the work being practically complete, receipts from State funds and the Commonwealth Government were less than during the previous financial year. The expenditure from the fund showed a decrease of £291,902 as compared with 1943-44.

Expenditure from the Agricultural Bank Trust Fund on account of advances to borrowers and administrative costs was £193,994 more than that of 1943-44.

Disbursements from the Main Roads Fund exceeded those of the previous year by £553,017 and increases were also shown in expenditure on account of the Harbour Dues Fund £128,246 and the Hospital, Motherhood and Child Welfare Fund £193,749.

LOAN FUND.

The Loan expenditure for the year totalled £1,560,899, or £212,453 less than that of the previous financial year. From the following summary it will be noted that the greater part of the expenditure was on account of developmental works and Services and Railways:—

	£
Developmental Works and Services ..	480,320
Railways	500,718
Public Buildings	348,358
Housing Relief Scheme	150,000
Emergency Works (including Works of a Defence Value)	81,327
Other Capital Works	176
	£1,560,899

Allowing for repayments to Loan Fund, which totalled £1,129,888, the net Loan expenditure was £431,011 or £1,582,989 less than the figure of £2,014,000 approved by Loan Council for the financial year 1944-45.

Expenditure by the Works Department on public buildings was £348,358, or £257,481 more than the outlay during the previous financial year.

A sum of £150,000 was made available under the Housing Relief Scheme, this amount being paid to the State Housing Authority to be utilised in the erection of homes.

The Railway Department expended the sum of £500,718, or £336,556 less than in the

previous year. However, as pointed out in the last Budget Statement, the expenditure of the financial year 1943-44 included the sum of £424,000 on account of rolling stock, which was subsequently recouped from the Consolidated Revenue Fund.

The expenditure on emergency works was £81,327 as compared with £249,508 for the previous year, the reduction being due to the lesser expenditure by the State in connection with the Brisbane Graving Dock.

The following is a short summary of the Loan Fund transactions for the year 1944-45:—

	£	£
Cash Balance, 1st July, 1944		Dr. 795,392
Receipts—		
Repayments	1,129,888	
Net proceeds of domestic issues and loan raisings for redemptions and conversions	16,104,845	
Amount transferred from Consolidated Revenue to meet redemption charges and flotation expenses on Inscribed Stock and Bonds issued under Loan Acts	11,689	
	<u>17,246,422</u>	
		16,451,030
Disbursements—		
Expenditure	1,560,898	
Loans redeemed and converted	11,963,360	
Exchange and expenses in connection with the redemption of Inscribed Stock in London	1,008,174	
	<u>14,532,432</u>	
Cash Balance, 30th June, 1945		Cr. £1,918,598

The above balance does not include the sum of £134,234 held by certain banks on interminable deposit.

CASH BALANCES AND INVESTMENTS.

At the end of last financial year the cash balance of the State was £7,478,533 as compared with £5,415,233 held at the 30th June, 1944.

The balance consisted of:—

	£
Credit Balances—	
Trust and Special Funds	8,325,098
Loan Fund	2,052,832
	<u>10,377,930</u>
Debit Balance—	
Consolidated Revenue Fund	2,899,397
	<u>£7,478,533</u>

The disposal of the balance is as follows:—

	£
In Australia—	
Commonwealth Bank	4,983,462
Commonwealth Bank, Debenture Deposit Account	2,148,000
Commonwealth Savings Bank	32,243
In London	180,036
In New York	558
At Extended Deposit	134,234
	<u>£7,478,533</u>

During the year, further contributions made to War Loans totalled £785,000. These investments were on behalf of the Post-War Reconstruction and Development Trust Fund £435,000, Main Roads Trust Fund £250,000, and Trust Funds generally £100,000.

In addition, sums were lodged at fixed deposit with the Commonwealth Bank on account of the Post-war Reconstruction and Development Trust Fund £500,000, and Trust Funds generally £2,000,000.

At 30th June, 1945, the total amount invested in Commonwealth Inscribed Stock and held at fixed deposit on account of all funds was £13,630,500. This total did not include investments by the Insurance Commissioner who held Commonwealth Securities amounting to £6,753,150 and had advanced £2,121,404 as debenture loans to semi-Governmental authorities and local bodies.

ACTIVITIES UNDER THE STATE DEVELOPMENT AND PUBLIC WORKS ORGANISATION ACTS, 1938 TO 1940.

Activities under the State's planned works programme were again curtailed during the year, due to continued shortage of labour and materials, although actual expenditure was somewhat greater than that recorded for the previous financial year. Increases were shown in the disbursements on account of main roads, rural development, buildings and housing, a high priority rating being given to the last-mentioned in so far as the allotment of manpower and materials was concerned.

General details of the expenditure incurred from State funds on works and development are outlined hereunder:—

	£
Main Roads (including Strategic Roads)	439,094
Railways	500,718
Land Settlement and Forestry	289,585
Rural Development, Cotton Stimulation, and Irrigation	350,371
Mining	11,827
Loans and Subsidies to Local Bodies and Hospitals Boards (other than Brisbane Harbour and Malaria Prevention Works)	175,035
Mosquito Eradication Works	24,598
Brisbane Harbour and Port Development (including shipbuilding facilities)	186,858
Buildings	342,565
Workers' Dwellings and Workers' Homes	176,567
Sundry Works and Advances for Development	100,116
Total	£2,597,334

A clear indication of the low level of activity under the co-ordinated works plan may be obtained by a comparison of the above total with the figure of £9,600,000 expended on works and development during the pre-war year 1938-39.

In addition to the above, approximately £330,000 was expended in 1944-45 by semi-Governmental authorities and local bodies from debenture loan raisings under the co-ordinated programme.

During the past financial year, the previous heavy concentration of the constructional organisations of the State and Local Bodies on defence works for the Commonwealth Government slackened considerably, as the Allied Forces advanced to areas requiring bases in closer proximity to the battle zone than Queensland. The expenditure in this respect during the year totalled £2,326,375, as compared with £7,056,643 in 1943-44.

PUBLIC DEBT.

The Gross Public Debt of the State at 30 June, 1945, was £131,433,410, or £2,254,344 in excess of the liability at 30 June, 1944.

The net Loan liability, after allowing for the Sinking Fund balance of £1,133,739, was £130,299,671.

The following is a summary of the Public Debt transactions for the year:—

	£	£
Gross Debt, 1st July, 1944	..	129,179,066
<i>Add—</i>		
Domestic Issues	..	22,000
Loan from Commonwealth Savings Bank	..	850,000
Loans raised in Australia—		
To convert Australian Loans	..	4,856,560
To redeem London Loans	..	4,963,000
Special Debentures issued to replace Treasury Bills	..	2,148,000
		<u>12,839,560</u>
		142,018,626
<i>Deduct—</i>		
Loans converted in Australia	4,856,560	
Loans redeemed in London	3,958,800	
Redemptions by National Debt Commission	..	1,769,856
		<u>10,585,216</u>

Gross Public Debt at 30th June, 1945 £131,433,410

No loan issues were made by the Commonwealth for State Public Works, and loan moneys received during the year were from domestic issues only, £850,000 being made available by the Commonwealth Savings Bank under the Transfer Agreement and £22,000 being obtained from internal sources.

Loans amounting in the aggregate to £5,771,012, bearing interest at rates ranging from £2 14s. 3d. per cent. to £4 per cent. per annum, matured in Australia during the year, and after allowing for redemptions totalling £746,177 by the National Debt Commission, the balance was converted by the issue of Commonwealth Securities in Australia for £3,109,330 with interest at 3½ per cent. per annum, and £1,747,230 carrying an interest rate of 2½ per cent. per annum, leaving an amount of £168,275 of the matured securities still outstanding at 30 June, 1945.

The Overseas Redemptions, Treasury Bill and Debenture transactions are subjects of separate references in this Statement.

The following table, which shows the domicile of the State Public Debt as at 30 June, 1945, and the corresponding figures as at 30 June, 1935, indicates an improved position, which has been brought about by the Loan Council policy of redeeming maturing overseas loans by Australian raisings.

Domicile of Loans.	30th June, 1935.	Per Cent. to Total.	30th June, 1945.	Per Cent. to Total.
	£		£	
Australia	48,476,124	40.79	67,343,395	51.24
Overseas	70,370,629	59.21	64,090,015	48.76
	£118,846,753	100.00	£131,433,410	100.00

Redemptions by the National Debt Commission during the year totalled £1,894,856, as compared with the cancellations of Stock to the value of £246,409 in 1943-44. The redemptions comprised £1,769,856 in respect of Stock and Bonds, Debentures, and Instalment Stock and £125,000 of Treasury Bills. All the redemptions were effected in Australia, there being no repurchases overseas.

Interest on the Public Debt for the financial year 1944-45 required a sum of £4,870,734, this being £42,484 less than the expenditure for the previous financial year.

The distribution of interest as between Australia, Great Britain and the United States of America, with the percentage applicable in each case, is shown in the following table,

a comparison being made with the financial years 1934-35 and 1943-44:—

Domicile of Loans.	1934-35.		1943-44.		1944-45.	
	Amount.	Percentage	Amount.	Percentage	Amount.	Percentage
	£		£		£	
Australia	1,700,889	34.47	2,136,782	43.49	2,164,200	44.43
Great Britain	2,828,974	57.32	2,513,235	51.15	2,443,641	50.17
United States of America	405,166	8.21	263,201	5.36	262,893	5.40
	4,934,729	100.00	4,913,218	100.00	4,870,734	100.00

The average rates of interest payable on the State Public Debt under the various categories are shown in the following statement:—

—	30th June, 1944.	30th June, 1945.
	£ s. d.	£ s. d.
<i>Including Exchange—</i>		
Overseas Debt	5 5 0	5 7 10
All Debt	4 8 5	4 7 2
<i>Excluding Exchange—</i>		
Overseas Debt	4 2 1	4 2 10
Australian Debt	3 9 11	3 7 6
All Debt	3 16 4	3 14 11

It will be noted that an improvement is shown in the interest rates applicable to the Debt as a whole, but an increase is shown as regard to overseas interest, this being due to the transfer to Australia of a low interest bearing debt. The advantage of the conversion and redemption of overseas debt at 1 July, 1945, will be reflected in the rates payable for the current year.

SINKING FUNDS.

Statutory payments by the State to the National Debt Sinking Fund totalled £896,071 for the financial year, and the Commonwealth's contribution amounted to £232,086.

Securities to the face value of £1,681,617 were purchased by the Trustees and cancelled, and Commonwealth Instalment Stock amounting to £213,239 was redeemed. The sum of £20,549 was also made available from the National Debt Sinking Fund, to meet the contractual sinking fund contributions payable on the \$10,000,000 6 per cent. American Loan.

No purchases of bonds were made in New York in connection with the last-mentioned loan, and the sinking fund instalments were invested in Commonwealth Securities, in accordance with the Loan contract.

The detailed transactions of the Commonwealth National Debt Sinking Fund are given in the Budget tables, but the following summary of receipts and expenditure since the

inception of the Fund might prove of interest:—

NATIONAL DEBT SINKING FUND.

1ST JULY, 1927, TO 30TH JUNE, 1945.

	£
<i>Receipts—</i>	
Contributions by State	10,306,466
Contributions by Commonwealth	3,263,552
Interest on Investments, &c.	95,254
	£13,665,272
<i>Expenditure—</i>	
Redemptions and Repurchases	12,783,091
Payments to American Loan Sinking Fund	369,876
Discount and Expenses, London Conversion and Redemption Loans	227,385
Exchange on American Loan Remittances	74,300
	£13,454,652
Cash Balance, 30th June, 1945	£210,620

The balance of the American Loan Sinking Fund at 30 June, 1945, was £14,524, making a total sum of £225,144 available for debt redemption.

OVERSEAS REDEMPTIONS AND CONVERSIONS.

During the financial year 1944-45 loans totalling £3,958,800 carrying interest at 3½ per cent. matured in London. The Loan Council decided that this debt should be transferred to Australia, and accordingly an internal loan of £4,963,000 was issued. The new loan, which bears interest at the rate of 3¼ per cent. per annum and matures in 1960, was wholly subscribed by the Commonwealth Bank.

An increase of £1,004,200 in the State Public Debt results from this transaction, but owing to the application of the reduced interest rate and the repatriation of the loan to Australia, a saving of £12,419 will be shown in the annual debt charges.

Loans issued on behalf of the Commonwealth and States with interest at 5 per cent. per annum and amounting to £94,311,567 were due for redemption in London on 1 July and 1 August, 1945, the Government having optional rights of redemption at any time on or after 1 July and 1 August, 1945.

The Loan Council during the financial year 1944-45 approved of the exercise of the options, and arrangements were made for the conversion of £60,000,000 of the debt in London and the repatriation of £34,311,567 to Australia; the latter transaction, owing to

exchange costs, entailed the issue of Stock to the value of £43,017,000.

Both the London and Australian loans were issued at par and bear interest at the rate of $3\frac{1}{4}$ per cent. per annum.

The Queensland proportion of the London maturities was £19,697,888, and the relevant new issues in London and Australia were £12,462,267 and £9,074,160 respectively.

This highly satisfactory operation will save the State an annual amount of £432,184 in interest and exchange although an increase of £1,836,540 will be shown in the Public Debt consequent on the transfer of portion of the liability to Australia.

SPECIAL DEFICIT LOAN.

At 30 June, 1944, the State held rights to Commonwealth Treasury Bills amounting to £3,273,000, this representing the value of Bills issued to meet revenue deficits incurred during the financial years 1932-33 to 1934-35, and portion of the deficit for 1935-36.

The question of the permanent redemption of Treasury Bills issued to the States for revenue deficit purposes and totalling £53,018,000 was submitted to the Loan Council by the Commonwealth Treasury, and at the August, 1944, meeting a decision was made to permanently redeem a total of £10,000,000 in respect of Bills issued to the States, on the understanding that £7,000,000 of the funds necessary for such redemption would be provided from the cash resources of the States and £3,000,000 found from the National Debt Sinking Fund.

The balance of the Treasury Bills amounting to £43,018,000 was, by arrangement with the Commonwealth Bank, converted to debentures bearing interest at 1 per cent. per annum, these debentures to be subject to a special sinking fund contribution of 1 per cent. per annum, of which 5s. per cent. is to be found by the Commonwealth and 15s. per cent. by the State. This contribution, accumulated at the statutory rate of $4\frac{1}{2}$ per cent. per annum, will extinguish this portion of the Public Debt in a period of 39 years.

The Financial Agreement has been amended by Commonwealth and State legislation to provide for this special sinking fund.

The Queensland proportions of the permanent redemptions from cash and by the National Debt Commission were £1,000,000 and £125,000, respectively, leaving a sum of £2,148,000 for conversion to 1 per cent. special deficit debentures.

The cash proceeds of the loan made available to the State as the result of these transactions was £2,148,000, and by arrangement with the Commonwealth Bank this amount was placed at special deposit on call, carrying interest at the rate of 1 per cent. per annum.

The application of the special sinking fund provision reduced the 1 per cent. debenture liability to £2,126,520 at 30 June, 1945.

SAVINGS BANK AMALGAMATION AGREEMENT.

The modified arrangement whereby the State will accept, during the war and for five years thereafter, an annual sum of £850,000 in lieu of the full 70 per cent. of the increase in Savings Bank Depositors' Balances applied to this Agreement during last financial year, consequently only the amount mentioned was made available to the State by way of loan, with interest at 3 per cent. per annum.

In accordance with the terms of the Amalgamation Agreement the State has been entitled to a total sum of £31,579,000 for the period 1 July, 1942, to 30 June, 1945, but as a sum of £2,550,000 only has been made available, the claim of the State to loan issues to the extent of £29,029,000 has been waived, on the understanding that should decreases in balances occur during the period of the temporary variation 70 per cent. of such decreases will be set off against the accumulated credit.

The Amalgamation Agreement expired on 20 June, 1945, and notice has been given to the Commonwealth Bank of the State's desire for a renewal.

POST-WAR RECONSTRUCTION AND DEVELOPMENT TRUST FUND.

The policy of conserving funds for utilisation in the post-war period was followed during the financial year to the extent that the State revenues allowed. A sum of £550,000 was appropriated from Consolidated Revenue, and, in accordance with the provisions of the relative Order in Council, paid to the credit of the Post-war Reconstruction and Development Trust Fund.

This fund now shows a credit of £9,240,580, of which £8,970,000 represents Revenue appropriations and £270,580 interest earned on investments in Commonwealth Securities and on Fixed Deposits.

The following is a summary of the transactions of the fund from its inception to 30 June, 1945:—

Amounts appropriated from Consolidated Revenue—		£
Year 1942-43	.. .. .	5,250,000
" 1943-44	.. .. .	3,170,000
" 1944-45	.. .. .	550,000
		<hr/>
		8,970,000
Interest earned	.. .. .	270,580
		<hr/>
Credit Balance, 30th June, 1945	..	£9,240,580

The appropriations from Consolidated Revenue were on account of—

Railway Department	.. .. .	£3,350,000
Department of Harbours and Marine	.. .. .	200,000
Main Roads Commission	.. .. .	100,000
General Purposes	.. .. .	5,320,000
		<hr/>
		£8,970,000

Investments of the fund, including an amount of £550,000 authorised for investment on 5 July last, total £9,235,000, and are held in Commonwealth War Loan Stock, £3,385,000, and Fixed Deposits—Commonwealth Bank, £5,850,000.

It might be mentioned that the amounts held at Fixed Deposit will be available as required in the early post-war period, and investments in War Loans will mature in from three to five years.

THE YEAR 1945-1946.

The receipts of the Consolidated Revenue Fund are estimated to total £25,072,275 or £1,374,999 less than the actual receipts for last financial year. Expenditure is expected to total £25,065,699, leaving a surplus of £6,576 as a result of the year's transactions.

REVENUE.

The cash receipts of the Railway Department have been assessed at £11,130,000, which is £2,439,217 less than last year's revenue. A further diminution in the traffic requirements of the Services is inevitable and estimates of revenue have been framed accordingly.

In regard to Taxation, an increased amount of £66,556 is shown in receipts from Stamp and Succession Duties.

It is not anticipated that any considerable variation with 1944-45 will be shown in respect of other Revenue headings, with the exception of Other Receipts—Miscellaneous, where an increase of £989,355 is expected. This is due mainly to the transfer of £880,000 to Consolidated Revenue from the Post-war Reconstruction and Development Trust Fund to meet expenditure on developmental works, deferred maintenance, and machinery and equipment renewals, which could not be undertaken during the war period.

EXPENDITURE.

Estimates of Expenditure have been prepared after careful consideration of the needs of the various departments, allowing for the necessary adjustment and expansion of services generally, consequent upon the cessation of hostilities.

The expenditure for the year is estimated to be £25,065,699, or £812,360 less than last year's disbursements.

It has been necessary to provide substantial amounts to meet the following:—

Increased salaries in all departments in accordance with the Public Service and other Awards and because of returning service personnel.

Increased maintenance charges of Institutions and the provision of machinery and equipment.

Increased costs of Social Services.

The additional amounts required for maintenance charges and machinery renewals are partly offset by the transfer from the Post-war Reconstruction and Development Trust Fund, previously mentioned.

Savings are disclosed in the requirements for Schedules and Interest on the Public Debt; in the case of the former this is due to the non-requirement of the grant to

Unemployed Workers' Insurance Fund and of the latter to the benefit following the satisfactory London Loan conversion and redemption operations.

It is not my intention to review the expenditure at great length, as all essential information is detailed in the printed Estimates; however, reference might be made to the Department of the Premier and Chief Secretary, the Department of the Treasurer, the Department of Public Instruction, and the Railway Department.

The increase of £121,740 in the amount required for the Premier and Chief Secretary's Department is due to the additional provision for expenditure for the benefit of discharged members of the defence forces, to which later reference is made.

The saving in the Department of the Treasurer, as compared with the expenditure for last financial year, is expected to be £252,888, which is brought about by the lessened requirement for exchange of £238,000, and the non-provision of £200,000 for payment to the Post-war Reconstruction and Development Fund, whilst an additional amount of £135,000 is provided for Developmental Works and Projects.

The activities of the Department of Public Instruction require an additional amount of £429,142, of which £259,621 is for increases to salaries and to meet the salaries of returning personnel. A further amount of £26,904 will be needed to pay increased Scholarship Allowances to the Teachers' Training College, and £15,000 is provided for a grant to the Library Board of Queensland and £18,385 to meet additional expenditure in connection with the University.

The estimated expenditure of the Railway Department shows a decrease as compared with that of last year, but it should be mentioned that, in addition to the appropriation of £10,250,000 from the Consolidated Revenue Fund, a sum of £500,000 will be found directly from the Post-war Reconstruction and Development Trust Fund, to meet deferred maintenance charges provided for in departmental expenditure during the war years and specially credited to the Trust Fund.

EXPENDITURE AND CONCESSIONS FOR THE BENEFIT OF RETURNED SERVICE MEN, AND SOLDIER SETTLEMENT.

The Estimates include substantial sums for expenditure for the benefit of returning service men and women, to meet their immediate needs and with the object of assisting them in their rehabilitation in the community; and account has been taken, in the assessment of revenue, of rental concessions granted to Crown tenants on active service.

The appropriations for the Department of the Premier and Chief Secretary include a sum of £200,000, which will be almost entirely required to meet the cost of the issue to all members of the Commonwealth Defence Forces enlisted in Queensland and returned from active service or discharged medically unfit,

of a first class station to station pass over the Queensland Railways, current for the period of final leave before discharge. The cost of these passes at £9 per pass is borne by the Chief Secretary's Department, and since the outbreak of war this concession has cost the Department £96,543 of which £59,625 was expended during last financial year.

The Department also shares with the Commonwealth Government the cost of rail travel for the next of kin visiting returned invalid soldiers at the port of disembarkation or in hospitals within the State, and also the cost of railway passes granted to the next of kin to meet returning prisoners of war. A sum of £2,500 is provided to meet the State's share of these payments during the current year.

The Government has granted to lessees of all Crown tenures, who are on active service, a remission of rent during the period of such service. The loss to date to the State revenues by the application of this remission is estimated at £150,000.

Estimated expenditure from the Loan Fund for the current year includes an amount of £500,000 likely to be required to meet costs of land acquisition and for other expenditure associated with the settlement of returned service men.

The question of financial responsibility as between the Commonwealth and the States under the Commonwealth-States Scheme, in regard to losses that may be incurred in connection with this scheme, is the subject of an agreement which was accepted by the Premiers at the recent conference, and which will require Parliamentary ratification.

The Government is seized with the necessity for the early rehabilitation of soldiers in primary production, and, in addition to its participation in the joint settlement scheme, has submitted amending legislation which will enable loans, interest-free for a period of three years, to be made available by the Agricultural Bank. These advances will be outside the scope of the agreement, and the financial responsibility rests entirely on the State.

A sum of £500,000 is provided on the Estimates of the Trust and Special Funds, to meet advances to borrowers by the Agricultural Bank, and it is expected that a substantial proportion of this sum will be required for advances to ex-service men.

It is realised that the costs associated with this interest concession will impose a substantial charge on Budgets, but it is felt that the ultimate benefit to the State from primary production will more than justify any expenditure.

The estimates of the Department of the Treasurer include an amount of £5,000, which it is considered will be sufficient to recoup the loss to the Agricultural Bank for interest concessions for the current year; considerably larger sums however will be required in future years.

The Works Programme of the State for the current year, which will involve an expenditure of £3,850,500, includes works of a varied nature, which will give useful employment to many returned soldiers, and the Post-war Works Programme, for a two-year period with an anticipated expenditure of £26,200,000, has also been framed having in mind the necessity for suitably providing work for service men returning to their normal avocations.

LOAN COUNCIL CO-ORDINATION.

In accordance with the plan adopted by the Australian Loan Council for the co-ordination of borrowing for civil and defence works throughout the Commonwealth, the State, semi-Governmental and local body borrowing proposals for the current financial year have been discussed with the Loan Council Co-ordinator, and the Loan Council has approved of a programme involving a net loan expenditure by the State of £2,901,000 and debenture loan raisings of £2,178,782 by semi-Governmental and local bodies. In addition to the amount provided in the State loan programme the Commonwealth Government has agreed to make available £1,000,000 from the Commonwealth Loan allocation towards the current year's requirements for the erection of houses for rental.

Loan Council approval has also been obtained for various regional electricity authorities to incur commitments totalling £1,589,850, on account of major electricity plant requirements, which involve long-dated deliveries.

The amounts authorised for net State loan expenditure and debenture loan raisings of semi-Governmental authorities are £887,000 and £1,250,000, respectively, greater than those authorised for the financial year 1944-45.

It was an understanding of the Loan Council that the approved loan programmes of the States and semi-Governmental bodies had been framed largely on a war time basis, and owing to changed circumstances would probably require augmentation as the requisite manpower became available.

The arrangement operating in recent years whereby the loan programme has been financed as far as possible from State funds without recourse to public borrowings will again apply for the current year. If required, cash advances will be made by the Commonwealth Treasury.

STATE PLAN OF WORKS.

A co-ordinated plan of works, as in previous years, has been prepared in accordance with section 12 of the State Development and Public Works Organisation Acts, 1938 to 1940; the plan provides for expenditure of £7,600,058 from State loan,

consolidated revenue and other moneys on works and development, as follows:—

	£
Soldier Settlement	504,000
Main Roads	1,376,253
Railways	490,000
Land Settlement and Forestry	400,670
Cotton and Irrigation	111,613
Rural Development	501,000
Mining	64,050
Local Bodies and Hospitals Boards (excluding Brisbane Harbour, Civil Defence and Malaria Prevention Works)	520,110
Erosion Prevention Works	13,600
Shipbuilding Facilities	26,000
Brisbane Harbour and Port Development	371,125
Bureau of Industry Works	151,620
Mosquito Eradication Works	143,950
Buildings	733,880
Housing, Workers' Dwellings and Workers' Homes	2,000,000
Investigations of Post-war Projects	22,500
Sundry Works and Advances for Development	169,687
Total	£7,600,058

This programme, which represents a substantial increase compared with expenditure in 1944-45, includes major provision for the State's housing programme, which has been allotted a high priority, and funds to commence the important Soldier Land Settlement Scheme. Provision has also been made for acquisition of land and properties as an essential preliminary to the initiation of urgent administrative buildings requirements, and educational facilities in connection with the Government's policy of post-primary, pre-school and consolidated (central) school requirements.

In addition, provision of £2,850,000 is included in the co-ordinated programme for expenditure by Local Bodies from debenture loan raisings.

It is estimated that the carrying into effect of this programme will involve the employment of approximately 9,200 man-years of labour as compared with 2,900 employed at present, and will assist 1,200 persons in soldier land settlement, mining and rural industry.

The programme has been designed in anticipation of substantial releases of manpower from the Civil Constructional Corps and the Services which should permit of the implementation of some of the many important works projects which accumulated during the war years, and have now become matters of considerable urgency. However, following the sudden termination of hostilities, it may be necessary to undertake a complete review of the position later in the year, in the light of the manpower, plant and material resources then available, with a view to securing supplementary allocations to cope with any abnormal demands during the initial transition period.

POST-WAR RECONSTRUCTION.

In the Financial Statement presented last year a tentative figure of £61,500,000 was given as the amount likely to be available for Works in the five immediate post-war years from State Funds and debenture raisings of Local Authorities.

It has now been possible to more closely assess the amounts likely to be required, and a two years' programme has been formulated in collaboration with the National Works Council.

The programme, which is detailed hereunder, includes £4,100,000 for deferred maintenance works and excludes housing and special rehabilitation works, such as soldier settlement. From time to time, additional works are being added to the programme, which is really a reservoir of works to be constructed as resources become available. In fact, provision for the commencement of a number of the works has been made in the Co-ordinated Programme of Works for the financial year 1945-46.

The following is a broad classification of the capital and deferred maintenance works included in the programme:—

	£
Public buildings, including hospitals, schools and the University, and deferred maintenance	4,200,000
Roads, streets, bridges, &c.	6,500,000
Harbour, port and river works and plant	2,200,000
Forestry development	1,800,000
Irrigation and water conservation	1,100,000
Water Supply and Sewerage works, including the Somerset Dam	3,300,000
Railway works, including deferred maintenance	3,000,000
Electricity works	2,600,000
Mining development	130,000
Plant and equipment	600,000
Sundry works, development and maintenance	770,000
Total	£26,200,000

The National Works Council at its recent meeting endorsed in principle the "A" priority section of the programme, which amounts to £16,100,000 and which is expected to provide about 20,000 man-years of employment.

A considerable proportion of the works has been sufficiently planned so that work can be commenced immediately labour, material and other constructional resources become available, and the planning of other approved works is being proceeded with as rapidly as possible. Action is being taken, through the National Works Council, to secure the early release from the services of any technical and administrative officers who are required to plan, organise or supervise the details of the programme in readiness for any demand which might arise to provide employment for men who cannot be absorbed by private industry for the time being. There are also, of course, a number of urgent public works projects which must be put in hand as soon as possible.

In the carrying into effect of the programme, care will be taken to avoid the commencement of any work which competes with housing, except where such work is of an urgent nature. The particular projects to be commenced first will also be determined to a large extent by the type of labour offering. For example, it may be that works using a relatively high proportion of unskilled labour will be needed first.

MAIN ROADS.

The total expenditure by the Main Roads Commission during the year 1944-45 amounted

to £4,380,800, which included £2,378,000 expended on works undertaken on behalf of the Allied Works Council, and from funds supplied by that organisation.

The programme of works carried out for the Commonwealth Government decreased greatly in comparison with the previous year, but continued shortage of labour and plant restricted the normal activities of the Commission. For this reason, expenditure on permanent works for the year amounted to £480,800 only. However, although it was not possible to carry out the construction works desired, an extensive and comprehensive maintenance programme was executed resulting in an expenditure of £646,600.

A large schedule of post-war road and bridge construction works has been compiled, and the immediate two-year programme, which has been approved by the National Works Council includes £2,822,550 for permanent works and £1,270,700 for deferred maintenance.

A considerable number of roads, some of which have been damaged by military traffic, have suffered during the war period, owing to plant and labour not being available for maintenance work. Consequently, one of the first post-war requirements is the re-conditioning of a large mileage of roads, which are at present in poor condition; and where such expenditure on maintenance is greatly in excess of annual pre-war maintenance, the Commissioner proposes to modify the apportionments to the local authorities concerned.

The Government, after very careful consideration, has decided to lift the tolls from the Pacific Highway, the Gillies Highway, the Cook Highway, the Enoggera Waterworks-Mount Nebo road, the Mudgeeraba-Springbrook Road and the Tambourine Mountain road.

Hon. Members: Hear, hear.

Mr. HANLON: These tolls have been in operation for some years and the revenue from them has enabled the roads concerned to be improved commensurately with the volume and nature of traffic. For example, on the Pacific Highway, curvature and alignment have been considerably improved and numerous bridges have been erected or widened. Were it not for the revenue derived from the toll much of this work could not have been carried out for some considerable time to come.

In the other cases the revenue has been used as a set off against the amounts which the local authorities would have been required to pay for work done on the respective roads.

The credit balance of the Main Roads Trust Fund at 30th June, 1945, was £1,781,417, of which £750,000 was held in Commonwealth inscribed stock on account of the Main Roads Commission.

This balance, together with any amounts that may be allocated from the Post-war Reconstruction and Development Trust Fund and State Loan Funds, will enable the State to proceed with an extensive policy of road construction and maintenance.

HOUSING.

During the past financial year the housing plans of the Government have been implemented in so far as available material and manpower would allow.

The recent conference of Premiers approved in detail the Commonwealth-State Housing Agreement, which has as its object the providing of homes for rental purposes, and the sharing of any losses that may accrue on the basis of 60 per cent. by the Commonwealth and 40 per cent. by the State. This Agreement is subject to ratification by Commonwealth and State legislation.

It was originally proposed that houses built for purchase would be included within the ambit of the Agreement, but this phase of home construction will now be the responsibility of the State.

During the year ended 30th June, 1945, an expenditure of £167,687 was incurred by the State on home building, of which £99,697 represented the cost of houses built for rental purposes and £67,990 advances for Workers' Dwellings and Workers' Homes.

At the recent meeting of the Loan Council it was agreed that a sum of £1,000,000 should be made available by the Commonwealth to meet buildings costs of rented houses during the current financial year, and the Loan allocation to the State includes a sum of £745,000 which will be placed at the disposal of the State Advances Corporation for the erection of houses for purchase.

The provision of these sums, together with funds available from the cash resources of the State Advances Corporation, will allow of a building programme to the extent of £2,025,000 during the year, subject to the requisite manpower and materials being obtainable.

RURAL DEVELOPMENT.

Expenditure on development in rural areas was limited last financial year, as in previous war years, by the availability of manpower.

During the year an expenditure of £639,956 was incurred from State Funds on account of land settlement, forestry, irrigation and other forms of development.

It is anticipated that during the current year it may be possible to proceed with projects necessarily deferred during the war period, and accordingly a sum of £1,076,883 has been allocated for such schemes.

Advances made to borrowers by the Agricultural Bank during the past year totalled £323,925, and a sum of £500,000 has been included in the Estimates of the Trust Funds on this account for the current year. It is considered that the increased provision will be necessary to meet likely requirements for loans to ex-service men, and the expansion in rural activities.

The programme of works for the immediate post-war period of two years includes £2,900,000 for Forestry, Irrigation and Water Conservation, and the provision of £3,300,000 for Water Supply and Sewerage Works includes allocations for rural areas.

The Government's plans for rural electrification are being provided for, and the Loan programme for the current year, approved by the Loan Council for borrowings by semi-Governmental authorities, includes £250,600 for Regional Electricity Boards.

The provisions of the Land and Water Resources Development Act of 1943 are being carried into effect as speedily as possible with the object of assessing the irrigation possibilities of the State. The estimates of the Trust and Special Funds for the current year include an appropriation of £14,899 for Salaries and Contingencies of the Bureau of Investigation established under this Act, £5,441 of this amount being for expenditure in connection with the establishment of an Irrigation Experiment Station at Gatton.

PORTS AND HARBOURS.

The Co-ordinator-General of Public Works, in terms of the State Development and Public Works Organisation Acts, 1938 to 1940, was authorised during the year 1944-45 to carry out an inquiry into matters relating to Harbour Boards and Ports in the State.

The financial positions of certain Harbour Boards were the subjects of investigation, and proposals submitted by the various Boards for capital expenditure particularly for the post-war period were examined.

Consideration has been given by the Government to the recommendations of the Co-ordinator-General, and it has been decided that adjustments as follow shall be made in respect of the indebtedness to the Treasury of the Bowen and Rockhampton Harbour Boards:—

	£	s.	d.
Bowen Harbour Board—			
Arrears of interest due as at 30th June, 1945, to be written off ..	106,755	4	11
Payment of outstanding redemption of loans to be waived	54,115	12	3
Rockhampton Harbour Board—			
Arrears of interest due as at 30th June, 1945, to be written off ..	425,805	0	0

Relief from the payment of these arrears has been granted on the understanding that—

The annual budgets of the receipts and expenditure of the respective Boards will be submitted for the approval of the Treasurer; and

The Boards will be required to pay a yearly amount to the Treasury on account of interest and redemption of loans, based on estimated receipts and expenditure after making provision for all reasonable charges for administration and maintenance.

The financial positions of the Harbour Boards, other than the abovementioned, were found to be satisfactory and requiring no adjustment.

The Co-ordinator-General has not yet completed the investigation of all capital and post-war harbour works, but the Government has decided that a subsidy of 20 per cent. shall be granted on approved works, except under special circumstances, where a higher rate may be warranted. The amount provided in the post-war programme for these works is £2,200,000.

STATE INSURANCE.

A review of the State finances would be incomplete without some reference to the continued progress and expansion of the State Government Insurance Office.

During last Parliamentary Session the Workers' Compensation Act was amended to provide for greatly increased benefits payable to incapacitated workers, and a new feature was introduced into the legislation providing for the payment of medical and/or hospital expenses.

Workers' Compensation claims paid during the year totalled £590,520, and £27,027 was distributed under the Mining Diseases provisions of the Act.

An increase of £263,830 was shown in the Life Assurance Funds for the year, and accordingly reversionary bonuses at the same rate as in the previous year have been declared.

The funds of the Fire Department will allow of the distribution on the basis of 33½ per cent. of fire renewal premiums falling due as from 1st November, 1945, and it has also been approved that a profits distribution of 20 per cent. shall be made in respect of renewal premiums payable by holders of Comprehensive Motor Car policies. Similarly, a distribution of 33½ per cent. is being made on Marine premiums received for the year ended 30 June, 1945.

Subscriptions made to War Loans during the year totalled £500,000, making a total of £3,039,000 so invested by the office during the war period, inclusive of conversions.

The policy of providing funds by way of loans to local authorities for works has been continued, and will be extended following the expansion of the works programmes by these bodies.

SOCIAL SERVICES.

The extension of the social services of the State and their financial requirements are matters worthy of comment.

The table given hereunder shows that during the year ended 30th June, 1945, an amount of £5,232,930 was required for the cost of these services, and it will be of interest to hon. members to note that this expenditure represents an increase of 63 per

cent. on the disbursement for 1931-32 and is 65 per cent. of all expenditure for the year from the Consolidated Revenue Fund, excluding that required for the service of the Public Debt and for Railways.

	Expenditure, 1931-32.	Expenditure, 1944-45.	Increase, 1944-45 over 1931-32.	
			Amount.	Per Cent.
	£	£	£	
<i>Health, Hospitals, Relief, &c.—</i>				
Public Health	112,491	224,019	111,528	99-14
Hospitals, Asylums, and Health of Mothers and Children	410,487	843,968	433,481	105-60
Relief of Aged and Child Welfare	249,254	287,621	38,367	15-39
Aboriginal Relief	41,486	98,540	57,054	137-52
Unemployment Relief (a)	220,904	264,650	43,746	19-80
	1,034,622	1,713,798	684,176	66-13
<i>Education—</i>				
Primary and Secondary Education	1,291,235	1,937,440	646,205	50-05
Technical and Agricultural Education	139,171	230,172	91,001	65-39
Libraries, Museums, &c.	4,605	9,074	4,469	97-05
<i>Law, Order, and Public Safety—</i>				
Administration of Justice, Police, and Prisons ..	709,918	1,251,591	541,673	76-30
Fire Brigades, &c.	36,677	85,855	49,178	134-03
Totals	£ 3,216,228	5,232,930	2,016,702	62-70

(a) Exclusive of expenditure on Unemployment Relief Works and Developmental Works.

The amount provided on the Estimates of the current year for Social Services is £5,955,167, or £722,237 more than last year's expenditure.

In addition to the charges to consolidated revenue, a sum of £437,423 was disbursed during 1944-45 from the Hospital, Motherhood and Child Welfare Trust Fund, of which £423,617 was required for Hospital Endowments and Grants and £13,806 for other charitable purposes.

The estimated cost to State funds for maintenance charges of hospitals generally for the current year is £1,000,000, of which £350,000 will be provided from consolidated revenue and £650,000 from the Hospitals, Motherhood and Child Welfare Trust Fund.

The amount provided from State revenue and trust funds last financial year was £756,126. The anticipated increase for the current year is due to the relief granted to local authorities from making contributions to hospitals, and to probable increased maintenance costs.

The Commonwealth Hospitals Benefit Scheme is expected to come into operation as from 1 January next, but no financial benefit will accrue to the State by the application of the scheme.

Expenditure from the Loan Fund for hospital capital works during 1944-45 totalled £24,561, and the estimates for the current year include £108,124 for these works.

ECONOMIC SURVEY.

Since the last Budget was presented, victory in Europe and later in the Pacific

has made considerable changes in the economic position of Queensland. Reductions in the number of men in the services have taken place, to be followed by discharges in increasing numbers.

Food production for our own and Allied Services, for export to Britain, and for our home needs, continues to be of foremost importance in Australia. Farmers and rural employees are maintaining production at a good level, despite depleted numbers. They have been assisted over a large part of Queensland by bountiful winter rains, and the extreme shortage of farming machinery and other requisites is easing somewhat. Releases from the Services, and the probability that satisfactory prices for farm products will be maintained or increased should also assist in bringing farm production to an all-time high level in the next few years.

World economic forces are operating to raise the price of primary products, which it is hoped will be a permanent advantage to the State. This world market position deserves careful attention from all those who have the welfare and advancement of Queensland at heart.

The foodstuffs which will be most in demand in the world market will be those which the crowded agricultural areas of Europe, Asia, and North America are least able to produce themselves. Animal products, which are the items most lacking to-day in the diets of the poor countries, will be in greatest demand. In meat production Queensland is in a particularly favourable position to take advantage of this

demand, as we have huge natural grasslands and a splendid climate for stock-raising. On the fertile agricultural country running from the Darling Downs to the Dawson Valley we can expand our production of fodder crops and grains many times. When pastures in these and other areas of the State are developed we will have added very considerably to the fattening country. Besides offering great scope for expansion on its own merits, the meat industry is the only reasonably profitable alternative to wool-growing, particularly if wool fails to stand up to competition from synthetic substitutes in the future.

Efficiency in primary production can be secured on the one hand by fundamental scientific research, and on the other hand by the willingness on the part of the State and Commonwealth Governments and of individual farmers to apply scientific knowledge. Praise is due for the work already done by the scientific officers of the Council for Scientific and Industrial Research and the State Department of Agriculture and Stock on problems basic to the prosperity of this State, such as the low productivity of "natural" pastures in coastal and sub-coastal areas, the need for better crops and pasture legumes for Queensland and the need to raise the present low level of milk production per cow. Farmers must be ready to apply the results of scientific research. They must improve the efficiency of their farm management by growing areas of crops and keeping herds large enough to warrant the use of labour-saving machinery.

State policy for the development of primary production is designed with the object of ensuring that the farmer shall receive the full advantage of rising world prices. Under these conditions it will become known that a good farmer can earn a prosperous living at congenial and healthy work, and no better incentive will be required to attract men into agriculture.

I have enlarged on primary industry because Queensland is probably the only State in Australia where there is still substantial room for developing new farming areas in fertile land with a good climate. Side by side with this development of primary industry we look forward to a great expansion of urban employment, so that primary and urban industry together will be able to employ not only the natural increase of our own population, but our full share of immigrants.

There is scope for great increases in employment in building and commercial activities generally. We look forward to expansion in manufacturing industries processing Queensland primary products, particularly fruit canning, the building materials trade, and all heavy products where the Queensland manufacturer has a transport advantage in the local market.

In providing for the development of supplies of cheap electrical power, and other public utilities, the Government hopes to attract as many industries as can be economic-

ally brought to the State. I need hardly add that in service and manufacturing industries, as in primary production, the key note must be increasing efficiency.

The Government desires to see rural and urban development proceed in every part of Queensland. Industries of the kind which I have described are all admirably suited to country towns, and consideration is being given to a scheme of regional devolution under which State administrative activities may be transferred to country centres. This will be in keeping with the policy of the Government in regard to regional electricity, hospital administration, and other matters.

Queensland is a growing State. Business opportunities will continue to expand as population grows. Country towns will expand as they serve the prosperous rural districts around them, providing both farmers and urban dwellers with manufactured goods, with housing, transport and communications, with commercial and professional facilities, education, culture, and entertainment, and handling the farmer's export produce or processing his output. The Government intends to see that the utmost facilities for healthy and rapid economic and social development are given to every part of this great State.

CONCLUSION.

The framing of this Budget has been effected under happier circumstances than those applying during the war years, but the responsibilities resting on the Government have not lessened with the ending of hostilities.

The necessity of concentrating all our energies on the prosecution of the war having now passed we are left with the problems of rehabilitating the community as a whole to its former sound position, and proceeding with the further development of the State, which was set aside during the war.

The Government is fully conscious of its debt to those both in the Services and civil life who served the Commonwealth and State so well and accepted hardships and disabilities without demur during the critical period and will attempt to repay this liability by a concentration of its energies on a policy of advancement, which should be of ultimate benefit to all.

Mr. Duggan, I move—

"That there be granted to His Majesty for the service of the year 1945-1946 a sum not exceeding £300 to defray the salary of the Aide-de-camp to His Excellency the Governor."

Progress reported.

SPECIAL ADJOURNMENT.

Hon. E. M. HANLON (Ithaca—Acting Premier) (3.47 p.m.): I move—

"That the House, at its rising, do adjourn until 10.30 a.m. on Tuesday next."

Motion agreed to.

The House adjourned at 3.47 p.m.