

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 22 OCTOBER 1947

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Queensland Parliamentary Debates

Legislative Assembly.

FIRST SESSION OF THE THIRTY-FIRST PARLIAMENT

Appointed to meet

AT BRISBANE ON THE FIFTH DAY OF AUGUST, IN THE ELEVENTH YEAR OF
THE REIGN OF HIS MAJESTY KING GEORGE VI., IN THE YEAR OF OUR LORD 1947.

[VOLUME 2.]

WEDNESDAY, 22 OCTOBER, 1947.

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

AUDITOR-GENERAL'S REPORT.

PUBLIC ACCOUNTS.

Mr. SPEAKER announced the receipt from the Auditor-General of his Report on the Public Accounts of the State for the year 1946-1947.

Ordered to be printed.

QUESTIONS.

REFERENDUM ON NATIONALISATION OF BANKING.

Mr. NICKLIN (Murrumba—Leader of the Opposition) asked the Premier—

“In view of the far-reaching effect the Banking Bill now before the Commonwealth Parliament will, if it becomes operative, have upon the people of Queensland, will he give favourable consideration to the holding of a referendum on the questions of (1) whether or not the electors of Queensland are in favour of the Bill in question, and (2) whether, in the event of such Bill becoming law, they desire that State trading banks be established?”

Hon. E. M. HANLON (Ithaca) replied—

“No. The Commonwealth Constitution Act, Part V., Section 51 (xiii.), expressly provides that the Commonwealth Parliament shall have the power to legislate with respect to banking other than State banking within the State. It would not only be illogical and futile, but a deliberate dissipation of public funds for this State to hold such a referendum, because, as respects Commonwealth legislation, the Commonwealth has, and is bound by, the Constitutional power set out in Section 51 (xiii.), and such referendum could neither add to, take away nor affect the exercise of these powers by the Commonwealth Parliament. Certain powers with respect to banking are reserved to this State by the Commonwealth Constitution

and this Parliament can exercise these powers if and when the necessity arises.”

WEEDICIDES AGROXONE AND METHOXONE.

Mr. AIKENS (Mundingburra) asked the Secretary for Agriculture and Stock—

“1. Has his attention been directed to the successful experiments carried out recently in Fiji by the C.S.R. Co. and the River Board in the eradication of water hyacinth and other noxious water weeds and grasses by the use of solutions of agrozone and methoxone?

“2. If so, will he inform the House as to any steps taken by his Department as a result thereof?

“3. If not, will he have the matter investigated?”

Hon. H. H. COLLINS (Cook) replied—

“1. The experiments referred to have been brought to my notice by the hon. member for Mundingburra.

“2 and 3. Officers of my Department are carrying out extensive tests with this new type of weed killer against a large number of Queensland weeds. A report thereon, which also conveyed the information that hormone type weedicides will kill water hyacinth, was published in the August issue of the “Queensland Agricultural Journal.” I will have the report of the Fiji experiments investigated.”

NOOGOORA BURR ON NORTHERN COAST.

Mr. AIKENS (Mundingburra) asked the Secretary for Agriculture and Stock—

“In view of the rapid spread and thick growth of noogoora burr in the estuaries of northern coastal rivers, particularly the Burdekin, Haughton, and Ross, and the serious problems presented to farmers, landholders, and local authorities in those areas, in the control and eradication of the burr, has his department conducted any experiments either on its own account or in collaboration with the C.S.I.R. or any other body in an endeavour to find a suitable weedicide or other destroying agent which could be used efficiently and economically in eradicating such burr?”

Hon. H. H. COLLINS (Cook) replied—
 “The Department of Agriculture and Stock is not conducting experiments in the control of noogoora burr. The handling of investigational work on this weed pest has been undertaken by the Council for Scientific and Industrial Research and the Department of Public Lands.”

LAND TAX ON BANK LANDS.

Mr. PIE (Windsor) asked the Treasurer—

“Will he inform the House—

1. The amount of revenue received by the State annually from private banking institutions in the form of land tax?

2. If the Commonwealth Government compulsorily acquires both the banks and their buildings throughout Queensland will this source of revenue continue to be available to the State Government or will equivalent compensation be received from the Commonwealth Government?”

Hon. J. LARCOMBE (Rockhampton) replied—

“1. The amount of revenue received by the State from private banking institutions in the form of land tax for the financial year 1946-47 was £22,251.

“2. Substantial profits have been made by the Commonwealth Bank, and they will be greatly increased if the Commonwealth Government acquires the private trading banks. Therefore, it is anticipated that there will be generous compensation granted to Queensland, in some form, for loss of Land Tax revenue from private trading banks.”

REPOSSESSIONS BY AGRICULTURAL BANK.

Mr. PIE (Windsor) asked the Premier—

“Will he supply annual details of repossession of properties made by the Agricultural Bank over the last five years?”

Hon. E. M. HANLON (Ithaca) replied—

“I would invite the hon. member to study the published annual reports of the Agricultural Bank which have been presented each year to Parliament and which contain the information he desires.”

COAL FOR HARBOUR PLANT.

Mr. MARRIOTT (Bulimba) asked the Treasurer—

“Will he inform the House—

1. The name of the firm now supplying coal to the Harbours and Marine Department for the dredging plant and pilot steamers?

2. What was the annual coal consumption of the dredge plant, based on steaming time, for the four years following the police raid on the suppliers?

3. What was the annual coal consumption of the dredge plant, based on steaming time, for the four years immediately prior to the police raid?”

Hon. J. LARCOMBE (Rockhampton) replied—

“1. Coal is being supplied by the West Moreton District Coal Board.

“2 and 3. This information will take some time to obtain, but will be supplied in due course.”

DOCKING CHARGES, BRISBANE AND SYDNEY.

Mr. MARRIOTT (Bulimba) asked the Treasurer—

“1. What are the charges for docking vessels in the Cairncross dock?

“2. How are such charges calculated?

“3. How do these charges compare with charges for docking in Sydney?”

Hon. J. LARCOMBE (Rockhampton) replied—

“1. The charges for docking vessels in the Cairncross Dock are as shown in the schedule set out below:—

Gross Tonnage Lloyd's Register.	First Day or Part Thereof.	For Each Succeeding Day.
Tons.		
1 to 800	£20 per ton.	£15 per ton.
801 to 4,000	6d.	4d.
4,001 to 5,000	5½d.	3½d.
5,001 to 6,000	5d.	3d.
6,001 and over	4½d.	3d.

These charges are subject to a rebate of up to 15 per cent. for Commonwealth vessels.

“2. The charges are calculated as shown in the said schedule.

“3. These charges are the same as the charges for docking in Sydney.”

REPLY CLOSING DEBATE.

Mr. PIE (Windsor), without notice, asked the Premier—

“Will he, in view of the circumstances which arose in the House yesterday during his absence (when the Deputy Premier, acting in good faith in his stead, but without any indication to the House, closed the debate on an important measure introduced by him, the Premier) make certain that in similar circumstances in future any Minister introducing a Bill who is unable to be present in the House to close the debate, some indication is given to the House by the Minister deputising for his colleague, or by Mr. Speaker, that the debate is being closed by other than the Minister who introduced the Bill and thus prevent such a custom from unwittingly becoming another form of the gag?”

Hon. E. M. HANLON (Ithaca) replied—

“I think the hon. member is trying to strain the case. When I left here yesterday to attend a show that had a far greater attraction for me than looking at hon. members of the Opposition—(laughter)—the Deputy Premier naturally took my place.

“When I heard that there had been a complaint, I made inquiries and the Deputy Premier assures me that before he rose to close the debate he sat still until Mr. Speaker was rising to put the question. He did that in order to be sure that no other hon. member wanted to speak. Had any other hon. member wanted to speak the Deputy Premier would not have risen to close the debate.”

Mr. Wanstall: Some of us thought he was filling in time.

Mr. HANLON:

“He waited to see if any other hon. member wanted to speak before he rose to close the debate. No other hon. member rose to speak so I cannot see how anybody was deprived of the right to speak. An hon. member cannot be supposed to be wanting to speak when he retains his seat and the Speaker is about to put the question. If an hon. member wants to speak on any subject he should get up promptly. The Deputy Premier waited to see whether anybody rose to speak. The Premier has on occasions to leave the House and in such cases the Deputy Premier acts for him. I was in that position when I was Deputy Premier and frequently I carried on with a measure that the Premier had in hand before he left the House.”

Mr. Maher: There was no intimation that you were leaving.

Mr. HANLON: I was in a hurry to see the young ladies. (Laughter.)

Mr. SPEAKER: Order! Commenting on the question asked by the hon. member for Windsor, I want to say that yesterday when the hon. member for West Moreton completed his speech I waited the usual time before stating the question. I was on my feet stating the question and the only hon. member who rose to speak was the Deputy Premier. He hesitated before he addressed me and so asked for my call. I can honestly say I was of the opinion that all hon. members who desired to speak had exercised their rights and accordingly I gave the call to the Deputy Premier.

PAPER.

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

Report of the Agent-General for Queensland for the year 1946.

METROPOLITAN DISTRICT COUNCIL OF THE AUSTRALIAN LABOR PARTY BILL.

THIRD READING.

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

CENSORSHIP OF FILMS BILL.

INITIATION.

Hon. W. POWER (Baroona—Secretary for Public Works): I move—

“That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to provide for the censorship of films and to enable an agreement for that purpose to be entered into with the Commonwealth.”

Motion agreed to.

SUPPLY.

COMMITTEE—FINANCIAL STATEMENT—RESUMPTION OF DEBATE.

(The Chairman of Committees, Mr. Mann, Brisbane, in the chair.)

Debate resumed from 21 October (see page 899) on Mr. Larcombe's motion—

“That there be granted to His Majesty, for the service of the year 1947-48, a sum not exceeding £500 to defray the salary of the Aide-de-camp to His Excellency the Governor.”

Mr. DONALD (Bremer) (11.19 a.m.): I rise to congratulate the hon. the Treasurer on the presentation of his second Financial Statement. I have long had a particular personal regard for Mr. Larcombe for his consistent record of service to this State and the Commonwealth. It must be very pleasing to him, as it is to me, to see hon. members opposite rise in their places and preface their remarks in this debate with unsolicited tributes to him on the capable way in which he has handled the financial affairs of Queensland.

The healthy condition of the various trust funds reflects the growth of stability in each of them in its own particular way and the confidence of our people and of the people generally in the future of Queensland. The revenue from stamp duty, a sure business index, was £192,771 above the estimate, and £216,955 more than the receipts of the previous year. When we look at the figures representing the amount of investments controlled by the State Insurance Commissioner, amounting to some millions of pounds, which in the days before this office was brought into being by the Labour Government would have represented profit-earning capacity for private shareholders but which now earn profits for the people's insurance concern, we realise that there is a great deal of truth in the contention that we are living in a period of considerable social change. We find that regional electric schemes are being planned under communal control to link up with giant sugar mills, also under communal control, together with a public-works outlay for the next 12 months of almost £15,000,000, not £1 of which will mean one penny of increased indebtedness by way of loans from those overseas interests which used to dictate policy to this State.

When we hear so much of declining production, it is indeed pleasing to know that that much criticised section of the community, the coal-mine worker has created another production record. During the financial year ended 30 June, 1947, 1,740,000 tons of coal were raised, representing an increase of over 100,000 tons on the previous year's production and more than 100 per cent. increase on the production of 15 years ago, the last year the anti-Labour forces occupied the Treasury benches of this Chamber.

The last League of Nations figures on world coal production showed the average Labour cost in a metric ton of coal in the following countries to be:—

	<i>s.</i>	<i>d.</i>
Belgium	14	11
France	9	6
Ruhr	8	9
Great Britain	8	11
Saar	15	7
Japan	6	8
New South Wales	4	6

It will be noticed that I have made no reference to American figures. That is due to the simple fact that America was not a member of the League of Nations and consequently no statistics were kept by that body of American productivity.

My object in quoting these figures is to show that whatever is wrong with the coal-mining industry in Australia, and whatever has been wrong with the industry in the past, it cannot be said that the cost of production in Australia is too high. These figures show that the cost of production in Australia is lower than in any other country. Production per man employed underground has steadily increased in New South Wales. In 1931 it stood at 554 tons a year, and by 1935 had risen to 847 tons a man a year. The same increase in production has been taking place in Queensland. For the year ended 31 December, 1945, the average production per man employed underground was 3.4 tons a day, while for the year ending 31 December, 1946, that production increased to 3.66 tons a day per man employed underground. The average production per man employed underground in Queensland will be somewhere in the vicinity of 750 tons a year. When we take into consideration the lack of mechanised assistance given to Queensland coal-miners we must admit that his production reflects great credit on him and ranks the highest in the world.

When the history of the coal industry is examined it becomes difficult to understand why critics continue to blame the miners for the state of the industry. While it is agreed that the miners have to add their quota to the common task of building the Australian economy, we must not overlook the fact that, under present conditions, the community needs the miner more than the miner needs the community. And, if the miner is not entitled to praise for his efforts, at least nothing is gained by not recognising the importance of his part in the scheme of things.

But irrespective of the past history of coal and the causes of the present state of the industry, the Government are determined to modernise the industry and its revival will require everybody's co-operation, particularly that of the coal-owners. As far as the Federal Government are concerned, the coal industry under private control has failed the community and coal has now become the responsibility of the people. It is one of the ironies of our age that industry's basic requirement—coal—is produced under the most unscientific and unstable conditions. The Government are determined to end this state of affairs. The Joint Coal Board has been established in New South Wales to nurse the industry back to a vital condition of health. New ideas, new methods of production will be introduced into the mines and a new psychology will develop from the Government's interest if the owners and the miners help. The Government hope in a very short period to have the industry mechanised and many of the industry's hardships removed. It is expected that by this means coal production will be substantially increased.

I want to draw the attention of the Committee to the fact that the Queensland coal-mining industry is mechanised to only a very limited degree. It may surprise members to know that more than 80 per cent. of our coal is hand-wheeled, and if the miners could have some mechanical method of wheeling their coal—if even horses were introduced to wheel the coal instead of human labour, and power boring was introduced—the production would be increased considerably and much hard labour could be eliminated.

I want to sound a note of warning that at no time have the Queensland miners been unable to meet Queensland industry's requirements for coal. If the increased production that is contemplated as being achieved with the increase in the mechanisation of the industry takes place; the natural development of our secondary industries will not be sufficient to absorb the coal that the mines can produce. I do not want to see a return to the days when the miners were working less than half time. If the industry is to be given what it is entitled to—full employment and security and stability—some overseas export trade will have to be built up and developed; and it is my earnest wish that if any enterprising company, with or without Government help, obtains overseas trade, the West Moreton District Coal Board will not continue to penalise that company for producing more coal than it is allowed under the quota allotted.

Thanks to the State Government's having undertaken, with some assistance from the Commonwealth Government, the complete financing of the various hospitals throughout the State, we no longer see the old semi-begging semi-blackmailing method of financing our public hospitals. I do not think there is one person in the State who wishes the hospital finances to return to the voluntary system, particularly that part of it which caused the display at the head of the bed of the man or woman who was unable to pay for hospitalisation, of a pauper's card.

As we look through the pages of the tables issued with this Financial Statement we find that there is now no need for a special unemployment relief tax; that unemployment insurance as a separate levy upon worker, employer and State, with a special fund, has been wiped out—and that by a quiet revolution, which few people but those who have seen their individual control of affairs slipping from their grasp, have observed. We have the Commonwealth unemployment payments, and sickness payments, on a more advantageous basis than even that introduced by a former State Labour Government in this State when the first Unemployed Workers' Insurance Act was described by the opponents of Labour as a *Loafers' Paradise Bill*.

Mr. Mann, these things are happening and it is no wonder that our friends across the Chamber literally weep at their inability to stop them.

The Government are to be congratulated on having succeeded for the ninth successive time in finishing the year with a surplus. There are experts who contend that the true test of government is finance; and if we apply that test to the present Labour Government and past Labour Governments they come through the test with flying colours.

It is very interesting to note in the "Telegraph" of 10 October that the British Labour Government—to whom our friends opposite love to refer as the British Socialist Government—have been able to balance their budget for the last six years and have a tremendous surplus of £200,000,000. This is the first time this has been accomplished in Great Britain in the past 24 years. When we take into consideration the fact that our homeland is going through what is probably the biggest peace-time crisis in her history, a crisis that is aggravated by her sincere desire to help the starving people of Europe and by her desire to get the world back on a proper economic footing, and the fact that the position has been made even more difficult by the unreasonableness and selfishness of the United States, this is indeed a remarkable record. It proves conclusively that the Labour Party is fit to govern and can govern better than any other party the world has ever seen.

An Opposition Member: That is not true.

Mr. DONALD: It is a true statement of fact and cannot be disputed.

Because they are interesting and instructive I am going to repeat some of the answers given by the opponents of the Commonwealth Government proposal to nationalise the private banks to the question: "What does the nationalisation of banking mean?" Here are a few of the answers: the abolition of Parliaments, the abolition of private property, a plot to destroy democracy, a plot to destroy the British Empire, slavery, serfdom, totalitarianism, Socialism, Fascism and Communism. Clearly the nationalisation of banking cannot be all these things, even though hon. members opposite would have us believe so. More than one hon. member opposite who has spoken in

this debate has mentioned all of these alleged characteristics, but it cannot be so for the simple reason that some of them conflict, and violently conflict. Actually the nationalisation of banking means none of these things, nor will it bring about any fundamental change in the present economic system.

Mr. Macdonald: Why alter it?

Mr. DONALD: I will tell the hon. member if he will listen. The Federal Government, in order that our nation, through its parliamentary representatives, elected by the people of the Commonwealth of Australia, will be able to direct its monetary policy effectively in the interests of the nation, proposed to buy the shares in the private trading banks at a fair and reasonable figure. Surely there is nothing very terrible or revolutionary about that. The Commonwealth Government, in buying the shares in the private banks, are only carrying a little further the procedure that has been going on among the private banks of Australia since the close of the last century. Of the 58 banks that were in existence at that time, only nine remain, the remainder having been absorbed by the monopolies. Hon. members opposite and the interests they represent have never raised a finger, or a voice to the extent even of a whisper, at this absorption of these private trading banks, and we can come only to the conclusion they are not concerned about monopolies so long as those monopolies represent the big financial and industrial concerns of the Commonwealth, but when they represent, as they do in this case, the taking over of the banks by the Government and making shareholders in the system of every man, woman and child in the Commonwealth, they violently oppose it. That reflects their true attitude on this and other national questions.

We have not fought a war against Socialism, as was mentioned by the hon. member for Enoggera in an almost hysterical speech made in this Chamber last Friday. The hon. member for Enoggera should know that Socialists everywhere fought with the Allies during World War II. He should know also that Socialists in the enemy countries organised and in fact were the main part of the underground movement. Every Socialist, irrespective of where he was in the world, fought with all his vigour against our common enemy in Great World War II.

At 11.34 a.m.,

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

Mr. DONALD: It is true that we fought a war against the evil twins of Nazi-ism and Fascism to lay the foundation for future social progress that was to come with victory, that progress being expressed in various international agreements, such as the Atlantic Charter, as freedom from want, freedom from fear, freedom from insecurity, and freedom to worship religiously as we saw fit—

Mr. Russell: Freedom from work.

Mr. DONALD: Freedom from work is never advocated by the working class, the Labour Party, or Socialists. They have no time for the loafer and the non-producer who now is supporting the hon. member for Dalby.

Glancing round the universe today, we cannot fail to notice that events are not moving that way. Unfortunately, we find some millions living in want, and ominous signs that many more millions will soon be in the same predicament as the economic crisis beginning in America gains momentum and spreads throughout the world. The dollar crisis gives some indication of what is to come. The Federal Government, being a Labour Government, are naturally anxious to protect our nation and our people; consequently they have planned to avert the danger of having our people swept into the stream of another depression and drowned in a sea of poverty, as was our experience during the last great depression.

The answer to this problem is the Federal Government's policy of full employment with high wages, thereby maintaining a high living standard. This is only possible with a monetary policy designed to prevent the development of an unregulated boom which in turn leads to depressions that are difficult to regulate. History proves the truth of this assertion. The Government must have control over the resources of the country to enable investments to be directed to provide a balanced development of production and to prevent inflationary tendencies by drastically restricting the issue of too much credit, in short, to control monetary policy. This task cannot be left to the private banks. Wise are the people who are willing to benefit by experience. Our experience at the hands of Australian capitalists, with the private banks occupying a key position, has indeed been a sorry one. Our history records alternating booms and slumps, all of which, if not caused by the private banks, were certainly aggravated by their policy.

The Opposition cry, "Leave it to the private banks and everything will be all right." They keep on repeating that the private banks can be relied upon. Let history show what reliance on the banks has meant for the people of our Commonwealth. In 1893 five of the present nine trading banks closed their doors, tying up £68,500,000 a gigantic sum in those days and still a considerable sum in these days, not to mention the depressing result on industry generally and the people as a whole. It was five years before any repayments were made, and in some instances they have not been made yet. As the basic cause of this failure has not been removed, it is just plain foolishness to say or think that the crisis cannot happen again.

The depression of the early thirties is perhaps the greatest indictment of the private trading banks. Surely hon. members opposite have not forgotten the record of dismissals, the record of wholesale unemployment of that period when almost 750,000 able-bodied men and women of Australia, all

anxious to work, were not given the privilege of working, the wholesale evictions, the dole queues bringing in their train a record number of bankrupt farmers and business people. I know hon. members opposite do not like anyone to recall the history of the private banks for they realise that it will not stand up to examination. In those days the monetary policy was controlled by the private trading banks, so that, on their own showing, who else can be held responsible for the way the depression developed in this country, even admitting that it began overseas through the scheming of overseas capitalists and bankers? The private banking system developed the boom, hastened the coming of the depression, resisted attempts to ease the gravity of the position by undertaking such things as large public works, dictated Government policy such as cuts in wages, pensions and social services, thus thrusting additional suffering upon the shoulders of an already overburdened people, and by its stern measures delayed recovery.

The reasons for all this are inherent in the banking system itself under private ownership. Its function should be to supply a financing service as cheaply as possible in the interests of the people, investment being regulated in accordance with the people's needs and the maintenance of a stable economy. Instead, the private banks operate as the profit motive dictates, extending credit on the basis of anticipated profits and holding the nation to ransom with high interest charges for the benefit of their shareholders. Such a policy, Mr. Mann, cannot serve the interests of the people or make for stability. Of course, this policy has paid the private banks handsomely, returning huge profits and high dividends. Had half of the profits that went to the small number of shareholders who control the private banks been used to build homes, tens of thousands of our people now without homes of their own would have been comfortably housed. With any enterprise, the only question in which the private banks are interested is, "What profit is there in it?" When opportunities for profit-making seem favourable, they expand credit to the limit and beyond; when conditions seem unfavourable they contract it to the limit and beyond. Hence, the succession of boom and bust. (Opposition dissent.)

Opposition members—and the hon. member for West Moreton who is now interjecting is one of the greatest offenders—have been using the words "freedom" and "liberty" very freely in this debate, in an attempt to confuse people on the nationalisation of banking. Surely they are not unmindful of the actions of their political friends in Victoria? These people, like hon. members opposite, who profess such a high regard for the Constitution and abhor undemocratic principles, are not really concerned with these considerations except in words. Indeed, the opponents of the Federal Government's banking proposals are willing to make the wages and salaries of thousands of workers the plaything of power, politics, and vested interests, just as they did in the days of the great depression.

Ironically enough, after the Legislative Council in Victoria, led by the vice-chairman of the National Bank, had refused supply, private banks offered to advance wages and salaries. How touching, Mr. Mann! How hypocritical! The bankers, actuated by sheer self-interest, were prepared to withhold the wages of thousands of workers, and have done it by abrogating every decent principle of democracy. The greatest lesson of all to be learned from the Victorian crisis is that the bankers have confirmed the charges made against them right up to the hilt, and reduced to naught their propaganda about tyranny, dictatorship, and so on.

Let us see what the "Sydney Morning Herald," one of the most conservative papers in the Commonwealth, has to say about it—

"The Crisis in Victoria."
"Sydney Morning Herald,"
"4 October.

"In forcing a crisis by denying funds to the Cain Labour Government, the Victorian Legislative Council has embarked on a course which both it and the Opposition leaders who planned the manoeuvre may well have bitter reason to regret. For the first time in its existence the Council has rejected a Supply Bill. Technically, it has the power to do so, but even fifty years ago such a step would have been regarded as wholly at variance with the functions of an Upper House elected on a restricted franchise. Today it must appear to many, regardless of party affiliations, as a gross abuse of the spirit of the Constitution."

That confirms what I have said, namely, that the bankers have broken every decent rule of democracy to gain their ends. Let us go to Victoria and see what the "Melbourne Age," a conservative paper and one of the most conservative in the Commonwealth, says in an editorial.

Mr. Macdonald interjected.

Mr. DONALD: I quote this because it damns all the propaganda of the Opposition. There is a clear statement from one of their own political kidney, a man who has his finger on the pulse because he lives in the State where this undemocratic act was performed. And this is what he has to say in an editorial—

"When a proposal to interfere with Supply was afoot about three months ago, Sir Frank Clarke argued with great weight and propriety against the design. He quoted with approval Lord Halsbury, Lord High Chancellor of England, on the privileges of the Commons with regard to the control of public money. 'I am willing to give the Ministry this Money Bill,' Sir F. Clarke said, 'because it is not for this House to make or unmake governments, and it is not for this House to interfere with money Bills or the finances of the State. . . . We should not constitute ourselves an extra and super-body to try to bring about a result that cannot be effected in the popular House.'"

Mr. Russell: That has nothing to do with this debate.

Mr. DONALD: The hon. member for Dalby does not like it, but all that I ask him to do is to listen to what this editor of a Tory paper had to say on this vexed question. He continues—

"To try to upset the Cain Government because the Chifley Government has given notice of intention to acquire the trading banks would stretch beyond reasonable lengths all the usages and customs of political life. The pretext or excuse affords no valid ground for a State overturn, and would satisfy none but the most rabid of anti-Labour partisans."

(Opposition interjections.)

And that is why the hon. member for West Moreton and the hon. member for Dalby are satisfied with this undemocratic action because they are the most rabid of anti-Labour partisans.

The editorial goes on—

"Many people realise that, however emphatic the vote, the electors of Victoria cannot settle the fate of the banking project, and they will look beyond this selected issue to others involving the right and title of a small clique of an unrepresentative Chamber to shape political events, according to its own concepts of what is right and proper at any time.

"How it (the Federal nationalisation of banks plan) can be hinged to policies and activities of the Cain Government, and how this issue is to be resolved by an election in Victoria, are beyond the plain man's understanding. . . . People bred in the liberal tradition of parliamentary practice would find it impossible to accept a prospect of dictation by a most unrepresentative body taking the law into its hands and usurping the roles of the Chamber elected on universal franchise.

"The spectacle of a coterie within the Upper House assuming direction of the State's affairs would be an affront. Even though such a thing would not be unconstitutional, it would be so diametrically opposed to all political traditions and customs as to be morally repugnant to the Constitution.

"And again: 'In refusing Supply, except on condition of an early election, the Council leaders proclaim in the crudest and most provocative way that a small coterie of at most 19, dominated by an inner junta of three or four, can at any time, if they are so disposed, take on themselves the right to upset the Government of the State on any issue of their own choosing, State or Federal.

"'In recent times there has been much talk of dictatorship threatening the lives and liberties of the people. But this week's proceedings in the Victorian Parliament suggest that another species of dictatorship, always latent in our State political set-up, was being overlooked until an overt happening of this kind thrust it into the open. This phase of events preceding the election is bound to form the subject of much discussion when the campaign gets under way.'"

At 11.49 a.m.,

The CHAIRMAN resumed the chair.

Mr. DONALD: Yet in spite of all this hon. members opposite have the audacity to say that Labour Governments, State and Federal, speak only for the few whereas this article says that a small coterie, three or four men not responsible to the electors can force the Cain Government to an election, and, what is worse, can withhold the wages of the men and women who have worked and earned them. These four men representing big business and financial institutions, can say to the workers, "You can work and earn your wages but you cannot have them because the Federal Government are going to nationalise the banks."

Then we have the hon. member for Enoggera getting up in this Chamber and suggesting that Queensland should secede from the Commonwealth. He was supported by the hon. member for Windsor who in true Mussolini style called for volunteers to march on the capital. The only thing he forgot was to promise to supply black or brown shirts to all those who responded to his call to march on Canberra. The Labour Party is the only political party in Australia that prints and publishes its constitution, objective, method of obtaining its objective, and its platform. We have nothing to be ashamed of and nothing to hide. The objective of the party is the socialisation of industry—of production, distribution and exchange. One of the methods to be used to gain that objective is the extension of the scope and power of the Commonwealth Bank until complete control of banking is in the hands of the people. We stand for the people, not a few of the people.

As nationalisation of banking has been a prominent plank in the party's platform for many years, why should the wealthy financial interests, through their controlled Press and political representatives, pretend to be surprised when a Labour Prime Minister announces the intention of his Government to nationalise the whole of the private banks? With a majority of both Houses of Parliament, and with the loyal support and co-operation of his Ministers, and members of the Senate and House of Representatives, together with the same loyal support and co-operation of the people of Australia, it is a perfectly logical and certainly an honest action for the Prime Minister to implement his Government's programme and party's platform, particularly having received a mandate from the people to do so.

Moreover, while a proposal so controversial as the nationalisation of banking would obviously produce, from supporters of private control of the financial system, such roars of indignation as have been heard, and are still being heard, it is apparent that the announcement is also having an electrifying effect in rousing the enthusiasm of stalwarts in the rank and file of the Labour Party, who have been looking and hoping for some bold measure of advancement towards the socialisation objective.

An issue that in the light of future economic possibilities requires calm and reasoning examination is being distorted by just such emotional appeals to fear, ignorance and prejudice as marked the opposition to the banking legislation two years ago, and to the original measures establishing the Commonwealth Bank itself. It is strange to find once again the opponents of Labour adopting as propaganda tactics the premature display of bogies that has proved so disastrous to them in the past. One can almost see and at times hear the roar of George Reid's socialistic tiger stalking the land. Well, it is a peaceful revolution and if it is Socialism, then it is what the people want.

It is equally curious to find the Opposition spokesmen now pointing to the banking legislation of 1945 as representing all that is required to maintain Australia's economic stability, just as though they had not bitterly attacked that legislation at the time, and just as though they had not marshalled every form of pressure to dissuade the Government from proceeding with it. The somersault performed in order to take this attitude ignores two extremely important facts, the acute decline in the economic situation overseas, and the High Court judgment invalidating Section 48 of the Commonwealth Bank Act of 1945, casting doubt over the whole Central Bank control, then taking over the direction of lending. This control is essential to the Commonwealth's high-income, full-employment policy. There is in fact every reason to assume that the Government's decision flows from a legal opinion that the effect of the High Court judgment is not merely to invalidate one section of the 1945 legislation, but to cast doubt on the security of the legal foundations on which much of that wall of protection against booms and depressions was built.

It is in this light that the charge must be viewed that the Government are proceeding far beyond the terms of the great electoral mandate they received a year ago. The charge is that the Government did not announce proposals for the nationalisation of the banking system during the last election campaign. But the very basis of the Labour Party's appeal to the people then was that it would increase such economic and financial controls as would prevent inflation from developing, and equally would prevent a recurrence of such a disastrous depression as brought ruin, despair and misery to a large proportion of Australian workers during the early 30's.

The power taken under the 1945 legislation appeared sufficient for that purpose, and even the most bitter opponents of that measure did not then question its legality. Yet a wide breach has been made in those powers at the very first assault. No-one is now able to say that further breaches would not be driven into that wall of protection by further legal challenges. With the economic storm developing overseas, the Government would have been open to a charge of betrayal of the mandate they received from the electors of the Commonwealth had they not gone ahead with their recommendation, which is now before Parliament.

There is nothing shocking or revolutionary about the Federal Government's decision to implement the Labour Party's policy by nationalising banking. Nationalisation has been an integral plank of Labour's policy for many years, and Mr. Chifley has been a strong advocate of governmental control of finance. The decision is probably the result of the High Court majority judgment invalidating Section 48 of the Commonwealth Bank Act of 1945, under which the Commonwealth sought to prevent private banks from accepting business from State instrumentalities. The plan that all governmental banking should be with government banks is an important part of the Prime Minister's financial machinery to maintain a high-income, full-employment economy. For that objective the present Administration undoubtedly possesses a strong popular mandate, and it is reasonable and logical to assume that Labour's financial-control policy was endorsed at the general elections last year. Surely the Government are fully entitled to use constitutional methods to achieve this aim? That is unchallengeable, Mr. Mann. The unscrupulously conducted campaign being waged in the hope of preventing the Federal Cabinet's banking recommendations from being put into operation clearly illustrates the extent to which moneyed interests are able to command a multiplicity of high-powered methods of bemusing and manipulating public opinion. The close alliance between a section of the daily Press and the trading banks, sometimes with interlocking directorates, is also emphasised by the way in which these papers have used their news columns to influence the opinion of their readers. Without any pretence of impartiality in presenting the developments in this vital controversy, they have devoted space without limit under scare headlines to the outpouring of opponents of nationalisation, and have picked from the statements of those advocating nationalisation isolated sentences that might be useful for twisting in the campaign against the Government.

The organised efforts to inflame and manipulate public opinion had for their objective the intimidation of Cabinet and the Parliamentary Labour Party to prevent the proposals from coming before Parliament, but fortunately for the people of Australia the Labour Party has no fear of the wealthy financial interests of the Commonwealth because the Labour Party is the true people's party, sworn to serve the people; and it will continue to serve the people and give useful service to the people. This aim was doomed to meet with failure, as was the revived technique of suggesting a split in the ranks of the Labour Party. There have been splits in the ranks of the Labour Party.

From time to time we have to have a cleaning process, but the Labour Party has never been split because Labour Governments returned to either a State or the Federal Parliament has been courageous to place on the statute books of the State or Commonwealth the planks of our platform because the people desired them. Actions like those being taken by the Federal Government will not split the Labour Party. On the contrary

they will solidify the party and make the Government stronger, better and more capable of looking after the interests of the people. That is all that the Labour Party exists for.

I take this opportunity of replying to some of the very unfair and unfounded criticism made by members of the Opposition because the hon. member for Fortitude Valley came down from his Speaker's chair to the floor of the Chamber and declared himself on this issue. At the outset I say that the speech made by Mr. Speaker was one of the best in this debate. It was made in a masterly fashion without heat or passion and it was full of facts. Not one of his facts have been disproved by the lengthy discussions that have followed. It was suggested by the hon. member for Aubigny that the speech made by the hon. member for Fortitude Valley perturbed Government members; on the contrary, it pleased Government members and greatly perturbed members of the Opposition, as has been indicated by the hysterical outbursts of the speeches following that made by the hon. member for Fortitude Valley.

The hon. gentleman was accused of being a hypocrite but I say advisedly that if the hon. member for Fortitude Valley had chosen to remain in the Speaker's chair or in the lobbies of this House and not declared himself on this issue we might have been able to say he was a hypocrite. But he has been nothing of the kind. As is his privilege, he has come onto the floor of the Chamber to let his electors know where he stood on this issue. That is his right and privilege and I am surprised that hon. members opposite, from the newest to the oldest of them in relation to their entry here, should have criticised him as they did.

With their consistent inconsistency they first accused him of giving utterance to views in defiance of the Government. He was supposed to have embarrassed the members of the Cabinet and the Government, yet the hon. member for Aubigny, in concluding his speech said that he was delivering the speech at the instructions of the Government. They say he was embarrassing the Government in delivering his speech but I would tell the hon. member for West Moreton and the remainder of the Opposition that all Government members support the speech made by the hon. member for Fortitude Valley.

Each member of the Australian Labour Party signs a pledge on entering it. This is not signed lightly. Therefore there is an obligation on every man who sits on this side of the Chamber to the party to which he swears allegiance. He cannot come in and out of the party as he likes, as members do on the other side. Men cannot change their label and remain true to the people who elect them. We have nothing to be ashamed of. We are the most respected political party of any in the Commonwealth.

A number of other hon. members wish to speak in this debate and I have been asked to be as brief as possible and I will conclude on this note. I want hon. members to listen while I quote from one of the greatest democrats that ever lived. I want the Com-

mittee to take notice of his opinions on the banking system. This man won the respect not only of the citizens of his own country but of people throughout the world. By his personal ability he thrust himself to the head of one of the largest nations in the world. He was beloved by his own people and by democrats everywhere. As we have heard so much about democracy and dictatorship, I hope hon. members will listen and benefit by what this gentleman had to say on banking.

Mr. Macdonald: Mr. Lenin?

Mr. DONALD: No, he was not a Communist. What a one-track mind these musty conservative Tories have! In their view everything that is progressive, whether it comes from the Melbourne "Age" or some other publication, must be a Communistic article. While the Communist Party is a working-class party, I still claim, and rightly so, that the political party of the workers of Australia is the Australian Labour Party.

This great democrat, said—

"Money is the creature of law, and the creation of the original issue of money should be maintained as an exclusive monopoly of national government"

and it is not Mr. Lenin who is saying this—

"Government possessing the power to create and issue currency and credit as money and enjoying the right to withdraw both currency and credit from circulation by taxation and otherwise, need not and should not borrow capital at interest as the means of financing Governmental work and public enterprise.

"The Government should create, issue, and circulate all the currency and credit needed to satisfy the spending power of the Government and the buying power of consumers.

"The privilege of creating and issuing money is not only the supreme prerogative of government, but it is the Government's greatest opportunity.

"By the adoption of these principles, the long-felt want for a uniform medium will be satisfied.

"The taxpayers will be saved immense sums in interest, discounts, and exchanges.

"The financing of all public enterprise, the maintenance of stable government, and ordered progress and the conduct of the Treasury, will become matters of practical administration.

"The people can, and will, be furnished with a currency as safe as their own Government.

"Money will cease to master and become the servant of humanity.

"Democracy will rise superior to the money power."

That is the ideal behind the drive of the Federal Labour Government to nationalise the banking system of this country. The man who wrote that article was not a Labour man, but he could see what the Opposition will not see, or what they cannot see but what the Labour Party is putting into effect now. He

could see that what the Labour Party is doing is what is wanted, what is in the interests of the people.

Mr. Maher: Who was he?

Mr. DONALD: The man who wrote that article was Abraham Lincoln, an ex-President of the United States of America, a country that the Opposition have held up during this debate as doing everything that is right, as a place where private enterprise has full control of everything, yet years and years ago a President of that country was advocating what the Australian Labour Party is putting into effect today.

Irrespective of the pressure that is being used by the Opposition and the financial institutions of Australia, the Commonwealth Government will place this legislation on the statute-book and the banks of Australia will then belong to the people of the Commonwealth.

Mr. RUSSELL (Dalby) (12.8 p.m.): It was interesting to hear the congratulatory remarks tendered to the Treasurer on his Financial Statement. When I heard those congratulations, as expressed by the hon. member for Bremer, it suggested to me that many hon. members on the Government side do not know what they were talking about, because the Financial Statement is not a matter for congratulation.

At first glance the Financial Statement looks all right. It shows a surplus of £15,856, and that looks gratifying, but this is no indication of the drift in the finances of the State, because that result can be achieved by adjusting various accounts. Moneys can be appropriated, for instance, from loan funds or the Post-war Reconstruction and Development Trust Fund.

Another thing that is wrong about the Government's accounts is that they do not differentiate between capital expenditure and working expenditure. This puts us somewhat in the dark as to what the actual position of the State's finances is.

Criticism of the Budget is usually along the lines of criticism of excessive expenditure, but any criticism I have to offer will be along the lines of helpful suggestions. I hope it will be regarded in that light. I feel that greater expenditure should be directed to bringing about the development of the State and, particularly, the decentralisation of our population. The only way the Government can do this is by the creation of opportunities in the country for our young people, especially in the rural districts. As the hon. member for Gregory just told me, you can go to Western towns and find that all the young people have gone and the people carrying on industry there are in their middle years. What is going to happen is fairly obvious.

I see in Table D5 on page 22 of the Tables relating to the Treasurer's Financial Statement that the amount standing to the credit of the Post-war Reconstruction and Development Trust Fund is £8,037,562 and it appears to me that whilst the railways have contri-

buted to that fund and are entitled to a large share of it the Government could use the greater portion of this money for the purpose of rehabilitation of the railways, which, I believe, could play the major part in the development of this State.

This is the first opportunity I have had of fully replying to the speech made by the Minister for Transport on 27 August last during the debate on the Address in Reply. I have studied his speech very carefully and in it will be seen a large amount of flattery not only of myself—which I might be pardoned for swallowing were it not for the flattery of the department itself, which is there to the point of complacency.

The Minister implied that the grievances of the country people so far as the railways are concerned are imaginary and that the grievances have only to be brought to him to be corrected to the limit of the public purse. Mr. Mann, in order to get results it is not sufficient to deal with individual anomalies on application; you have to alter the whole rail-freight classification table.

Mr. Aikens: And get rid of some of the administrative officers.

Mr. RUSSELL: Exactly. The Minister says that anything that affects the railway revenue will affect the economy and well-being of the State. That is no argument for the maintenance of the present rail-freight classification; it could only be sustained if the railways were competitive. As things are, competition has been eliminated by a system of prohibition and taxation that protects the railways from further loss which is purely the result of inefficient administration.

Mr. Hilton: Are you arguing that the concessional rates should be abolished?

Mr. RUSSELL: I shall deal with the various items and the hon. member for Carnarvon should appreciate my points if he has the interests of the country people at heart. I hope the hon. member for Carnarvon will listen attentively, because so far as I can see he has a great deal to learn. There is no question that the railways could be made to pay if they were efficiently run but that might not be desirable. We must regard transport as a whole and for the sake of development of the State it might be desirable to show a deficit.

The Minister says that owing to the immense area of the State it has been necessary to build lines of a much lower standard than would be built if we were concerned solely with laying down tracks and building railway bridges that would permit trains carrying much heavier loads to travel at much faster speeds over our system.

I fully appreciate the reasons why it was done, but in the light of our present-day experience I feel that the policy can now be regarded as false economy and there is no reason why it should not be corrected so as to prevent a continuation of the present method of running, which is to the detriment of the development of the State. It must be

conceded that on long-distance runs costs must be lessened by a cutting down of the running time.

The Minister said that I was not fair in my criticism of the railways in that I was not prepared to make a detailed analysis of the problems confronting them but what could be fairer than a comparison with the other States? Apparently such an analysis should take into consideration the fact that since 1863 we have been building lines of a lower standard than would be necessary if we were solely concerned with laying down track and the building of bridges and should take into consideration also the fact that in those days the lines were laid on an earth-packed bed. Why not think progressively and build lines to develop the State by running the railways for the benefit of the people in the outlying areas?

Mr. Aikens: Would you advocate a first-class line with the running of one train a week?

Mr. RUSSELL: No. There are very few lines on which there is only one train a week and those are not the lines that I am talking about now.

Professor Bridgen pointed out in one of his reports on railways that expenses vary very little with traffic. Therefore the railways should compete for all the traffic that is at present being lost to it. I have pointed out before that the desirable method is not to tax competitive forms of transport off the road but to make the rates competitive so that they cannot compete with the railways.

The cost per unit of traffic falls with the increased freight and in view of the traffic lost to the railways the Minister's statement that improvements were not justified seems to be unsound while we are giving so much away to competitive forms of transport.

Mr. Aikens: They are archaic as well as being unsound.

Mr. RUSSELL: Archaic, exactly.

Mr. Hilton: If the heavy-vehicle fees were removed, both forms of transport would still be unable to carry the iron products from New South Wales to Southern Queensland at an economic price. Where does competition come in?

Mr. RUSSELL: The railways are losing the high-class traffic and that should not be lost.

The Minister in reply to my statement rather misled the Chamber and there are two points in particular in his address that I feel were calculated to mislead. He certainly left that impression, even if he did not make the direct statement. One was that our costs were higher in this State because of our geographic and tropical conditions and the other was that other States had increased their railway freights by between 15 and 40 per cent. He stopped there and did not say anything more. However, when we come to look at the freights charged in the other States since they have been increased we find that for Class II goods in New South Wales

for long-distance haulage the rate is 332s. a ton against our 387s. a ton. He left us with the impression that the railways in this State compared favourably with those in the other States.

The Minister went on to say that in this State we did not have the material, the men, the money or the time to carry out the recommended necessary improvements.

That seems to me a very good argument against the 40-hour week, which the Premier says will not increase costs or decrease production, despite the Treasurer's estimate that the railway expenditure will cost £1,000,000 more this financial year.

Mr. Aikens: If you tell the Minister how he can get back that high-freight loading to the railways he will give you a little locomotive to wear on your watch-chain.

Mr. RUSSELL: He can do that by reducing railway freights. (Government laughter.)

While all this talk about the 40-hour week was going on, the Minister for Transport said nothing. From his acquiescence in the statements I have referred to one would infer that he agreed with them—that there will be no increase in costs under a 40-hour week and that production will not be lessened, but before the ink is dry on the Bill passed through the House we have him making this statement to the Press—

“The 40-hour week will cost the Railway Department hundreds of thousands of pounds. We have had estimates drawn up, but I am not prepared to say what the amounts are yet.”

He is not game to say what the amounts are.

He proceeded to say—

“Our capacity to effect improvements has been seriously impaired. We have 560 wagons loaded with timber, which cannot be taken to the various sawmills because we have not the locomotives to handle the transport.”

As far as I can see, the Railway Department employees are not willing to work overtime. If that is so, then we face a very serious transport position in this State.

Mr. Aikens: What is the good of working overtime in obsolete workshops.

Mr. RUSSELL: The only way to bring them up to date is to carry out the necessary improvements.

During this misleading appeal to the public in the debate on the 40-hour week it was very noticeable that when production was mentioned quantity was not mentioned, only value. This was calculated to mislead not only members in this Chamber, but also the public. What is wrong with telling the public the truth?

The Minister tried to justify the running of the railways but measured by all the standards that we know their administration leaves much to be desired.

The present policy of the Government is not to make any new railway extensions because of the disastrous financial results that

have been experienced. I believe that this is due to two major factors of policy. One is that because the railways are subject to political control it is impossible to get efficiency into them, and the second is this pernicious system of promotion by seniority, which is soul-destroying. No private enterprise could do this and carry on an undertaking efficiently. The only solution to the problem is to free the railways from political control and introduce a system whereby promotion is made because of merit and ability.

Mr. Aikens: You believe in nepotism instead of seniority.

The CHAIRMAN: Order!

Mr. RUSSELL: I believe in promotion by ability and merit. The man who works should have preference in advancement. The present system can have only bad results because it is preventing the full development of the State.

Its greatest immediate result is the prevention of the linking of very important lines in the railway system, which would make them complete from a State development point of view. The Minister contends that I mentioned only isolated anomalies, but the railway freight classification is full of them.

I believe that the railways should be the instrumentality by which this State can be more fully developed, but the Minister implied that this was not their function. On the other hand, we find that the railways are being used to help certain sections of the State, the most notable of which is the support and help given to coastal ports.

This is inconsistent. The Minister cannot have it both ways. If you are going to do it, be reasonable about it and use the principle properly, use it consistently. I am going to show that this principle of giving assistance to ports is not having the desired benefit but is having a detrimental effect on the hinterland of those ports.

For instance the freight on long-distance haulage does not apply if goods are freighted through Rockhampton, and it would appear that the reason is the desire to protect the port of Rockhampton. What actually happens is that it enables shipping to charge higher freights than would be charged if the long-distance concession applied. Under the freight classification the rate for Class II goods for long-distance haulage—1,000 miles—if they do not go through Rockhampton, is 387s. a ton, whereas if they go through Rockhampton the freight is 612s. 3d. a ton. That is a penalty for living in Central Queensland.

Mr. Aikens: There are worse cases than that.

Mr. RUSSELL: Yes, but I have not the time to mention all of them. Protecting a port from the competition of Brisbane by taxing its hinterland may have some justification if you are not interested in country development, but what possible justification could be suggested for protecting the port from competition with the ports north of it? This concession has the effect of protecting shipping because as a result the ships are able to charge higher freights.

I realise that it would be difficult to ascertain the profits made by interstate shipping companies on their Queensland intrastate trade, but there is ample evidence that these companies are able to make very good profits, as shown in the balance sheets of the North Coast Steam Navigation Company of New South Wales. Prior to the war this company ran a very successful trade on the coast of New South Wales, where the longest run is about equal to the run from Brisbane to Rockhampton and long-distance runs, such as we have on the Queensland coast, favour shipping. The company in addition had to use small ships because large ships were unsuitable to that trade, yet in spite of this was able to compete successfully against the coastal railways, which have lower rail freights than the railways of this State. The company has received little encouragement from the New South Wales Government, and according to an officer of the Maritime Service Board has often been very unfairly treated by the Government railways, which have repeatedly cut freights to compete with them; and they have no guarantee of back-loading, as does interstate shipping on the Queensland coast, which gets wool and sugar from the North.

Despite these disadvantages this company paid handsome dividends right up to the war, when most of the ships were taken over. For the 11 years prior to the war, including the depression years it showed regularly dividends of over 8 per cent., which proves that the traffic is profitable, and shows what can be done by a progressive company. This company set out to sell its services and it took steps to assist the formation of co-operative and other companies on the North Coast of New South Wales that would provide the necessary back-loading. This company has been of considerable assistance to the development of the North coast of New South Wales.

From this it will be seen that it would be a good thing for Queensland if we removed the penalties on goods going through Rockhampton and so ceased to help interstate shipping. It might have the effect—I do not know whether it would—of forcing these companies to develop industry in order to provide return loading. However, quite apart from these considerations, think of the assistance that it would give to people living in the hinterland of North, Central, and North-western Queensland. We might see North Queensland go ahead as the North Coast of New South Wales has gone ahead.

There is another reason why the penalty rates retard North Queensland development. Manufacturers and direct importers are deprived, by reason of these penalty rates, of the advantage they have to their proximity to other parts of the State, and consequently they have no encouragement to come to Queensland. The Government, with their so-called decentralisation policy, are responsible for the worst form of centralisation—the centralisation of manufacturing and entrepot trade in the large southern capitals. If it is necessary to protect the Northern ports, it should be done at the expense of the whole State, possibly with Federal help. Subsidising them by taxing

the producers only is unfair. That is a section of the community the Government will have to build up if they want the State fully developed. It is unfair to tax them in this way as it restricts production and reduces prosperity in the hinterland, and that in turn causes stagnation in the ports. If the producers were made prosperous that prosperity would be reflected in the prosperity of the ports.

Mr. Collins: You do not suggest that they are not prosperous now?

Mr. RUSSELL: One has only to look at Winton and some of the other places in the West to find the answer to that question. People have left. Fifty years ago these towns were better than they are now. No young people will stay in the West because there are no opportunities for them there, and that lack of opportunities is the responsibility of the Government; it is they who must create the incentive for people to stay there, and I am suggesting certain things that could be done.

Mr. Aikens: These towns were bigger 30 years ago than they are today.

Mr. Collins: Do you suggest that Dalby is not prosperous?

Mr. RUSSELL: It is a farming community. I am referring to the northern areas.

The CHAIRMAN: Order! I think the hon. member for Dalby should be allowed to make his speech uninterruptedly.

Mr. RUSSELL: I was stating that if the producers were prosperous their prosperity would be reflected in the ports, if efficient ports were chosen, and because of that prosperity little direct aid would be needed.

The Railway Department has the erroneous idea that the to-port rates assist development. The system of to-port rates was first adopted to assist in the export of our primary products, but it has since been extended to give benefit to the coastal towns and cities, and has been largely responsible for the concentration of population there. When the goods are consumed in towns, the reduced freights benefit the producers little. The reduced costs in the town have the effect of encouraging people to move in from the country to enjoy the higher standard of living that the people of Brisbane and other coastal towns are able to enjoy.

Mr. Collins: It was to assist primary producers to export their goods.

Mr. RUSSELL: I know, but it has been extended to include the consumers of the cities, too, and the benefit is lost. The producers' concern only is to make his industry profitable.

The Minister completely ignored my reasoning with regard to border freights and drew a red herring across the trail by talking about my personal affairs. My point was that products should unquestionably go to the best market. If the market in Sydney is higher than that in Brisbane, then the Brisbane market would rise and so attract trade back.

There is nothing wrong with the rail freight from Cunnamulla to Brisbane but there is something radically wrong with the rail freight from Coongoola to Brisbane. It is 109s. 9d. from Cunnamulla and 135s. from Coongoola which is about 30 miles nearer to Brisbane.

The Minister, although he replied to my suggestion that the freight on scoured wool should be lower than that on greasy wool, ignored my reason for advocating this concession, which was to establish industry in the country areas. The Minister's reply was to the effect that the value of scoured wool was greater and that therefore a higher rate was justified, but that is quite beside the point.

Mr. Duggan: That was not the only point. The other point was that it requires three wagons to carry the same weight of scoured wool as two wagons can carry of greasy wool.

Mr. RUSSELL: By the same process of reasoning AAA wool, which is the highest grade and which takes more space, should command a higher freight rate still. The Minister does not listen when I tell him the reasons why it will not work out.

Mr. Devries: You are not stating a fact with regard to the greasy clothing wool.

Mr. RUSSELL: The rail freight on greasy wool is the same, irrespective of grade.

Mr. Duggan: Will you admit that more people are living outside the metropolitan area in Queensland than in any other State?

Mr. RUSSELL: I do not know the figures and I am not prepared to argue on that, but Queensland is a big State.

The Minister did not answer my suggestion that important rail links in our system should be built. I suggested that we should take this very valuable opportunity, when the burden will not be placed solely on the State, because the Federal Government are anxious to contribute something in this direction. The State Government have put it off by suggesting the ridiculous undertaking of building a line out to the western rivers where nobody wants to live at this stage of our development.

All these are points that I should like the Minister to answer but he evaded them by telling this Assembly how much money I made out of the sale of wool railed from Cunnamulla, and that is a stupid evasion. I admit that I make some money on the properties that I administer in the West. Is there anything wrong with being successful? Is it a necessary qualification for membership of the Australian Labour Party that one must be a failure at one's own business? I do not suggest that I run these places at a loss.

Mr. Duggan: That was not the point at all. The point was that the freight rate did not prevent you from selling your wool at a profit.

Mr. RUSSELL: The Minister quoted £23,000, which seems a great sum of money, but he forgot to mention that there are many

other things besides £600 to the Railway Department to be paid out of that. He forgot such things as Government taxes, rents and so on.

The construction of the rail link between Blackall and Charleville was recommended by a commission appointed by the Government in 1939.

It was recommended so as to reduce the stock losses which have been so serious in that part of Queensland. The report also stated that the estimated stock losses over an 11-year period were £8,840,933. It further stated that the inability to travel stock from north to south by a direct rail link has been a major factor in the disastrous losses our flocks have suffered.

Mr. Mann: It is not generally appreciated that the area from Bourke in New South Wales to Cloncurry, through which these lines would run, carries nine-tenths of the sheep population of this State.

Mr. Aikens: Before they started to let them die off to save taxaton.

Mr. RUSSELL: I am coming to that. The north-south rail link would enable the normal and natural flow of stock from Queensland into the Southern States to continue, whether there was a drought or a good season.

The Government cannot alter the geographical features that cause the population to be concentrated on the coastal fringe of this continent. That is where the markets are, and there is no reason, I submit, why outback Queensland should be supplied from the bottleneck of Brisbane and no sound reason why millions of pounds should be lost because our railway system is purely political in its conception.

If you look at a map, Mr. Mann, you will see that the natural flow of stock from Queensland is to the south. A glance at the stock routes will show that they follow the rivers south-east, south, and south-west. Queensland, as hon. members representing western areas realise, is really a large breeding area and it is necessary to dispose of our store stock from that area because it is impossible to fatten them off. Excepting in drought periods there is a constant stream of store stock to New South Wales, South Australia, and Victoria.

The proposed link would open up a large area of clean country and the stock could then be treated at meatworks at Bourke and in the southern capitals. This would be of the greatest benefit to the Northern Territory and the Gulf country. Only persons actively engaged in the cattle and sheep industries of Western Queensland realise the tremendous losses to which the industries are subject. Of course, it must be realised that it is impossible to rail weak sheep right round by the coast, which is the only route available at the present time and will continue to be so until these links, which are comparatively cheap in construction, are made. If we had these links store stock could be fed into the railway links and taken to pastures in the south.

A further glance at a map shows that this is the natural outlet of our sheep and it would be of material help to the State. It would not affect the coastal meatworks and industries to any important extent.

Most of the cattle for the Townsville and Reckhampton meatworks are drawn from ticky areas that at present carry about 5,000,000 cattle, whereas the areas that would serve the railways I have described carry about 1,000,000 head, and as it is clean country ticky cattle are not permitted to enter. Consequently, no great harm would be done to the coastal meatworks of this State.

I now desire to take the opportunity of replying to the hon. member for Munding-burra, who has accused the graziers of killing off their stock by sending them out to die.

Mr. AIKENS: Mr. Mann, I rise to a point of order. I never accused the graziers. The graziers accused themselves and the Secretary of the Selectors' Association admitted the truth of the statement.

Mr. RUSSELL: There may be people who do these things. They may become so uninged mentally because of living out there under the conditions that obtain that they do these things, but as a general rule it is not so. However, I should like to point out also that because of drought conditions peculiar to this country a man cannot take the risk of selling his sheep at give-away prices, because it may rain tomorrow. If it should rain tomorrow the stock are all right, but if he should sell and it should rain tomorrow the market would be in such a position that he could not re-stock.

Mr. Aikens: Now you are quibbling. They will not sell them or even shear them.

Mr. RUSSELL: It is true that sheep numbers have been considerably reduced very largely because of labour conditions. The situation is brought about because people have not joined their rams so as to provide natural increases. They prefer to run dry sheep instead of having breeding flocks on country suitable for them, but that is purely the result of labour conditions.

Mr. Aikens: You admit that they are decreasing their flocks voluntarily?

Mr. RUSSELL: Yes, because they cannot get station labour. Most of Queensland is subject to very severe drought conditions. Speaking of my own personal position, my companies have not tried to reduce our numbers for any reason at all.

Mr. Devries: If you cannot get the labour, what can you do?

Mr. RUSSELL: Then you have to do it, and that is the position in the far North-West.

Mr. Aikens: Will you answer this question? If there had been no drought—

Mr. RUSSELL: I cannot answer it in the limited time at my disposal.

I now want to enter an emphatic protest against the action of the Minister for Trans-

port in imposing state taxation on airways. The State Government do not propose to provide anything at all. I am advised by people in the air-transport business that a 10 per cent. increase in gross takings means 25 per cent. increase in the fares payable by people who want to travel by air and that to me seems to be an unfair imposition on people who live in the country. The business man, the wealthy man, can still use his motor-car. I wonder whether hon. members have ever travelled with a family of young children on some of the western trains in the summer-time. What a boon it is to the working woman or the poorer person to be able to travel with her children down to the coast in a couple of hours! This increase in taxation is going to make it more difficult for the working man and woman to enjoy the boon of air travel. The Government should realise that only the poorer section of the people will be affected by this increase. It will not affect me. I shall still be able to afford the increased price, but I am thinking of the less favoured persons who live in far Western Queensland.

Mr. Aikens: Then why do you not shout them their trips to the coast?

Mr. RUSSELL: I do, occasionally.

Looking through the Estimates I could not help being struck by the small amount that is paid for brains—the small remuneration paid to the heads of our Public Service. Private enterprise offers higher salaries for jobs that are as responsible as these. A well-paid executive position creates a goal for everybody right through the department to work and aim for. I feel sure that if we increased the remuneration to the heads and more responsible members of the Public Service we should get far better results.

Mr. Devries: By increasing railway freights?

Mr. RUSSELL: I said the heads of the Public Service.

Mr. Devries: How are you to increase their salaries under present conditions?

Mr. RUSSELL: I will develop that. I suggest that an efficient administration could weed out a tremendous number of hangers-on in the Public Service who would be very much more usefully employed out in the world where they would probably make niches for themselves and get on much better.

Looking through the Estimates at random these things are obvious. For example, in the Survey Office, with the exception of the Surveyor-General, no-one seems to be worth more than £1,000 a year. The same remarks apply to the Treasury and the Department of Mines. This is shown on page 13, Table C, of the Financial Statement. The Federal Government have recently increased the salaries of departmental heads and I heartily agree with that. I am not suggesting that we should follow their example and increase the salaries of members of Parliament, but I do think we should follow their example in raising the salaries of departmental heads.

Referring to Table C of the Financial Statement, you will see that the Stamp Office provides an amount of nearly £2,000,000. Surely that justifies the appointment of a full-time commissioner? This is a highly technical job. At present the administration of the Stamp Office, to put it mildly, is disgraceful. It is holding up the conduct of ordinary business. The appointment of a full-time commissioner at a decent salary would be very heartily welcomed, I am sure, by members of the legal profession. I have had before the Stamp Office a document that has been held up for two years. I have not asked for a favourable decision, only for a decision. If they would give a decision we should know what to do, but to say nothing is not doing the job. That is not an isolated example. Any member of the legal profession will tell you how difficult is the position. It takes time to keep on bringing up the same thing.

I feel that the Government should make available a greater amount for education and make economies in other directions. There is nothing more important and nothing that is making the position of the average family in the country more difficult than the difficulty of getting satisfactory education for the children. The Government should increase the allocation under this heading to provide for such things as hostels and living-away allowances. I feel it is necessary also, in order to encourage more people into the teaching staff today, that the salaries and status of teachers generally should be raised.

I realise the problem confronting the department is one of trained staff, but some of its problems can be corrected by spending a little money and there is no reason why that should not be done. I have had before the department several requests that really deserve consideration, and they were turned down on the ground of expense. You cannot get staff, but you can pay money to bring children from the widely-separated areas to central schools.

Mr. Mann, I understand my time has expired.

The CHAIRMAN: The hon. member's time has not expired, but the House will adjourn at 1 o'clock.

Mr. RUSSELL: May I have permission to continue tomorrow?

The CHAIRMAN: Is it the pleasure of the Committee that the hon. member be allowed to continue his speech tomorrow?

Honourable Members: Hear, hear!

Hon. J. LARCOMBE (Rockhampton—Treasurer): I move—

“That you do now leave the chair, report progress and ask leave to sit again.”

Question put, and the Committee divided—

The CHAIRMAN: As there are not two tellers for the “noes,” I declare the question in the affirmative.

Progress reported.

The House adjourned at 1 p.m.