

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 17 OCTOBER 1950

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Mr. SPEAKER (Hon. J. H. Mann, Brisbane) took the chair at 11 a.m.

AUDITOR-GENERAL'S REPORT.

LOANS SINKING FUNDS.

Mr. SPEAKER announced the receipt from the Auditor-General of his report on the operations of the various sinking funds of the State for the year 1949-50.

Ordered to be printed.

QUESTIONS.

COMMONWEALTH AID, BURDEKIN DAM SCHEME.

Mr. McCATHIE (Haughton) asked the Premier—

“Has his attention been drawn to an article appearing in the ‘Courier-Mail’ of 12 October, with respect to the Federal Government’s attitude to the Burdekin dam scheme? If so, will he make a statement on this matter?”

Hon. E. M. HANLON (Ithaca) replied—

“Yes. If there is any foundation for the statement which appeared in the press, it is just another indication of the present Federal Government’s complete indifference to the future well-being of the Northern part of this State. I find it difficult, however, to believe that the Commonwealth Government will refuse to contribute towards the cost of this major project which will be the means of attracting a greatly increased population to North Queensland. As population is so vital to the defence of North Queensland, the Commonwealth Government has, I feel, an obligation to the people of this country to see that the Burdekin project is completed with a minimum of delay. I have already made it perfectly clear that with or without Commonwealth assistance, the Queensland Government is proceeding with the project. Without Commonwealth financial assistance, however, the completion of the scheme will take longer than would otherwise be the case. There is no doubt as to the soundness of the scheme as propounded by my Government. In this connection, hon. members will be interested to know that in a letter dated as recently as 28 August last, the Minister for National Development (Mr. Casey) expressed the opinion that, following talks between his technical officers and the Co-ordinator-General and his officers, it looked as if the anticipated demand for power in the area within economic reach of the Burdekin could warrant the main Burdekin Dam being largely justified from the power point of view. I cannot understand why the Commonwealth Government should quibble about giving assistance to the Burdekin Scheme when it is realised that Queensland taxpayers and Queensland industry generally will be called upon to make a contribution of something like £30,000,000, approximately the cost of the Burdekin Scheme, towards the cost of the Snowy River Scheme which is regarded by the Commonwealth Government as a defence project, and is being paid for by the Commonwealth from its Defence Vote.”

COAL BOARD AND ABERDARE NO. 8 COLLIERY.

Mr. DONALD (Bremer) asked the Secretary for Mines and Immigration—

“1. Has his attention been drawn to a statement made by the Secretary of the Queensland Colliery Employees’ Union which appeared in the ‘Queensland Times’ of Thursday, 12 October, 1950, in which the Queensland Coal Board was charged, among other things, with refusing to make a joint inspection of the haulage conditions at Aberdare No. 8 Colliery, Bundamba, with a view of assisting in the settlement of a dispute which has to date been responsible for over 50 men being idle for a week and a loss of 180 tons of coal daily?

“2. Will he have inquiries made into this charge and the other charges made by Mr. Tucker in a statement referred to in the interest of those engaged in the industry?”

Hon. W. POWER (Baroona) replied—

“1. Yes.

“2. The statement reported in the newspaper referred to is concerned mainly with the refusal of the Coal Board to agree to make an inspection of Aberdare No. 8 Colliery during the period of an industrial dispute. On 5 October last, the men at this colliery, without reference to the established industrial authority or the Coal Board, ceased work on a question which involved the method of haulage and working at two places in the mine. As the hon. member is aware this cessation of work made the matter an industrial one and in terms of the Federal Award governing the coal mining industry in this State it was immediately brought within the ambit of the Reference Board constituted under that Award to settle industrial disputes in the coal mining industry. While the Coal Board has power and authority to investigate methods of working at collieries, and, if work had not ceased, would have been prepared to make such an investigation of Aberdare No. 8 Colliery, it would have been highly improper for it to intervene while the matter was before the Reference Board as such intervention might be construed as an attempt to undermine the jurisdiction and authority of the properly constituted industrial tribunal—the Local Coal Reference Board. The hon. member can rest assured that if any request is made to the Coal Board for an inspection of any mine when the efficiency of any mining methods or practices are questioned, the Coal Board will be ready and willing to accede to such request while work is continuing, and had a request of this nature been made prior to this stoppage the inspection would have been made without delay. However, as the stoppage occurred, the matter became an industrial one and not one for intervention by the Coal Board.”

FINANCIAL RESULTS, QUEENSLAND-BRITISH FOOD CORPORATION.

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

“1. In reference to his answer on 11 October to my question relative to the profit or loss on the operations of the Queensland-British Food Corporation for 1948-49, as the report for that year was for the period ended 31 March, 1949, and, as stated on page 11 thereof, the value of growing crops was then unknown and was brought ‘into the balance-sheet at the actual expenditure incurred at the farms,’ will he kindly supply the complete financial results for the first year’s operations, showing the profit or loss when the actual value of growing crops had been realised?”

“2. In regard to the supplementary accounts for 1949-50 to which he referred, will he kindly request the corporation to include a complete profit and loss account for the second year’s operations, including the amount actually realised for growing crops?”

Hon. E. M. HANLON (Ithaca) replied—

"1. The loss on the 1948-1949 crop was £21,992. It will, of course, be remembered that this crop was reduced at least 50 per cent. by exceptionally early frosts. But for these unprecedented frosts the harvest which was worth £109,000 at ports would have been in the vicinity of £220,000.

"2. Yes. The change in the corporation's financial year, mentioned in my answer to the hon. member on 16 August, will enable this to be done."

FARM MACHINERY FROM AMERICA.

Mr. JESSON (Hinchinbrook) asked the Premier—

"1. With reference to the dollar loan recently obtained by the Prime Minister from America, will he please advise whether anything has been done regarding the allocation of heavy farming and other machinery to the States?"

"2. If not, will he make strong representations to see that Queensland gets its equitable share of heavy farming machinery, particularly caterpillar tractors for farmers?"

Hon. E. M. HANLON (Ithaca) replied—

"1. and 2. Allocation of heavy farming and other machinery under the recent one hundred million dollar loan is being dealt with by a Commonwealth Advisory Panel. Applicants for import licenses have been requested to submit full details of their requirements, together with particulars of intended use of the equipment to the Central Import Licensing Branch of the Customs Department. As regards heavy earth moving equipment for Government Departments and Local Authorities for developmental works, details of the former's requirements have already been forwarded for consideration, whilst the Local Authorities' requirements which are being collated will be submitted to the Commonwealth Authorities very shortly. At the request of the Commonwealth Bureau of Agricultural Economics, a survey of the requirements of the farmers of Queensland for heavy farming machinery, including tractors, was recently made and the result forwarded to the Bureau by the Department of Agriculture and Stock. In consequence, the Commonwealth Government is well informed of this State's shortages of heavy farming equipment."

SUBSIDIES TO LOCAL BODIES.

Mr. HILEY (Coorparoo) asked the Treasurer—

"With reference to the amounts of £987,458 and £2,954,500 shown as expended 1948-49, and required for 1949-50 for loans and subsidies to local bodies, including harbour boards, how much was actually expended for subsidies to local authorities in each year?"

Hon. V. C. GAIR (South Brisbane) replied—

"1948-1949, £502,455 8s. 8d.; 1949-1950, £565,134 4s. 8d."

DELAY TO CARRIERS, BRISBANE RAILWAY STATIONS.

Mr. SPARKES (Aubigny), for **Mr. BJELKE-PETERSEN** (Barambah), asked the Minister for Transport—

"In reference to his answer to my question on 11 October, relative to Roma Street and South Brisbane Stations, in which he admitted the existing congestion, will he give favourable consideration to an extension of the present free radius of 15 miles from Brisbane for motor transport up to, say, 50 miles, in order to relieve such congestion and improve transport generally, pending the improvements in railway services to which he referred?"

Hon. J. E. DUGGAN (Toowoomba) replied—

"Should any variation be necessary in the steps now being taken to facilitate the flow of traffic to the country, an appropriate announcement will be made."

CLASS I. STATE SCHOOLS.

Mr. MORRIS (Mt. Coot-tha) asked the Secretary for Public Instruction—

"Further to my question and his answer thereto on 10 October, in relation to the 67 Class I. schools in Queensland, how many classes consisted of (a) 80 pupils or over; (b) 70 to 79 pupils; (c) 60 to 69 pupils; and (d) 50 to 59 pupils; as at 30 June, and 30 September, 1950, respectively?"

Hon. G. H. DEVRIES (Gregory) replied—

"A good deal of time and work is involved in searching the relative returns in order that the information may be compiled. The information will be supplied as soon as it is prepared."

PROMOTIONS OF SCHOOL TEACHERS.

Mr. SPARKES (Aubigny) asked the Secretary for Public Instruction—

"1. Is it a fact that promotion of teachers is made, firstly, on efficiency as indicated by the average of the last five yellow cards, and, if these are equal, on seniority as indicated by (a) classification, and (b) length of service?"

"2. If promotion is now based on the average of the last five yellow cards, at what date was this system introduced?"

"3. Who were the parties to this arrangement, if any?"

"4. Was the system of computing promotion on efficiency only submitted to the Queensland Teachers' Union? If so, what was its attitude to the proposal?"

Hon. G. H. DEVRIES (Gregory) replied—

"1. Public Service Regulations provide that in determining the claims of officers for promotion, consideration shall be given first to the relative efficiency and, in the event of an equality of efficiency of two or more officers, then to the relative seniority of the officers available for promotion to the vacancy. Grade promotions of teachers are made annually, the eligibility of a teacher for promotion being determined by the District Inspector's appraisements of his work for the previous year. The relative efficiency of head teachers seeking promotion is determined by taking the average appraisements made by the District Inspector or District Inspectors over the previous five (5) years.

"2. The system was introduced after 1927, when it was first suggested by the Queensland Teachers' Union.

"3. The Department of Public Instruction and the Queensland Teachers' Union.

"4. See answer to No. 3."

PREFABRICATED HOMES.

Mr. PIE (Kedron) asked the Secretary for Public Works, Housing and Local Government—

"Concerning State activities in connection with the importation and erection of prefabricated homes, will he state—(a) the number of prefabricated houses so far erected, if any, under the scheme; (b) the number of houses on order; (c) when such orders were placed, with what firms, companies, or persons and in what countries; (d) the estimated f.o.b. cost of such houses; (e) The estimated landed cost; (f) the estimated erected cost; and (g) the estimated cost of land, fencing, sewerage, fittings, and furnishings for each of such houses?"

Hon. W. POWER (Baroona—Secretary for Mines and Immigration), for **Hon. P. J. R. HILTON** (Carnarvon), replied—

"(a) Nil. (b) 1,450 for which contracts have been signed. (c) On 16 March, 1950, for 750 houses with Ets LeCorche Freres and Societe Des Entreprises Schroth and Co., France, and for 700 houses with Mo-Konga Trahus A/B, Stockholm, Sweden, as Supplier, and A. Sundell, Sydney, as Contractor. (d), (e), (f), (g) Contracts are for supply and erection, and the answer to questions (d), (e), (f), (g) is—Excluding cost of land which is not yet known, £3,130,858 including £435,000 subsidy to be recouped by the Commonwealth Government. Nett estimated cost £2,695,858 plus Rise and Fall. In addition to (c), a tender from Ligna and Co. Ltd., Czechoslovakia, for supply and erection of a further 750 houses for £1,355,941 10s. has been accepted, but the contract is not yet signed."

MINING OF BEACH SANDS.

Mr. PIE (Kedron) asked the Premier—

"Will he appoint a committee of inquiry to investigate all aspects of beach-sands mining in view of the fears expressed that they are likely to affect the tourist and holiday facilities of South Coast beaches, the investigation to have particular reference to; (a) suitable sites for treatment and other works, to ensure these shall not be an eyesore or encroach on camping or other reserves and so cheat workers and their families of camping-areas, as exist at Currumbin Beach; (b) the allegations that large-scale sand removal is a factor in beach erosion; (c) desirable conditions for leases and methods of policing these conditions to ensure that after any sand removal the operating company shall restore the beach level and replace natural or other specified flora; (d) the desirability of a condition attached to leases which would provide for a proportion of profits earned by operating companies to be returned to local authorities controlling the areas concerned, for expenditure on general foreshore improvements; and (e) any other related matters?"

Hon. E. M. HANLON (Ithaca) replied—

"For the information of hon. members, I lay upon the Table of the House a Report which has been prepared by the Acting State Mining Engineer, in regard to the mining of black sands on South Coast beaches. In view of the nature of the Report, I can see no good purpose in appointing a Committee of Inquiry along the lines suggested by the hon. member." Paper—Whereupon, Mr. Hanlon laid upon the table of the House the report referred to.

EMERALD-SPRINGSURE MAIN ROAD.

Mr. V. E. JONES (Callide) asked the Treasurer—

"In view of the heavy and increasing traffic on the Emerald to Springsure main road, which has been considerably augmented by the operations of the Queensland-British Food Corporation, and the fact that this road is frequently in an untrafficable condition, will he give favourable consideration to inclusion of construction of an all-weather road between those places amongst the works of the Main Roads Commission requiring urgent attention?"

Hon. V. C. GAIR (South Brisbane) replied—

"Provision has been made on the programme for 1950-1951 for permanent works on the Springsure-Emerald road in Bauhinia and Emerald Shires."

COST OF MAIN ROADS, NORTH QUEENSLAND.

Mr. KEYATTA (Townsville): I desire to ask the Treasurer whether he has an answer to the following question which I addressed to him on 11 October—

“Will he supply the costs of construction and reconditioning of roads under the jurisdiction of the Main Roads Commission as follows:—(a) Townsville South to Mackay; (b) Townsville West to Clermont and Hughenden; and (c) Townsville North to Cairns?”

Hon. V. C. GAIR (South Brisbane) replied—

“Since inception of the Main Roads Commission, until 30 June, 1950, the following amounts have been expended on Permanent Works and Maintenance as set out below:—

(a)—

—	Per- manent Works.	Main- tenance.	Total.
	£	£	£
Townsville South to Mackay ..	1,321,890	327,186	1,649,076

(b)—

—	Per- manent Works.	Main- tenance.	Total.
	£	£	£
Townsville West to Clermont and Hughenden—			
Townsville to Charters Towers	572,601	77,049	649,740
Charters Towers to Clermont	39,692	49,782	89,474
Charters Towers to Hughenden	33,579	13,393	46,972
	645,962	140,224	786,186

(c)—

—	Per- manent Works.	Main- tenance.	Total.
	£	£	£
Townsville North to Cairns ..	1,035,736	374,363	1,410,099

“During the War, the road from Duarlinga to Charters Towers, a length of 406 miles, was constructed as a war measure by the Department of Main Roads, New South Wales, at a total cost of £1,750,000. The length of the section from Clermont to Charters Towers is 252 miles, but a dissection of the expenditure is not available.”

COMMUNIST PARTY DISSOLUTION BILL.

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

“In view of the Australian Labour Party’s decision to support the Menzies Government in introducing legislation that will counter the menace of Communism in Australia, will he give urgent consideration to the introduction of legislation in this

House that will supplement the Federal legislation and so make more effective action against Communists in this State.”

Hon. E. M. HANLON (Ithaca) replied—

“The hon. member as usual has made a mis-statement on this question. No branch of the Australian Labour Party has agreed to support the present Federal Government. The Federal Labour Party has a considerable amount of self respect and would not support Mr. Menzies.”

EFFECT OF BASIC WAGE ON STATE FINANCES.

Mr. PIE (Kedron), without notice, asked the Treasurer—

“1. Will he state whether the report appearing in the last issue of the ‘Sunday-Mail’ that the State Government faces an extra cost of £3,000,000 as a result of the Arbitration Court’s awarding an increase of £1 a week in the basic wage, is substantially correct?

“2. If it is correct, has he made provision for the increase in his Budget?”

Hon. V. C. GAIR (South Brisbane) replied—

“As I shall be delivering the Financial Statement this afternoon I would ask the hon. member to be patient.”

EFFECT OF BASIC WAGE ON RAILWAY DEPARTMENT.

Mr. PIE (Kedron), without notice, asked the Minister for Transport—

“1. Is the statement appearing in the ‘Sunday-Mail’ of the 15th instant that the railways will have to pay another £1,500,000 in higher wages as a result of the £1 a week basic-wage rise substantially correct?

“2. If so, how does he propose to recover the extra cost of the increase?”

Hon. J. E. DUGGAN (Toowoomba) replied—

“It is true that each 1s. rise in the basic wage represents an annual cost of £80,000 to the department. Such increases as will result from that variation will be dealt with in due course.”

PAPERS.

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

Report of the State Electricity Commission for the year 1949-1950.

The following papers were laid on the table:—

Proclamation under the Mining Acts, 1898 to 1948 (12 October).

Statement of Income and Expenditure and Balance-sheet of the Coal Mine Workers’ Pensions Fund for the year 1949-1950.

Regulation under the Explosives Act of 1906 (5 October).

Orders in Council under—

The Aliens Acts, 1867 to 1948 (5 October (2)).

The Landlord and Tenant Acts, 1948 to 1949 (5 October(3)).

STANDING ORDERS COMMITTEE.

APPOINTMENT OF MR. FARRELL.

Hon. E. M. HANLON (Ithaca—Premier),
by leave: I move—

“That Mr. Farrell be appointed to the Standing Orders Committee for the present session.”

Motion agreed to.

LANDLORD AND TENANT ACTS
AMENDMENT BILL.

THIRD READING.

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

QUEENSLAND-BRITISH FOOD
PRODUCTION ACT AMENDMENT BILL.INITIATION IN COMMITTEE—RESUMPTION OF
DEBATE.

(The Chairman of Committees, Mr. Farrell,
Maryborough, in the chair.)

Debate resumed from 12 October (see page 679) on Mr. Hanlon's motion—

“That it is desirable that a Bill be introduced to amend the Queensland-British Food Production Act of 1948 in certain particulars.”

Mr. HILEY (Coorparoo) (11.23 a.m.): The outline of the Bill that the Premier gave to the Committee shows that in legislative importance it is a simple measure. Australian currency is to be replaced by an assessment in sterling values, and so the total investment of £2,000,000 will become £2,500,000, and our share, £500,000, will become £625,000. The second principle is a simple one protecting the corporation by vesting in it fixed improvements on lands acquired by the corporation in the terms of the principal Act, which land is vested in the Queensland Government.

Dealing with those points in reverse order, I say that no-one can cavil at the purpose of the second one, the vesting of the properties. It should have been thought of originally. The only observation I make is that having regard to the spirit that promoted this enterprise, which is a partnership between the two Governments for their mutual advantage, the purpose being that on the one hand we should provide more food for the Government of Britain and on the other hand that the British Government should contribute to the development of some of our undeveloped areas, I am sorry to see this point raised for writing into the contract. It seems to me that when you get a deal of this kind, an attempt by separate units of the Empire to form a mutual trust to carry out purposes of common advantage, I hate to see one of the partners taking the attitude of saying, “Forget the spirit of mutual trust; let us sign on the dotted line.” It would be unthinkable that any Queensland Government whatever would take advantage of the legal position and say “Because these lands are vested in our name we will take the fixed improvements on

them,” and I regret that the British Government thought it necessary to write this particular provision into the legislation now. If I might make the bitter comment, however, it is rather refreshing to find how these Socialists trust one another.

On the second matter, that of additional capital, I wish to make some observations. On the way in which it is presented to this Committee, it would appear that the purpose of the present legislation is merely to correct what had been an initial blunder. Apparently there was a feeling in Whitehall that we were discussing this matter in terms of sterling currency but on the contrary it is clear that there was a feeling in this House that we were discussing it in terms of Australian currency. The suggestion that we are just correcting the exchange differentiation would make it appear that we are merely correcting or straightening out a drafting bungle but, Mr. Farrell, as I study this project and peruse the reports that have been presented for the enlightenment of members of this Parliament since it began operations it presents to me every appearance of a great financial tangle and a tangle of such extent that the present additional contribution by us of £125,000 and by the British Government of £500,000 is a drop in the bucket of the requirements. I propose to put before the Committee figures that are gathered from the initial statement of the Premier when the first Bill was introduced and from published reports of the corporation to show that the capital requirements, if the full project is proceeded with, will not be met by even the £2,500,000 that is now contemplated. Unlike some of the other proposals that come before this House no reports were prepared in advance and available for the guidance of members when we first considered this proposal, but we did have a fairly full and complete statement on the matter by the Premier to the House at the time he presented the original Bill for the first reading and at subsequent stages of the Bill. Some of the information that was then given to us, and information on which this House relied, has proved in the light of subsequent experience to be very misleading.

Take one of the questions argued with considerable strength on the original occasion, the competition that might be set up in the market in the supply for essential farm equipment. When I raised the matter on the floor of this Chamber the Premier gave this Assembly some very categorical assurances. Listen to what the hon. gentleman said in reply to my suggestion that it would eat into existing supplies of material in short supply. The Premier then said—

“There is no tractor on any farm in Australia suitable for the job. There is no heavy gear that would suit this project on any individual farm.”

This was to be a project that would operate in terms of mechanised equipment and would not interfere with the requirements of any individual farmer or any individual producer. I ask the Committee to read page 9 of the latest report of the corporation.

What do we find? It had 100 farming tractors with complete sets of matching implements, comprising ploughs, harrows, seeding combines and headers. In addition two secondhand auto-headers had been purchased, and three new Massey auto-headers were on order from England.

Many members of this Committee know full well that the type of tractor that the corporation has actually set out to acquire has been the very weight of tractor in most popular demand among the farming community of this State. Hon. members must then realise how the House was very gravely misled by that categorical assurance that came from the lips of no less a person than the Premier himself.

That is one direction in which the Committee was misled. Another is this: we were led to believe that by an expenditure of £2,000,000 Australian it would be possible to command a production of enough grain to equip enough piggeries to produce 500,000 pigs for export each year. Let us look into what has been spent to date to see what it has produced. We find that the £2,000,000 already provided in terms of the Act passed three years ago is now approaching exhaustion and it is necessary to supplement that figure by a further £500,000 for immediate requirements. What have we got for that? I say that so far, the report shows by spending £2,000,000 we command only one-third of the grain requirements and sufficient to provide for 1/100th of the pig establishment. Those are the figures taken from the corporation's report. Looking further to the eventual requirements, for 1950, we see that from 66,000 acres, in a season that might be admitted to be a reasonably good season, 1,250,000 bushels of sorghum will be harvested. In 1951 there will be 100,000 acres and the most enthusiastic person would look for no more than a 2,000,000-bushel crop, the maximum upon which you could rely in a normal season.

Mr. Foley: They expected 1,250,000 bushels from Peak Downs.

Mr. HILEY: But they did not get it.

Mr. Foley: Only for the frost.

Mr. HILEY: And this year, when they have had a good season, they will only harvest 1,250,000 bushels from 66,000 acres. The planning will continue up to the cultivation of 100,000 acres and, taking all hazards into account, particularly that of drought, plus the fact that grain sorghum is a notoriously gross feeder and the rich soils of the Darling Downs cannot stand up to repeated cropping, I am generous when I suggest that the existing land might produce 2,000,000 bushels as the maximum crop from 100,000 acres. To feed and fatten 500,000 pigs we shall need not 2,000,000 bushels of grain sorghum but 6,000,000 bushels. So that, having spent the whole of the £2,000,000 and a bit more, we have only got one-third of the grain we need.

Mr. Foley: What amount do you allow for each pig?

Mr. HILEY: Other hon. members on this side will give the Minister that answer. It will take me virtually all my time to develop the main features of what I am about to say.

Coming to the pig project, we find that there has only been a tiny start, the Moura and Bajool piggeries being the two in use, and that at Emerald being in course of preparation. To implement the project 40,000 sows will be needed; so far we have only 400. To carry the project through on the scale promised by the Premier, we shall need 198 new piggeries and for the capital outlay for each unit with land, fencing, piggeries and sheds, farm machinery and transport, £10,000 is a low computation of the sum required to produce each piggery. In other words, a further £2,000,000 will be needed.

Summarising the position, we have spent £2,000,000 on the grain side and we need to spend £6,000,000. On pigs we have spent virtually nothing, but we shall need to spend £2,000,000. So that to carry out the original project that was described to us as being within the compass of an expenditure of £2,000,000, we shall need to spend nearly £8,000,000. I submit that is a very different horse from that which was sold to us in the first instance.

What are the prospects of Britain's playing ball with Queensland in carrying this project through to its limit? Several disturbing signs cause me to suggest that Britain will not play ball to the extent or paying three-quarters of the additional contribution necessary to make this possible. Already the British Ministry of Food and the Overseas Food Corporation are retreating from their capital investments on the food-production front.

I have here a report dated 7 October, 1950, from London, which follows the report of the working committee that was sent by the Overseas Food Corporation to its Kongwa project in South Africa. That report says—

“The Overseas Food Corporation has decided to accept the recommendations of its working party on the future size and scope of its operations at Kongwa. The most important of these is that for a three-year period, beginning with the new planting season at the end of the year, the cultivation of groundnuts and sorghum should be confined to four independent farms making up a total of no more than 1,200 acres while the rest of the cleared area should be used for ranching cattle. This is a very modest programme compared to the original project of clearing and planting 450,000 acres.”

The original target was 450,000 acres, but it has been chopped back to 1,200 acres. The report continues—

“It is small even by comparison with the 94,000 acres which have already been cleared. The figures of costs produced by the working party which reveal that during the last year it cost £600,000 to produce £100,000 of crops (the greater part of this being due to the failure of the sunflower harvest) show how unjustified would have been any attempt to continue planting over a large area.”

I ask the Committee to observe what has happened as the result of the visit to South Africa of that working party, and I say that we should be justified in regarding with great caution any attempt to carry out a project that, at the lowest estimate, will cost many times more than the capital outlay that was indicated to this Parliament. Of course, I believe that we are morally liable to contribute the extra £125,000, although it is against my better judgment from the point of view of an investment. However, as we entered into a partnership with Great Britain to engage in this project we shall have to see it through; we cannot attempt to withdraw at this stage.

Before carrying this project right through in accordance with the original intention, I say we should consider the report of the working committee. It is quite true that this project is not the disaster that Kongwa was, which was measurable only in terms of disaster, but there is room for some concern.

Mr. Foley: Do you think it is a worthy objective?

Mr. HILEY: I always said it was, but my concern is caused by the high costs of production. During the first two years of cropping, which is a period before the fertility of the soil has been eaten into, they have been far too high. It must be remembered too, that sorghum is the grossest feeder of any cereal crop known to agriculture. In the first year the costs were above 10s. a bushel, but we had to market it for 8s. 9d. This year, although the correct costs are not yet available, having regard to what we know of the harvest and to what has already been spent, and making allowance for the fact that the harvesting costs on the remaining area have still to be met, and bags and freight provided, it seems to me that the sorghum will cost a very high figure.

Let us face the fact of the world market in coarse grains. Information from world sources discloses that they are now in pretty free supply, and that the market is likely to retreat. I ask the Committee to observe that whereas the wheat-producers of the world banded themselves together to safeguard themselves by the adoption of an average world price for wheat based on an International Wheat Agreement, there is no corresponding international stabilising arrangement in the case of coarse grain. There is a free market the world over, so that although a stable price is guaranteed to the Australian wheat-grower, there is no corresponding guarantee with regard to coarse grains and the evidence from all world sources is that coarse grains are now in abundant supply.

Let us stop for a moment to reflect on the costs of this venture. One thing that impressed me very much on reading the report was that quite apart from the producing labour, these farms had a staff of 89. I have seen the positions advertised in the Press. I have noticed that there was a separate manager for each of the farms, that there were accountants and store-keepers, and I even saw an advertisement for

three internal auditors. These things may be thought necessary for a project of this type conducted by a semi-governmental institution but if the primary producers generally of this country, producing the foodstuffs for this nation to eat, ran their farms on the basis of internal auditors, store-keepers and managers for each property, we should have a bitter experience of high prices. A staff of 89 to administer the project is a factor that would lead to dear production. The best production, the average production per acre this year, according to the report, is the proved recovery of 24 bushels to the acre. There are speakers in the Committee who will tell you that on the Darling Downs 40 bushels to the acre is common, and there are men in the Committee who have actually harvested as high as 85 bushels to the acre.

The fact of the matter is that this has been a very interesting agricultural experiment. I have always said that having regard to the history of the land, putting this area under the plough to see what could be done in the production of grain sorghum has been well worth while, but that having regard to the fact that the British Overseas Food Corporation is getting out of the food-production front and, in particular, retreating at Kongwa—actually cutting down the area of the product from 450,000 acres under cultivation to a miserable 1,200 acres—we should seriously ask ourselves whether we are wise in carrying this project through, especially in the light of the report by the Premier on the introduction of the original Bill that £2,000,000 would be sufficient for the purpose, when it is now seen that it will be only a mere fragment of actual requirements. I have already pointed out to the Committee that in order to obtain the grain requirements to build up the pig production to 500,000 pigs a year the capital investment will be nearer £8,000,000 than £2,000,000.

Having regard to all these things, I suggest that the prudent course for Parliament to follow is to await the visit of the working committee of the British Overseas Food Corporation, a working committee that has already reviewed and dealt with the Kongwa project. Let us wait until the working committee arrives here. The members of that committee will see much here to encourage them and cause them to take a more optimistic view than they did in Kongwa. Having regard to the overall position, this is a case in which we should proceed cautiously and consider whether we should not take further stock of the submissions made to this Chamber, upon which we authorised the original investments, particularly when you have regard to the fact that we were assured by the Premier that the project would be a non-competitive one and has in fact turned out to be a very serious competitor with primary producers generally in the matter of tractors, headers, and other farming requirements. We must ask ourselves whether every bushel of grain sorghum produced at Peak Downs has not been produced at the expense of 1½ bushels somewhere else.

Mr. AIKENS (Mundingburra) (11.45 a.m.): Without in any way referring to what has been said by the Government or Opposition about Peak Downs and this remarkable experiment in agriculture, let me tell you in a few words the real truth behind the establishment of this Peak Downs scheme. I heard the Premier when he first introduced the original Bill. I doubt whether there is a more grandiloquent speaker than the Premier when he is "putting something over." I have heard the buskers outside their show tents in the showgrounds trying to inveigle the people into their tents to see the show, but they have nothing on the Premier when he is putting over a story. Consequently I did not take any notice at all of what the Premier said when he introduced this Bill, nor did I take any notice of the criticism directed against the Bill or this scheme by the Opposition, but as I did in connection with the Blair Athol scheme, wrote to England and got the information from there. Over the last few years I have heard so much about the Peak Downs scheme both in its favour and adversely that I wrote to the place where it was originated, that is, the English Labour Party itself. I have also read through the books, pamphlets and periodicals that it has published, and I have paid particular attention to everything they said in public about the Peak Downs scheme.

Let us examine the reason why the Peak Downs scheme was established. In 1945 the Attlee Labour Government were returned to power, much to the consternation of our friends opposite; much to the consternation of the racketeers and profiteers in Britain the Churchill Government were thrown out of office and a Labour Government installed in power. Then there lined up against the Opposition—the racketeers and the profiteers—who wished to crush them. There ranged up against them all the financial and economic forces. Consequently the Attlee Labour Government had to go elsewhere in order to see that the threatened famine that then confronted the people of Great Britain would not occur. They did many things, and this scheme at Peak Downs was not the only one they embarked on in order to provide the people of Great Britain with food.

Their first move, which unfortunately turned out to be the greatest failure, was when they took over the African Unilever scheme. That was established originally by Lever Bros. in order to provide oil for the various Lever Bros. factories throughout the world. Unilever is the name that Lever Bros. applies to its combined company schemes. It in turn sold the scheme to the British Government, who took it over. It was a failure. Also they had to look further afield and they came to Queensland, where in conjunction with the Queensland Government they established the Peak Downs scheme purely and simply to feed the people of Great Britain, but because the conditions at the time were those of panic the Peak Downs food scheme was launched in an atmosphere of panic, but justifiable panic. The British Labour Government thought they

would not be able to supply the food necessary to the people and that imminent starvation faced them.

Their fears were not realised. As time went on since 1945 the position economically and particularly on the food front got much better for the British people. I am not going to go into the various ramifications of the sterling and dollar juggling that went on—I am not going to digress into those channels at all—but I am just going to make the bald statement that since this scheme was conceived in 1946 and put into operation in Queensland in 1948 all the fears of famine and starvation of the British people that then existed have not been realised. Today Great Britain, through her own efforts, is in a position to get an adequate supply of food within the Empire and other countries without depending on the Unilever scheme in Africa and the scheme in Queensland. Consequently, the British Government are unloading the Unilever food scheme in Kenya in Africa. They are going to convert that into a big grazing farm and they are going to turn the cattle loose on what was to be a huge peanut farm.

Mr. HILEY: Nigeria is the place.

Mr. AIKENS: Oh, yes! The hon. member is right. Kenya is where all the snobs from Britain go to do their whoremongering—

The CHAIRMAN: Order!

Mr. AIKENS: Consequently, they find they do not need the Peak Downs scheme for the production of pig-meats for the purpose for which it was established; so they are trying to get out of it as easily and as cheaply as they can.

That is the whole sum and substance of the British-Overseas Food Corporation's scheme here. It was established in panic, a panic created by the machinations of the political blood-brothers of the members of the Opposition in this House in Great Britain. Now all the fears that agitated the minds of the British Labour Party have not been realised and they want to make the best terms they can about Peak Downs. It devolves upon us to find out what we can do with Peak Downs. I believe had that panic continued something would have been done to make Peak Downs the basis of a pig-raising enterprise. I think the Government are doing the best possible thing at the present time and in the present circumstances in growing sorghum and shipping what they do not want overseas and using the stubble on the property for the purpose of cattle-fattening. If Peak Downs has done nothing else it has demonstrated that by initiative and hard work countless acres of land—ruined again by the greedy, grasping political blood-brothers of members of the Opposition—can be brought back to fruitful production. I think as a result of the experiment at Peak Downs the Government should bring down legislation to force every grazier holding over a certain number of acres to plant on his property either sorghum or certain other crops—

The CHAIRMAN: Order!

Mr. AIKENS: I am trying to give an example. If they compel them to plant sorghum or other suitable crops that could be used for fodder conservation and for fattening much good would result. It has been said by the Opposition that Peak Downs, as a cattle-raising and fattening proposition, does not breed one beast. Neither it does; but is that peculiar to Peak Downs? In the Burdekin district, which I represented ably, fearlessly and well for six years, we have some of the biggest graziers holding vast tracts of land without a breeder on the whole property and they have not had one for years and they do not intend to get one. They use their properties for fattening store stock and selling them. The Government are doing no more than the grazing friends of the Liberal-Country Party have done in the Burdekin and all over the North of this State for many years.

That is the position as we find it. I repeat that Peak Downs was conceived by the British Labour Party in an atmosphere of panic. Fortunately they found that their fears were not justified and they want to get out of Peak Downs as lightly and as cheaply as they possibly can. I see no reason why the Queensland Government should not continue with the Peak Downs experiment; it has proved to be such a success.

Mr. McINTYRE (Cunningham) (11.55 a.m.): The Bill to be introduced on the motion presented by the Premier last week contains only two principles. One provides for the increase of the capital that was made available by this Parliament and the other is to preserve the equity of the corporation in the improvements that have been set up in the areas concerned.

Dealing with the last first, I suggest that we all readily agree that if there is any weakness in the legislation in that regard it is very desirable it be tightened up. I am just afraid that the urgency given to this amending legislation, after two years, may be a suggestion that something is going wrong with the scheme and it will be necessary in the very near future to deal with some anticipated change or abandonment of the scheme. If the scheme is the unqualified success that the Premier tells us it is and is likely to remain, why the urgency for the preservation of the corporation's equity in the improvements on that land?

Mr. Hanlon: What sort of profit did your farm make in the first two years?

Mr. McINTYRE: I have something to say about that later. I am just afraid that there is a suggestion that something is not right and it is necessary that the equity should be preserved when the collapse takes place. It will be a tragedy if this occurs and I hope I am not right.

The original measure was presented to this House in March, 1948, a little over two years ago, and we, as the guardians of the public moneys, were asked to make available £500,000 to finance the scheme. Britain was to find £1,500,000. We had, therefore, a set-up in which £2,000,000 of capital was being

made available to experiment with, as the Premier said. During the week-end I went to the trouble of reading the debate that took place on the passing of the Act and I saw that the Premier then said that it was regarded as an experiment. He said that the expenditure of £500,000 of public money was justifiable, to prove whether we could or could not grow sorghum.

I will deal with the aim of the corporation that was placed before the House at that time by the Premier. He told us what they were going to do with this £2,000,000, which was the sum believed to be sufficient to finance the undertaking and to prove whether it would be a success or failure. The aim was the cultivation of 250,000 acres under crops, 1,000,000 acres under irrigation, and the Premier mentioned also 200 pig units—units of pig production—with 200 sows in each unit and the ultimate objective of 500,000 pigs for Britain each year. That was the objective. He has suggested that £2,000,000 was required to carry on this experiment—to find out whether the undertaking could be a success or not. To-day we find that that money has been exhausted, the funds are depleted, and we are being asked to make available additional funds to continue the experiment.

Notwithstanding the statement made by the Premier that it is an unqualified success, I still think it is in the experimental stage and I do not think anything has been proved up to date. In the little over two years it has been in operation, what has been accomplished? An area of 70,000 or 80,000 acres has been under crop. I do not know the exact area. Of the main objective of 250,000 acres, only 70,000 or 80,000 acres has been achieved. As far as irrigation is concerned, very little or nothing has been done. As to pig-production, one unit has been established and another started; 200 units were the objective. I understand that there are about 200 brood sows against the objective of 40,000, to set up the whole scheme of pigs for Britain.

Mr. Hanlon: They will have large families.

Mr. McINTYRE: That is another matter. So far as pig-meat for Britain is concerned we can regard it as nil. A token number have been marketed, according to the information available to us.

Thus we have the comparison between the objective and what has been achieved, and we find that the £2,000,000 has been exhausted, and the Government are coming back and asking us to make a further grant from public money to carry out the experiment. I agree with the hon. member for Coorparoo that unless something more can be achieved with the next two million, many more two millions will be required before we get the scheme developed on the lines of what was promised us.

I suggest that the experimental stage is not yet over. I do not think anyone can say that it has been a success. The Premier, when introducing the amending legislation,

said that the scheme was abundantly successful, but I disagree with his statement. I remember—and on this matter I am open to correction—that when the original legislation was introduced, not only was there provision for a capital outlay of £2,000,000 but there was also provision for the borrowing of money from the State Treasury or from the British-Overseas Food Corporation. I do not know why, if the scheme is abundantly successful, instead of asking the public to find more hard cash, the corporation has not considered borrowing money. If you have a scheme that is abundantly successful, it is not difficult to borrow money on it. The majority of our primary producers have established their assets and farming activities on the basis of borrowed money, and if they require more capital they go to the financial institutions and if their ventures are abundantly successful they get loan money up to the maximum. It has been necessary for many primary producers to go back again and again to get extensions of loans during the initial stages of their enterprises. I suggest that the Government or the corporation, if the money is running low, should consider the provision in the Act for the borrowing of money.

I suggest further that the whole scheme has been changed. The original idea, as the Premier told us when the Act was introduced, was to provide pig-meat for Britain. The pig-production part of the scheme now seems to be of secondary importance, because the corporation is entering into the cattle industry, or establishing State stations, as we knew them in the past.

The CHAIRMAN: Order! State stations have nothing to do with this amending legislation.

Mr. McINTYRE: I know that State stations are not involved but I suggest that a lot of the money has been devoted to developing cattle stations and launching into the cattle industry.

The CHAIRMAN: Order!

Mr. McINTYRE: I suggest that money is being made available for the financing of the scheme and that cattle-raising is becoming part of the scheme. A great part of the report is devoted to the venture into the cattle industry—the buying, fattening and rearing of stock—and we are justified in assuming that much of the money is being made available for use in that direction. Only a very small amount has been used in developing the pig-raising industry.

I repeat here what I said at the very outset when this legislation was first introduced, that is, that a wrong approach was made to the whole scheme. It was all right to enter into an experiment, but it should have been done in a more modified form that would not have entailed the expenditure of a large amount of public money. I believe that in the first instance an approach should have been made to the then producers, who, if they had been given an opportunity—

The CHAIRMAN: Order!

Mr. McINTYRE: I am endeavouring to prove that it is unnecessary to grant this money, because we could get far better results through other channels. I believe that the individual producers—

The CHAIRMAN: Order!

Mr. McINTYRE: I am discussing what has happened, Mr. Farrell. We could have achieved better results by choosing a more effective medium. In 1947, the Darling Downs growers produced 4,000,000 bushels of sorghum. As a comparison, this corporation produced only 300,000 bushels in its first year and looks like producing only a little more than 1,000,000 bushels this year, after spending £2,000,000, and after operating for a little more than two years. As I say, in 1947 the Darling Downs growers produced 4,000,000 bushels, and what happened? The need for food for Britain was greater then than it ever was, but we were not permitted to export grain to meet that need. The loss of sorghum suffered by the Darling Downs growers in that year was comparable with the whole of the production by the Queensland-British Food Corporation in its first year. If growers on the Darling Downs and the Burnett and the Callide and other parts of Queensland were encouraged to grow sorghum and other grain crops, they could not only grow more, but they could grow it at a cheaper rate than it will ever be grown at under this scheme. If they had been encouraged to grow sorghum in the first instance and if the suggestions from this side of the Chamber had been given effect to, there would have been a steady flow of pig-meat to Britain today, and we should not have been asked to provide more money to finance this scheme.

Moreover, the machinery that was so desperately needed by the individual producers has been obtained by the corporation. What has been said by the hon. member for Coorparoo about the supply of farm machinery is well worth repeating, and we raised this very matter when the original legislation was being considered. However, the Premier assured us again and again that no machinery required by individual producers would be taken. He said—

“The present growers will be protected. We do not want their machinery. Britain will send farm machinery out here in the form of tractors. She will send out the necessary motor power to do the job, and the present producers will not be affected in any way.”

When the matter was pressed by the present hon. member for Coorparoo, the Premier said that no tractor on any farm in Australia was suitable for the job at Peak Downs. He said there was no heavy gear on any farm that would suit this project. However, what do we find? Every type of farm machinery being used by the corporation is comparable with that being used on the Downs, and the corporation has a monopoly in procuring it. The corporation is using many units of smaller machinery than is being used on the Darling Downs. Many tractors being used on the Darling Downs today have more

power than those being used by the corporation. According to the report itself there are 100 tractors up there, with complete sets of matching units. I personally inspected some of them and I know that every one of them was comparable with the machinery that we used on the Darling Downs. Therefore, we must discount the statement made by the Premier on a former occasion that there would be no interference with the machines of this kind to be made available to producers generally. Not only are these machines actually being used today but the latest report from the corporation points out that it is hoped during 1950-51 to obtain enough additional machinery to enable the cultivation of 100,000 acres to be carried out and that orders for this extra machinery have already been placed. So that the end to the shortage of machinery on the Darling Downs is not yet nor is it going to be relieved if this big scheme continues.

Mr. CHAIRMAN: Order!

Mr. McINTYRE: If you will not allow me to continue along those lines, Mr. Farrell, I shall have something to say now about what has been achieved in the matter of production at Peak Downs. I am sure you cannot stop me from developing my argument along those lines. They have had two years in production at Peak Downs and I suggest that they were two years above the average, that the rainfall was above the average. When I was up there in company with some of my colleagues we talked with farmers there who had had 50 years' experience in the district and some were of the opinion that if they could get two successful years out of five that was all they could expect, while others, more optimistic than they, said that three good years out of five was more than likely.

Mr. Hanlon: According to you, a farmer never gets one good year out of 10.

Mr. McINTYRE: I have not said anything about one good year in 10 and I shall make my own speech in my own way.

I make the positive statement that the last two years at Peak Downs have been above average years, yet the yield has been disappointing. During the first year the yield was only ten bushels to the acre and I know the reasons that were given. Sorghum is not an easy crop to grow. That fact is recognised on the Darling Downs. The standard of farming practice must be high and it must be conducted along the right lines. For the first year the project at Peak Downs averaged only just a little better than 10 bushels to the acre and the report suggests that on the first 34,000 acres this year an average yield of 24 bushels to the acre is indicated. Recently I saw figures that I think are reasonably authentic that indicate that the average for the year will be about 18 to 19 bushels. I want to say, as one who has had experience in sorghum-growing on the Darling Downs, that we could not make it pay on that yield and so this year the scheme must show a big loss on that yield. On the Darling Downs we expect an average of at least 40 bushels to the acre and, as I have said before, it has

gone as high as 70 and 80 bushels and above that. The scheme at Peak Downs cannot be made to pay on the basis of its present yields.

When the value of grain is reasonably high it is an easy matter to sell it on a waiting market but the time will come sooner or later when the only medium through which sorghum can be marketed is through pig-meats and the corporation, in common with other producers, will be faced with being compelled to sell its sorghum grain through the medium of pig-meats, as that will be the only economic way of doing it. When that happens all its difficulties and problems will be increased. It is quite easy to harvest the grain and ship it overseas when a market is waiting for it but it is known by those associated with grain sorghum that eventually its only economic market will be by means of pig-meat. Wheat is the No. 1 grain and it governs the price of all other grains. The time will come sooner or later, I repeat, when the only medium for the economic disposal of grain sorghum will be by way of pig-meats. When that time comes the present position will be intensified.

In the few minutes I have at my disposal I want to say something about the cattle-fattening aspect of the scheme. In July last year I was privileged to visit that area in company with the Leader of the Opposition and met the first 500 bullocks just as they were entering Peak Downs. They went onto the stubble in May and were sold as fats in December. Shouts of joy went up throughout the length and breadth of the land because of this fact, and they re-echoed in England. But these bullocks were not fattened on sorghum stubble. What ever value sorghum stubble might have had in May, how could it be retained in December? It was a bountiful season and you could fatten cattle on the road. At Peak Downs, as a result of the waste that occurred in harvesting, luscious grain was available in abundance on the ground. That is the reason why the cattle were fattened. It is ridiculous to suggest that these bullocks were fattened on sorghum stubble. When sorghum is correctly sown and produced and a satisfactory yield is obtained the stubble has no value from a bullock-fattening standpoint. That has been established over and over again by the present producers. These bullocks were fattened at Peak Downs as a result of the bountiful season that occurred. Anyone who knows anything about sorghum-growing knows that after sorghum has been harvested the stubble has only a limited value. It is possible to keep cattle in condition on it but to suggest that they can be fattened on sorghum stubble and sorghum stubble alone is the height of folly.

Mr. Devries: You could make ensilage of it.

Mr. McINTYRE: I have never seen ensilage made of sorghum stubble. I have seen tons of ensilage made out of green sorghum. It is ridiculous to suggest that ensilage can be made effectively from sorghum stubble. It is ridiculous to suggest that there is some mysterious element in

sorghum stubble that will fatten cattle. If sorghum stubble was placed in a pit after the grain was harvested it would come out with no better food qualities than when it was placed in the pit.

Mr. Aikens: You told us that most of the grain was lying on the ground.

Mr. McINTYRE: I know a lot of the grain was lying on the ground and any benefit derived by the bullocks grazing on the area was from the grain that was not harvested, not the stubble. If sorghum is affected by frost before proper development and is placed in an ensilage pit before it reaches maturity, it has a definite food value. Take also wheat, which is perhaps one of our best fattening products when used in its green stage. Allow it to reach the ripening stage and it loses much of those properties. The same applies to maize. You can fatten stock on the stalk in its green stage, but after it has produced a crop it is valueless as a cattle-fattening food.

(Time expired.)

Hon. E. M. HANLON (Ithaca—Premier) (12.20 p.m.): I have listened to the Deputy Leader of the Opposition and the hon. member who just resumed his seat with a good deal of amusement. It is amusing how these people try to damn with faint praise. They are not sure whether they will attack the thing or "kid to be a bit with it." They are frightened of its being a success and that they will be in difficulties afterwards if they cannot say that they gave it some blessing—that although they doubted the wisdom of it, they were not against it.

Mr. McIntyre: We hope it will be a success.

Mr. HANLON: That is where the catch is. Hon. members opposite have displayed from the time it was first mentioned their intense desire to see it a flop. That has been their attitude all along—they made every effort possible to make it a flop.

The fact that an enterprise of this kind has shown a loss the first year is nothing to be surprised at. I venture to say that the hon. member who has just resumed his seat—I do not know whether he tackled virgin country; I do not know whether he bought a working farm or took up fresh country—put more in than he took out the first year, and the second year too, and possibly the third year. It is not surprising that an enterprise of the size of the Queensland-British Food Corporation should put more in than it takes out in the early stages. There is the matter of the fattening of cattle during the first year when the bullocks were turned onto the grain that could not be harvested and the stubble. The result was that although they were marketed the next financial year, some of the credit belonged to the first year. Possibly if the whole thing was carefully calculated the loss would not be so great the first year.

The suggestion made by the hon. member for Coorparoo that the proposal to protect the rights of the corporation in any improvements on the property was indicative of

the British Government's wanting to get out of the undertaking is a figment of the imagination, as the hon. member for Kedron would say. There is no intention of getting out of it at all. The fact of the matter is that under our Land Act, if a lease is transferred the value of the improvements is always the property of the vendor. These people want to see it in this Act. Obviously the Queensland-British Food Corporation, which consist of pretty capable men, wants to see that principle in the Act under which it works. The idea that it is a sign of distrust between Governments is a nasty insinuation introduced by the hon. member for Coorparoo. In passing I should like to say this: I would stake my mortal soul on the fact the hon. member for Coorparoo would not make a deal worth a shilling with anyone if he did not have it signed on the dotted line. So the Corporation wants to have it clarified in order that the improvements of the property will be the Corporation's if we ever close down the undertaking. To suggest that this is a sign of mistrust is a nasty insinuation. The insinuation is, "How they trust one another!" and that there is some ill-feeling between this Government and the Government of Great Britain. I do not think there has ever been a keener appreciation of the services, one to the other, between the Queensland Government and the Government of Great Britain than there is today.

However, to proceed: when this undertaking was started the first year's preparation of the soil and ploughing were done entirely by contract. The contract was let for the breaking up of the soil and its preparation for planting. Later we were able to get a special allocation of 29 tractors for this undertaking. This did not in any way interfere with the allocation that had been made already. At that time we had what is in the eyes of hon. members opposite the hated Labour Party in power in Canberra and we were able to procure from them a special allocation of 29 tractors for this undertaking, without in any way interfering with the allocation made to the State for our own farmers. Thereafter the corporation had to stand on its own feet: it was treated just the same as any other farmer.

As our undertakings increased the allocation for Queensland increased. Hon. members opposite surely do not think that if there was only one farm in Queensland we should get the same allocation of machinery as when there were 10,000 farmers in the State. The allocation of machinery is based on the number of people tilling the soil and the requirements of the State. The Queensland-British Food Corporation, by increasing the cultivation another 60,000 or 70,000 acres, increased the allocation to Queensland of harvesting and farming machinery. If it increases it by another 100,000 acres it will increase the allocation to Queensland proportionately. If one follows the argument of hon. members opposite to its natural conclusion we should be justified in preventing any other farmer from starting to farm in this State because he would be competing for tractors

with existing farmers. They cannot get away from that. If there is anything in the argument of the hon. member for Cunningham, we should not allow any farmer to start in Queensland, because he would be competing with existing farmers for farming machinery.

Mr. McIntyre: My argument was—

Mr. HANLON: The hon. member's argument was what he said. It is not a bit of good his quibbling here like that.

Mr. Hiley: No.

Mr. HANLON: I am capable of understanding what the hon. member said and, believe me, he is pretty cunning. I do not need the help of the hon. member for Coorparoo.

A well-known pig authority visited Peak Downs last year and said that as a grower of small grain crops and producer of pigs from his boyhood days he appreciated the splendid efforts being made at Peak Downs by the management and staff and he could find no fault. I do not think there is any man in the Country Party in this Parliament today who can say he took up a virgin undertaking and did not show a loss for the first couple of years. If he did not show a loss, why is he always howling about the hardships he has borne on the land? Listening to hon. members of the Country Party on the Opposition benches, one would think that the next worst thing to being in a Japanese prison camp was to be on the land in Queensland. They are always moaning about the terribly hard times they have. I think the undertaking has done very well so far.

The hon. member for Mundingburra said that this scheme was started in 1946. As a matter of fact, I met the delegation from overseas in Canberra at the end of January, 1948, and I invited them to Queensland. They came here on 5 February of that year.

Mr. AIKENS: I rise to a point of order. I said that it was conceived.

Mr. HANLON: I was not present at the conception; I was only present at the birth. The delegation came here because Great Britain desired to make the British Commonwealth self-supporting in the matter of food, in view of the possibility of another war at some time or other, in which event that Government did not want to be dependent upon foreigners for the feeding of their people. They were prepared to place themselves at the mercy of a more obnoxious band, in the members of the Country Party of Queensland. The delegation went to the southern States but as nothing could be undertaken there and they could not get any encouragement they came, at my invitation, to this State. Very shortly afterwards this undertaking was born and the first plough was put into the land in May 1948. I think the scheme has done very well indeed.

The hon. member for Coorparoo suggested that there was some distrust on the part of the British Government in the matter and that some working party was coming to

Queensland to inspect Peak Downs. I have not heard of any such working or inspection party; nobody at Peak Downs knows anything about an inspection by any such party. The chairman of directors of the Queensland-British Food Corporation is coming here for an annual visit, to have a look at the undertaking. His deputy is Mr. John Kemp, of Queensland. The previous chairman of the corporation was out here when the scheme was founded; he came out last year and intends to come this year. There is not the slightest indication that the British Overseas Food Corporation is in any way dissatisfied with what has gone on. The venture has been successful and that corporation is quite pleased with the efforts so far. It knows, of course, that it will get all the whines and growls in the world from hon. members of the Opposition.

Hon. members opposite believed that if the corporation did not grow sorghum and pig-meat the present growers in Queensland would get a higher price for those products out of poor old Britain. They had no sense of obligation to Britain for what she has had to contend with. They believe that if the undertaking did not proceed the present sorghum-growers would get a better price for their sorghum out of Britain and the pig-growers a better price for their pig-meats and they said the undertaking was bad because it was going to supply food to Britain at a lower price than hon. members opposite sought to get.

Mr. Evans: You know that is not true.

Mr. HANLON: I know that when the original debate was proceeding the hon. member for West Moreton, now Senator Maher, said, "Business is business" when we were talking about the prices to be charged to Great Britain. The hon. member for Aubigny helped him along with "Business is business." Every penny they could get out of Britain they sought to get. They have no sense of moral obligation to do anything more for Britain than for China and Russia. With these people it is not a matter of doing something for Britain, but doing Britain for something. I could not let the little stories invented by hon. members opposite go by without making some reply to them.

Mr. Pie: Why don't you reply to the hon. member for Coorparoo on the capital involved? What will it be?

Mr. HANLON: I have told hon. members what it will be. If the hon. member for Kedron had been paying any attention to the debate, he would know that when I introduced this measure I explained the amount of capital that would be involved. The hon. member for Coorparoo went on to say that £2,000,000 would be only a fraction of the capital required. That is his guess. On the basis of those figures, I should not like him to advise me on the amount of capital required in any undertaking in which I was personally interested.

Mr. Hiley: How would you arrive at the capital requirement?

Mr. HANLON: The directors of the corporation estimate that what we are putting in now will be sufficient.

Mr. Hiley: What, for 500,000 pigs?

Mr. HANLON: I am not talking about 500,000 pigs; I am talking about £2,000,000 sterling. I am accepting the advice of the directors and their experts. I certainly do not regard the hon. member for Coorparoo as an expert in pig-breeding.

Mr. Pie interjected.

The CHAIRMAN: Order!

Mr. HANLON: I am not supposing that the Queensland-British Food Corporation will buy 500,000 sows. I do not think that the hon. member for Cunningham or any of his fellow pig-breeders will be able to unload any pigs that they do not want on the corporation. On the contrary, I think the corporation will do things the sensible way and will breed only first-quality pigs. It was never suggested that the corporation would plough a quarter of a million acres and grow half a million pigs for export in the first year of operations. The project is being planned by people with some common sense. As I say, the main objection of hon. members opposite is that the scheme has not turned out to be a flop.

The hon. member for Cunningham said that the price of grain might fall and that the corporation would then be in difficulties. However, if such a thing happens, I can assure him that the corporation will not be whining on the Treasury doorstep for a hand-out.

Mr. Pie: They are doing it now.

Mr. HANLON: No, they are not whining for anything. We are paying in this money as the result of an undertaking—

Mr. Pie interjected.

The CHAIRMAN: Order!

Mr. HANLON: The hon. member had better tell those stories to Santa Claus. He swore on oath that he was a figment of his imagination.

Mr. Pie: He is a friend of yours.

The CHAIRMAN: Order! I ask the hon. member to obey my call to order. I shall not warn him again.

Mr. HANLON: Every penny spent on this project is represented by solid assets, and all the property that has been purchased could be sold now for much more than was paid for it. The improvements on the property are worth more today than when they were put on. The plant and equipment there is more valuable today than when it was purchased. Every pound that has been put into this undertaking is represented today by more than a pound's worth of assets. Hon. members have seen many undertakings in this country that have had the blessing of so-called financial advisers about which the same thing could not be said. Assets are there that are more than equal in value to everything that has been spent, and the

whole thing could be realised today at a profit on the capital investment. It is a sound investment for the State. If disaster overtakes it, it will be just too bad—disasters have overtaken all sorts of undertakings. However, so far as can humanly be seen, there is no likelihood of a glut of food in the world for a long time. I do not think the world will allow for much longer the setting up of organisations that will restrict the production of food for the purpose of keeping prices high and certain producers rich. There are thousands and millions of people in the world today who have never since their birth had enough to eat, and it must be realised that this business of restricting crops, restricting production for the sake of enabling certain people to make big profits, is going to end. Inevitably it must end, because the hungry peoples of the world sooner or later will take the necessary action to prevent the restriction of food production. That is the duty of every intelligent man.

Mr. Decker interjected.

Mr. HANLON: I know that dumb-bells like the hon. member who has just interjected cannot understand that, but it is the duty of every intelligent man in the country today to contribute every pound of food he can for the people of the world. There is only one fear that we have in the world and that is that we cannot produce enough food to feed the people of the world. It is our duty to do what we can in this connection, and I am very pleased to be associated with a food-production scheme designed to produce food for the hungry people of the world.

Mr. INGRAM (Keppel) (12.42 p.m.): Ever since this scheme was launched it has been roundly condemned by hon. members opposite. According to them the crop last year was a failure, but it was not a failure. They in their heart of hearts had hoped that it would be a failure. They criticised the Government on that account and taunted the Government with the suggestion that the sorghum crop did not realise expectations. It only shows them up in their true colours. They criticised the scheme, hoping in their own hearts that it would be an absolute failure. They are hoping again today that it will be a failure. There is not the only patriotic party in this State, and to hear them on that score leads us to say that their talk is utter nonsense. When they condemn the Labour Government for their actions in connection with this food-production scheme it only shows them up in their true colours—that they are concerned only for the big financial institutions, the beef barons, the wealthy landholders who support them at election times. They are not concerned to provide food for Britain who went through difficulties and privations on their account in the last war. They are concerned only for the big greedy landholder.

The Government are doing the proper thing in resuming this land and bringing into production property that has not been producing for years. I am a native of the Central-West, I speak from experience of this part of the

State. I remember the time when the carrying capacity of Peak Downs was 60,000, but prior to its resumption by the Government it would not feed one beast. And why? Because the owners did not give a tinker's curse for the production of food-stuffs. They had taken the best out of the land and were content to allow it now to go to rack and ruin. That is what is happening on many other properties in Central Queensland held by big greedy landholders and it is nearly time the Government took action against them. At the present time there are properties in the Central-West of 30,000 to 40,000 acres with not a beast on them, not a soul living on the place, not even a hut or a house, only held for greed. It is nearly time that the Government took some action to compel these people to bring the land into active production. The Government would be doing the right thing in bringing such properties into full production. The people should be compelled to make proper use of their land, and the Government are acting correctly in taking land for the purpose of producing foodstuffs for the people of Britain and the rest of the world. Is it any wonder, when such things are allowed to continue, that the people are leaving the country centres because they are unable to procure land for farming because of the actions of these big greedy, lazy land-owners. (Opposition interjections.) It is true; hon. members opposite cannot get away from it.

Much has been said by the Opposition as to the great amount of sorghum grown in previous years. How much sorghum was grown in the Central-West prior to the establishment of this scheme? Can the Opposition answer that question? Very little sorghum was grown in the Central-West prior to the establishment of this scheme.

Mr. Kerr: It was grown.

Mr. INGRAM: How much?

Mr. Kerr: Quite a lot.

Mr. INGRAM: The hon. member for Sherwood cannot answer my question. I know very little was grown, because I have travelled the Central-West time and again. The action of the Government in resuming these properties and demonstrating to the people and farmers that sorghum can be grown in the Central-West successfully has moved dozens and dozens of selectors to engage in the growing of sorghum to provide food to preserve their stock. No matter how the Opposition might criticise this scheme, and no matter how much destructive criticism its members engage in, it will not do them any good because the people of the Central-West are very hostile to the Opposition for their criticism of this scheme. The people in various parts of my electorate contend that the Government should have got busy years ago and made the owners and occupiers of this land produce, or resume it, to enable those who are willing to do so. As I have already mentioned, there are thousands of acres, not hundreds, in this area with not one beast, or a man, or even a hut on them.

Much has been said by the Opposition, particularly the Leader of the Opposition, that sorghum stubble is absolutely useless for feed purposes because it is just like dust. They stated even that today it was useless to fatten bullocks on. I contradict that statement and I will go further and say that they do not know what they are talking about. It has also been stated that bullocks on Peak Downs were fattened on the grain that had fallen to the ground.

Mr. Ewan: The grass.

Mr. INGRAM: The hon. member does not know what he is talking about. The Government have demonstrated what these properties are capable of producing. There was very little grain on the ground when the bullocks were driven onto the property. There certainly was not sufficient grain on the ground to feed 2,000 or 3,000 head of stock. I hold in my hand a photograph that appeared in the Rockhampton "Morning Bulletin," a Tory newspaper even more Tory than "The Courier-Mail," showing cattle fattening on sorghum stubble at Orion Downs. This photographer often pays a visit to Peak Downs and no-one is louder in its praise as a producing area than he is. This shows that even the Tory Press in Rockhampton is in favour of the Government's continuing this scheme. It says that it is one of the best schemes that the Government have undertaken. I have here a reproduction of that photograph, which shows the condition of the stubble and you can see how cleanly it has been headed. That is proof that the Opposition do not know what they are talking about when they say that the bullocks were fattened by the grain on the ground. I had no intention of speaking until I received these photographs from the "Morning Bulletin," and then I thought the best thing I could do was to say a few words and exhibit them to the Opposition in order to prove to them that they did not know what they were talking about. The majority of the people in the Central-West are very hostile to the Opposition in this matter and it is only a few landholders who are causing the Opposition to criticise the Government for their share in the project. The criticism of the Government by the Opposition will not do any good because the Government will carry out their duty not only for the benefit of the people of this State but for the people of the Mother Country. That being so, I am surprised at the attitude of the Opposition. I appreciate the Premier's bringing this measure before the House. It will have not only our support but the support of the great majority of the people of this State.

Mr. V. E. JONES (Callide) (12.53 p.m.): When the original legislation was brought before the House on 23 March, 1948, I believed—and the majority of the people of the State believed—that the obligations of the Queensland-British Food Corporation and this Government was to produce in the vicinity of 500,000 pigs per annum for export to Britain. That belief was strengthened by the fact that in the first annual report it was stated that the corporation's objective was the production of pigs for export to Britain.

I am amazed that the Premier has not taken this opportunity to acknowledge to the people of this State where the Government have not carried out their obligations. He introduced this amending Bill last Thursday and spoke on it again later in the day and he spoke today also without mentioning that the obligations of the corporation to supply pig-meats to Britain have not been carried out; nor did he tell us on the other hand that the pigs turned off are sold to private enterprise.

Mr. Evans: The few they breed.

Mr. V. E. JONES: The few pigs produced today are all sold to the one company. The pig-meats and cattle are sold to this company on the competitive markets throughout the State. It is not necessary for this company to export meat to Britain. It has markets all over the world and it can export the pig-meats to any part of the world.

When this legislation was first introduced the pig-producers stated that they could produce all the pig-meats desired if they received costs of production.

The CHAIRMAN: Order!

Mr. V. E. JONES: The pig-producers were ignored.

The CHAIRMAN: Order! I hope the hon. member is not going to develop that argument.

Mr. V. E. JONES: In his speech on Thursday the Secretary for Public Lands stated that they can do this and produce the necessary food for people in Britain. As I stated, to-day I expected the Premier to acknowledge that they had not carried out their obligations. He merely countered the remarks of the Opposition. When the Legislation was first brought down the Opposition stated that we could produce pig-meats and there was no need to undertake such a project. It is all right for a concern that has no end of money at its back but the farmers to-day have proved that if they get cost of production they can produce pig-meats. I will substantiate that statement by pointing out that in 1943, when we were getting a price for our pig-meats related to the price of grain, the pig-producers of Queensland produced 700,000 pigs. In later years the price of grain rose and we were not getting a price related to the price of grain and production of pig-meats fell to 350,000 carcasses a year. If the Queensland-British Food Corporation got a price related to the price of grain the price it would have to get would be far in excess of that which the pig-producers of this State are asking for to-day. We are only asking for the cost of production. That has been proved by reports and by members of the Opposition. Take the price of grain, which it was suggested is in the vicinity of 10s. a bushel, multiply that by 27 and divide the result by 144 and the price is far in excess of what we ask for to-day for our cost of production.

Now I will point out something about the quality of pigs the corporation is producing—and this is clear enough. In the first competition in which it entered pigs, it came 75th on the list.

Mr. Sparkes: How many in the competition?

Mr. V. E. JONES: Only round about the 100 mark. The Queensland-British Food Corporation got only 57 points, which placed it 75th on the list.

Mr. Burrows: Who was the judge?

Mr. V. E. JONES: A Government man and a good judge. He knows his job. By producing pigs of such quality the corporation is riding on the back of the pig-producers of this State. We want the ideal carcass to be produced, the product that the housewife needs the shopowner to hand across the counter to her. It is no use producing a commodity that the housewife refuses because it is too fat.

Progress reported.

TREASURER'S FINANCIAL TABLES.

Hon. V. C. GAIR (South Brisbane—Treasurer) presented the tables relating to the Treasurer's Financial Statement for the year 1950-1951.

Ordered to be printed.

ESTIMATES-IN-CHIEF, 1950-1951.

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, 1951.

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

SUPPLY.

OPENING OF COMMITTEE—FINANCIAL STATEMENT.

(The Chairman of Committees, Mr. Farrell, Maryborough, in the chair.)

Hon. V. C. GAIR (South Brisbane—Treasurer) (2.18 p.m.), who was received with Government "Hear, hears," said: Before proceeding with the reading of my Financial Statement of the Public Accounts of the State, I respectfully request that the Committee accept the tables contained in the Statement as read.

Honourable Members: Hear, hear!

Mr. GAIR: Mr. Farrell—

On this, the first occasion on which I have had the privilege of presenting the Financial Statement of the Public Accounts of the State, I desire to acknowledge the confidence reposed in me by my colleagues and to assure the people of Queensland that I am fully sensible of the responsibilities associated with my Office and the necessity to administer the State's finances wisely and prudently.

Since the Committee's previous meeting for the same purpose, the international situation has considerably deteriorated and whilst nations generally have not become

geared for war, a certain degree of preparedness against aggression has become essential.

In the five years since the cessation of World War II, much progress was made towards off-setting, throughout the world, the effects of this great catastrophe and it is to be hoped that steps now being taken will result in nations of goodwill being enabled to follow their peaceful ways and work for the betterment of their people.

During this period the Government of Queensland has continued its efforts for the welfare of the people of the State, and policy and budgets were designed to this end. The budget which I have the honour to present to you is no exception in this regard within the revenues available.

It is my intention to follow the usual practice and to review the transactions of

the several funds for the financial year just past, and then to place before the Committee the anticipations for the current year.

The usual comprehensive Budget Tables are being made available in conjunction with this Statement, and I feel sure that Honourable Members will find them informative and helpful.

FINANCIAL YEAR, 1949-50.

CONSOLIDATED REVENUE FUND.

The transactions of the Consolidated Revenue Fund showed a surplus of £29,389, this sum being £5,976 less than was forecast in the budget.

The following summary shows the total estimated and actual Revenue and Expenditure for the year:—

	Estimated.	Actual.	Over Estimate.
	£	£	£
Receipts	36,391,235	37,119,291	728,056
Expenditure	36,355,870	37,089,902	734,032
Surplus	35,365	29,389	..

REVENUE.

The following table supplies details of the actual receipts, under their respective headings, and compares them with the amounts in the Estimates:—

Head of Revenue.	Budget Estimate.	Actual Receipts.	Over Estimate.	Under Estimate.
	£	£	£	£
Amount received from Commonwealth	1,096,235	1,096,235
Taxation—				
States Grants, Income Tax Reimbursement Grant and Special Grant	11,535,000	11,539,592	4,592	..
Land Tax	360,000	368,335	8,335	..
Licenses	244,000	262,742	18,742	..
Succession and Probate Duty	1,300,000	1,372,437	72,437	..
Stamp Duty	1,500,000	1,756,864	256,864	..
Totalisator and Betting Tax	250,000	220,921	..	29,079
State Transport Facilities Act and Traffic Act	527,000	630,906	103,906	..
Total Taxation	15,716,000	16,151,797	435,797	..
Land Revenue—				
Selection, &c.	824,000	891,851	67,851	..
Timber	404,000	288,135	..	115,865
Pastoral Occupation	397,000	425,596	28,596	..
Total Land Revenue	1,625,000	1,605,582	..	19,418
Mining	47,000	52,155	5,155	..
Railways	15,250,000	15,458,390	208,390	..
Other Receipts	2,657,000	2,755,132	98,132	..
Total	36,391,235	37,119,291	747,474	19,418
Over Estimate	£728,056		£728,056	

Taxation from all sources provided £16,151,797 of which £11,539,592 was received from the Commonwealth as Income Tax Reimbursement Grant and Special Grant. The Taxation Grant was £1,398,205 greater than in the previous year and this, together with the Special Grant of £1,308,765, made an increase of £2,706,970 in grants from the Commonwealth as compared with 1948-49.

The other main sources of taxation were Succession and Probate Duty £1,372,437 and

Stamp Duty £1,756,864, these sums exceeding the anticipated figures by £72,437 and £256,864 respectively. The income under the State Transport Facilities Act and the Traffic Act totalled £630,906, which was greater than the estimate by £103,906.

Land revenue, £1,605,582, did not realise the estimate by £19,418 and was £15,043 less than the sum received in the previous year.

Receipts from the Railways totalled £15,458,390, which was £555,159 greater than the collections in the previous year and was the highest yearly revenue since the termination of the war.

EXPENDITURE.

Disbursements amounted to £37,089,902 or £734,032 in excess of the estimate. The following table shows a comparison between the total appropriations for the departments and services and the actual expenditure:—

Head of Expenditure.	Budget Estimate.	Actual Expenditure.	Over Estimate.	Under Estimate.
	£	£	£	£
Schedules	1,753,224	1,737,072	..	21,152
Interest on Public Debt	4,753,914	4,765,482	11,568	..
Executive and Legislative	55,736	56,414	678	..
Premier and Chief Secretary	267,977	275,155	7,178	..
Health and Home Affairs	5,839,931	6,023,227	183,296	..
Public Works	572,298	559,565	..	12,733
Labour and Industry	253,340	238,815	..	14,525
Justice	696,312	658,284	..	38,028
Treasurer	1,580,159	1,634,967	54,808	..
Public Lands and Irrigation	738,418	727,259	..	11,159
Agriculture and Stock	463,932	437,392	..	26,540
Public Instruction	3,993,035	4,080,756	87,721	..
Mines and Immigration	352,766	337,689	..	15,077
Railways (excluding interest)	14,933,600	15,466,196	532,596	..
Transport	41,276	37,385	..	3,891
Auditor-General	54,952	54,244	..	708
Total	£ 36,355,870	37,089,902	877,845	143,813
Over Estimate		£734,032	£734,032	

Apart from the Department of Health and Home Affairs and the Railways, which together exceeded the budget estimate by £715,892 out of a total of £877,845 over the estimate, appropriations were substantially adhered to. This was satisfactory despite a general increase in cost of materials and services and salary and wage increases since the presentation of the Budget in October, 1949.

The maintenance of public hospitals is a considerable portion of the total appropriation for the Department of Health and Home Affairs. In the Budget for 1949-50, the sum appropriated for requirements of hospitals was £1,850,000 out of a total of £5,839,931 for all the activities of this Department. The actual expenditure was £2,050,000 or £310,548 in excess of the sum expended in 1948-49.

I now submit a summary of the disbursements from the Consolidated Revenue Fund in 1949-50 which will enable hon. members to see in broad outline how the expenditure was incurred.

Particulars.	Compared with 1948-49.			
	Amount.	Percentage to Total Revenue Expenditure.	Increase.	Percentage Increase.
	£	%	£	%
Interest on Public Debt	4,765,482	12.85	151,241	3.28
Sinking Fund	1,252,960	3.38	76,327	6.49
Exchange on Interest Payments	536,474	1.44	4,914	.92
	6,554,916	17.67	232,482	3.68
Salaries and Wages	19,910,512	53.68	2,634,398	15.25
Statutory Payments (excluding Sinking Fund)	416,659	1.13	24,076	6.13
Other	10,207,815	27.52	1,269,591	14.19
	£37,089,902	100.00	£4,160,547	12.63

Of a total expenditure of £37,089,902, the sum of £6,554,916 was in respect of Interest and Sinking Fund on the Public Debt and

Exchange on Interest remittances overseas. Salaries and wages absorbed £19,910,512 and other statutory payments, £416,659. The

remaining expenditure totalling £10,207,815 represents the controllable portion of the expenditure in 1949-50.

It will be seen that the cost of service of the Public Debt, other statutory payments and salaries and wages which are largely payments according to the awards of the Industrial Arbitration Court equalled 72.48 per cent. and the controllable portion only 27.52 per cent. of the total of the year's expenditure.

TRUST AND SPECIAL FUNDS.
1949-50.

The aggregate receipts of the Trust and Special Funds for the year were £20,559,148, this sum being £2,530,233 more than the collections in the previous year.

Receipts included £45,500 charged to Consolidated Revenue Fund to adjust portion of the debit balances of the following Trust Funds:—

	£	£
Irvinebank State Treatment Works Fund		3,000
State Coal Mines Funds—		
Mount Mulligan Mine	15,000	
Styx River Mine	15,000	
		30,000
State Coke Works Fund		12,500
		<u>45,500</u>

Expenditure totalled £21,710,799 compared with £18,936,191 in 1948-49.

A large proportion of the transactions of the Trust and Special Funds concerns moneys received from the Commonwealth for expenditure by the State. Such purposes include Commonwealth-State Housing, Servicemen's Re-establishment Allowances (Rural) and Reconstruction Training (Rural), Dairying Industry and Local Authority Roads.

This division of State Finance also includes large operational accounts such as Main Roads, State Coal Mines and Coke Works and Queensland Housing Commission. Much developmental and useful work is financed through these funds and this fact should be kept in mind when reviewing the transactions of the Trust and Special Funds.

The disbursements of the Main Roads Fund totalled £4,230,910, Queensland Housing Commission £943,932, State Insurance Fund £4,131,729, Hospital, Motherhood and Child Welfare Fund £769,456, Forestry and Lumbering Fund £722,326, Fish Supply Fund £642,441, Co-ordinator-General of Public Works Construction Fund £481,419, Post-war Reconstruction and Development Fund £1,428,517, Commonwealth-State Housing Fund £1,478,062, Commonwealth Aid, Local Authority Roads Fund £96,047, and Agricultural Bank £1,855,537, including Loans to Discharged Servicemen.

These figures are evidence of the variety and extent of the activities of the State quite apart from the expenditure of the Consolidated Revenue and Loan Funds.

Details of the receipts and expenditure, and balances of the various Trust and Special Funds, are to be found in the Budget Tables and Estimates.

LOAN FUND.
1949-50.

The disbursements from Loan Fund during 1949-50 aggregated £9,035,152 which was £1,916,614 greater than the expenditure in the previous year. This expenditure represents much sound development. Railways accounted for £2,134,872, Loans and Subsidies to Local Bodies, &c., £1,816,560, Land Settlement and Development £1,229,635, Main Roads £692,353, Water Supply £675,320 and Agricultural Bank for loans to settlers £800,000.

Details are as follows:—

	£
Railways	2,134,872
Public Buildings	1,148,511
New University Works	126,750
Main Roads Commission	692,353
Access Road to Callide Coalfield	122,000
Loans and Subsidies to Local Bodies and Hospitals Boards	1,816,560
Land Settlement and Development	1,229,635
Mining	234,184
Burdekin River Bridge	171,710
Water Supply	675,320
Tully Falls Hydro-Electric Project	154,000
Harbours and Marine	67,578
Agricultural Bank	800,000
Other Capital Works	18,276
Adjustment of Suspense Account	Cr. 356,597
Total	<u>£9,035,152</u>

Included in the Loan Fund expenditure are the undermentioned amounts which were credited to the relevant Trust Funds:—

	£	£
Main Roads Commission		822,000
Burdekin River Bridge		171,710
Agricultural Bank—		
Advances to Borrowers	300,000	
War Service Land Settlement	500,000	
		800,000
Co-ordinator-General of Public Works—		
New University and St. Lucia B.idge	126,750	
Somerset Dam	51,431	
Tully Falls Hydro-Electric Project	154,000	
		332,181
Total		<u>£2,125,891</u>

The unexpended balances in these Trust Funds, at 30th June, 1950, were available for expenditure and have been taken into account when framing the Estimates for the current year.

The total of repayments in 1949-50 was £1,125,679 and during the last five years £5,551,720. After allowing for an allocation of £600,000 towards Sinking Fund contributions in terms of the Financial Agreement, there was £4,951,720 available for loan expenditure over the five years. Loan raisings to this extent were thus obviated.

The proceeds of Loan raisings received by the State during the year totalled £7,861,500.

There was a credit balance in the Loan Account of £1,302,298 at the close of the year. A statement of the transactions of this account is as follows:—

	£	Cr.	£
Cash Balance, 1st July, 1949			1,366,923
Receipts—			
Repayments	1,125,679		
Less amount utilised towards Sinking Fund Contributions	150,000		975,679
Proceeds of Loan Raisings—			
Domestic Issues			1,020,500
Australian Loans	6,841,000		
Less Expenses	3,487		6,837,513
Australian Redemption and Conversion Loans	8,324,190		
Less Expenses	6,738		8,317,452
Instalment Stock Conversions			720,530
Expenses of Loan Raisings and Conversions provided from Consolidated Revenue Fund			20,224
Excess of funded Expenses in connection with the Redemption of Queensland Second American Loan, 1946-47			29
			<u>19,258,855</u>
Disbursements—			
Expenditure on Works	9,035,152		
Australian Loans Converted	7,641,490		
Instalment Stock Converted	720,530		544,526
London Loan Redeemed			544,526
Queensland 6½ per cent. Treasury Bond Redeemed		10	
Expenses in connection with redemption of London Loan	138,174		
Expenses in connection with Loan Raisings, 1948-49	10,814		
Refund of portion of expenses in connection with the redemption of American Loans in 1946-47 and 1947-48		815	
			<u>18,089,881</u>
Cash Balance, 30th June, 1950			£1,168,974
Extended Deposit			133,324
Total Balance of Loan Account, 30th June, 1950			<u>£1,302,298</u>

PUBLIC WORKS ACTIVITIES. 1949-50.

The co-ordinated programme of works for the past financial year was framed on the basis of the results likely to be achieved.

Although the programme as planned was not fully implemented, there was a substantial increase in expenditure, as compared with the previous year.

The total number employed at 30th June, 1950, under that portion of the plan financed from State funds was approximately 8,600 as against 8,200 in June, 1949, and 7,400 in June, 1948.

Disbursements from State funds on capital works and development in 1949-50 totalled £12,580,508 (as detailed hereunder) compared with £9,507,674 in 1948-49:—

	£
Stanley River Dam	178,500
University Works (including temporary accommodation and St. Lucia Bridge)	153,089
Soldier Settlement, Rural Development, and Irrigation	2,168,497
Railways (including Deferred Maintenance and Renewals)	2,544,145
Burdekin High Level Bridge	168,609
Reclamation and Erosion Prevention Works	30,906
Housing	620,237
Water Facilities on Stock Routes	62,294
Brisbane Harbour and Port Development	141,756
Mining	189,817
Main Roads	1,716,220
Buildings	1,075,709
Land Settlement and Forestry	1,244,226
Loans and Subsidies to Local Bodies and Hospitals Boards (other than Brisbane Harbour and Malarial and Erosion Prevention Works)	1,673,773
Mosquito Eradication	124,359
Queensland-British Food Corporation	308,250
Burdekin River Dam (Investigations)	29,983
Tully Falls Hydro-Electric Project	110,025
Sundry Works and Advances for Development	35,113
	<u>£12,580,508</u>

The sources from which the funds were provided were:—

	£
Loan Fund	8,371,636
Post-war Reconstruction and Development Fund	1,428,516
Consolidated Revenue	34,685
Trust and Special Funds	2,745,671
	<u>£12,580,508</u>

In addition, a sum of £1,478,062 was expended from Loan Funds provided by the Commonwealth under the Commonwealth-State Rental Housing Agreement, as compared with £1,004,208 in 1948-49.

Semi-governmental authorities and other Local Bodies spent approximately £7,600,000 on works financed from debenture loan raisings, this being in addition to the State works expenditure.

CASH BALANCES AND INVESTMENTS. 1949-50.

The total of cash balances and investments at 30 June, 1950, was £15,912,802 comprising £3,394,178 cash and £12,518,624 investments. Except for £133,324 Extended Deposit on account of Loan Fund the whole of the investments was in respect of the Trust and Special Funds. These investments are exclusive of sums invested in Commonwealth Government loans and loans to local bodies by the Insurance Commissioner.

CASH BALANCES AND INVESTMENTS AT 30TH JUNE, 1950.

		£	
Cash Balances—			
Consolidated Revenue Fund	.. Dr.	2,884,192	
Trust and Special Funds	.. Cr.	5,109,396	
Loan Fund..	.. Cr.	1,168,974	
Total Cash Balances	.. Cr.	3,994,178	
Investments—			
Assurance Fund, Real Property Act—			
Commonwealth Loan	..	35,350	
Main Roads Fund—			
Commonwealth Loans	..	500,000	
Parliamentary Contributory Superannuation Fund—			
Commonwealth Loans	..	15,950	
Post-war Reconstruction and Development Fund—			
Commonwealth Loans	..	1,185,000	
Fixed Deposits	..	800,000	
			1,985,000
Trust and Special Funds—			
Commonwealth Loans	..	4,549,000	
Fixed Deposits	..	5,300,000	
			9,849,000
Extended Deposit	..	133,324	
Total Cash Balances and Investments	..		£15,912,802

The cash balances were held as follow:—

		£	
Commonwealth Bank—			
Current Account	..	712,490	
Debenture Deposit Account	..	2,003,722	
Commonwealth Savings Bank	..	32,617	
Agent-General, Current Account	..	645,263	
Bank of England, Current Account	..	46	
National City Bank of New York, Current Account	..	40	
Total Cash Balances, as above	..		£3,394,178

Investments by the Insurance Commissioner, at the end of the year, were £9,378,450 in Commonwealth Government securities, and £3,500,430 in loans to semi-Governmental authorities and local bodies.

PUBLIC DEBT.

At 30 June, 1950, the gross Public Debt of the State was £150,661,535 which exceeded the debt at the close of the previous year by £6,536,390. Allowing for the balance of

£65,573 to the credit of the State in the National Debt Sinking Fund, the net Public Debt was £150,595,962 compared with £144,048,109 at 30 June, 1949.

Three cash and conversion loans were placed on the Australian market by the Commonwealth during 1949-50. Queensland received the sum of £6,841,000 from the proceeds of the portions raised for public works and services. In addition, the State raised by domestic issues £1,020,500, of which £1,003,000 was raised from the Commonwealth Savings Bank in terms of the Savings Bank Amalgamation Agreement and £17,500 from the Public Curator's Unclaimed Moneys Fund.

Loans raised by the Commonwealth carried interest at 3½ per cent. per annum for long term and 2 per cent. for short term investments whilst the domestic raisings were at 3 per cent. for the Savings Bank loans and 3½ per cent. for the loan from the Public Curator.

For many years past the greater part of Australia's loan requirements has been obtained from the Australian market. The present rate of 3½ per cent. has remained constant since 1947 and is lower than the prevailing rate of approximately 3½ per cent. on the London market for long term investment.

The servicing of the Public Debt of the State cost £6,554,916 or 4.35 per cent. of the total amount of the indebtedness. Interest absorbed £4,765,482, Sinking Fund £1,252,960, and Exchange £536,474. It is of interest to note that the cost of the debt service in 1949-50 was £258,461 less than in 1939-40 although the total indebtedness had increased by £21,628,318.

I now present in this connection a table which shows that the average rate of interest payable on the Public Debt has declined during recent years:—

	30th June,	30th June,	30th June,	30th June,
	1947.	1948.	1949.	1950.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<i>Including Exchange—</i>				
Overseas Debt	5 1 10	4 8 9	4 8 1	4 8 8
All Debt	3 17 3	3 14 2	3 12 11	3 12 2
<i>Excluding Exchange—</i>				
Overseas Debt	3 18 10	3 9 6	3 6 11	3 7 0
Australian Debt	3 1 10	3 5 4	3 4 10	3 4 1
All Debt	3 8 4	3 6 11	3 5 7	3 5 1

It is also worthy of note that the Public Debt charges now represent a much reduced proportion of the total Consolidated Revenue Expenditure. In 1939-40, the percentage was 32.85 per cent. of expenditure totalling £20,739,750; whilst in 1949-50 only 17.67 per cent. of £37,089,902 was required.

A marked change has also taken place in the same ten-year period in the domicile of

the debt, that is, as to a comparison of the indebtedness held in Australia and overseas. The following table illustrates this point, and it will be noted that whereas at 30 June, 1940, approximately 46 per cent. of the debt had been incurred in Australia, this figure had increased to 67 per cent. at 30 June, 1950. As already indicated, loans raised in

Australia entails a lower cost of service and the satisfactory position is evidence of the growing financial strength of the Australian Commonwealth.

Domicile of Loans.	At 30th June, 1940.	Per-centage of Total.	At 30th June, 1950.	Per-centage of Total.	Comparison— 1949-50 with 1939-40.	
					Amount of Increase or Decrease.	Percentage Increase or Decrease.
Australia	£ 59,342,231	45.99	£ 101,105,429	67.11	Inc. £ 41,763,198	Inc. 70.38
Overseas	69,690,986	54.01	49,556,106	32.89	Dec. 20,134,880	Dec. 28.89
Total	£129,033,217	100.00	£150,661,535	100.00	Inc. £21,628,318	Inc. 16.76

SINKING FUND.

Under the Financial Agreement the State, in 1949-50, contributed £1,252,960 to the National Debt Sinking Fund, and the Commonwealth's contribution was £265,182.

Queensland securities amounting to £1,463,273 were redeemed during the year

by the National Debt Commission as compared with £1,541,597 in 1948-49.

Particulars of the statutory contributions provided by the State, and by the Commonwealth, in the last five years, towards the redemption of the Public Debt of Queensland are as follows:—

Particulars of Contributions.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50.
5/- per cent. on Debt	£ 344,162	£ 346,343	£ 356,491	£ 367,044	£ 384,886
15/- per cent. on Special Debentures	16,110	16,110	16,110	16,110	16,110
4½ per cent. on Cancelled Debt	550,019	501,768	687,126	743,587	802,072
4 per cent. on Revenue Deficit Loans	49,892	49,892	49,892	49,892	49,892
Total by State	960,183	1,004,113	1,109,619	1,176,633	1,252,960
Commonwealth Contributions	222,231	224,412	234,561	247,341	265,182
Total Contributions	£ 1,182,414	1,228,525	1,344,180	1,423,974	1,518,142

ESTIMATES FOR YEAR 1950-51.

I have given a broad outline of the transactions of the past year and it is now my intention to inform you of the proposals of the Budget for the year 1950-51.

Before doing so, however, I deem it essential to make reference to the unsatisfactory position that exists in regard to Commonwealth and State financial relations. As you are aware uniform taxation whereby the Commonwealth is the sole authority for imposing taxation on incomes has operated since 1942. Following the close of the war the regular annual conferences between the Commonwealth and States have to a large extent been concerned with the rights of the States to a just proportion of the proceeds without permanent solution becoming any nearer. The matter has become more difficult because of the economic inflation which is gripping the Commonwealth.

A solution, however, would be nearer at hand were there a disposition by the Commonwealth to recognise the necessary part

in our Federation that the States are required to play and their increasing financial burdens.

The States carry on activities generally much nearer to the lives of the people than those of the Central Government. Among these are public health and the provision of public hospital services, the preservation of law and order, maintenance of public institutions, education and the administration of justice, to mention only a few but important functions of State Administration. In times of rising costs, the States must seek increased revenues, but the attitude of the Commonwealth, particularly at the most recent conference, has been to mostly retain buoyant revenues and allow the States from time to time what is an inadequate increase in the grant to offset increasing expenditure.

To demonstrate this, I give a table in which the increases in the Grants and Consolidated Revenue expenditure are compared with those of the year 1945-46, this being the last year in which the original amount of the Grant was distributed. The expenditure figures are exclusive of the Railway Department's disbursements.

Year.	Expenditure.		Grant.	
	Amount.	Increase Over 1945-46.	Amount.	Increase Over 1945-46.
1945-46	£ 14,657,476	£	£ 5,821,000	£
1946-47	15,140,629	483,153	6,601,000	780,000
1947-48	16,577,475	1,919,999	7,426,125	1,605,125
1948-49	19,161,488	4,504,012	8,832,622	3,011,622
1949-50	21,623,706	6,966,230	10,230,827	4,409,827
1950-51 (Estimated)	23,995,560	9,338,084	12,277,500	6,456,500

These figures make it abundantly clear that, excepting for the year 1946-47, the Grant has not increased at a rate sufficient to cover the increase in expenditure. Had it not been for the excellent net returns from the railways in the years 1947-48 and 1948-49 and the Special Grant in 1949-50, the State's financial position in those years would have been unsatisfactory.

For the benefit of hon. members, it might be opportune, at this stage, to review the history and operations of the Uniform Taxation Scheme.

Under this Scheme, which operated from 1st July, 1942, the States were paid Grants by the Commonwealth on condition that they refrained from imposing taxes on incomes. The original Reimbursement Grants were based on the average receipts from Income Tax by the several States for the years 1939-40 and 1940-41. In accordance with this formula the aggregate Grant payable to the States was £34,254,787, of which Queensland received £5,821,000, or 17 per cent. of the total.

Grants at this rate were paid to the States during the financial years 1942-43 to 1945-46, inclusive.

In 1946 an effort was made by the State Premiers to secure the abandonment of the Uniform Taxation Scheme, but it was clearly indicated that the Commonwealth did not intend to relinquish its hold on income taxation.

The State Premiers, however, succeeded in securing the approval of an amended plan which was designed to provide for increased Reimbursement Grants in 1946-47 and each year thereafter for an indefinite period.

This scheme is very briefly summarised as follows:—

1946-47 and 1947-48—£40,000,000 to be distributed to the States.

1948-49 to 1956-57—£40,000,000 varied in accordance with the increase in the population of Australia and also by half the percentage increase in wages paid in industry as compared with 1946-47, to be distributed partly on the 1946-47 basis and partly on an adjusted population basis which will take into consideration relative sparsity of population and numbers of children aged 5 to 15 years.

1957-58 and thereafter indefinitely—£40,000,000, varied as in the previous period, to be distributed solely on an adjusted population basis.

The amount of £6,601,000 was allocated to Queensland during 1946-47.

In 1947-48, it was evident that the aggregate Grant of £40,000,000 would not be sufficient to meet Budget requirements, and at the Premiers' conference in August, 1947, it was agreed to increase the aggregate Grant to £45,000,000. Queensland received £7,426,125.

The amount due to the States for 1948-49 under the approved plan was £43,200,000, which, in accordance with the amendment

agreed upon in 1947, was raised to £45,000,000. However, even with this amount, the States were faced with impossible conditions as regards attaining budgetary equilibrium for the year. After exhaustive examination at the Premiers' conference it was agreed that the approved formula be retained, but that, in computing the aggregate Grant to be distributed in the year 1948-49 and subsequent years, the following variations be made:—(a) that the basic Grant be £45,000,000 instead of £40,000,000; (b) that the basic Grant be varied by a percentage equal to the full, instead of half, percentage increase in average wages; and (c) that the increase in average wages be based on 1945-46 instead of 1946-47. Suitable Commonwealth legislation in due course validated these alterations to the formula.

Under the modified formula the total amount distributed to the States in 1948-49 was £53,744,471 of which £8,832,622 was received by Queensland.

In 1949 conditions were again adverse to the States, and after a very careful examination of the States' prospective budgets, the Prime Minister recognised disabilities suffered by the States as a result of the nation-wide coal strike, and announced at the Premiers' conference that he was prepared to recommend that the aggregate Income Tax Reimbursement Grant for 1949-50 be increased by £8,000,000, such increase to be in addition to the amount available under the formula and to be distributed in accordance with the formula. This additional sum was to assist the States' budgetary position, and was to be for 1949-50 only. This proposition was accepted by the Premiers.

The aggregate Grant due under the formula in 1949-50 was £62,537,279 which, with the additional £8,000,000, brought the amount due to the States to £70,537,279 or £16,792,808 more than the aggregate Grant distributed in the previous year. Of the aggregate distribution Queensland received £11,539,592 or 16.4 per cent. of the total.

The amount due to the States for 1950-51, in accordance with the formula, is £70,300,000, Queensland's allocation being £11,463,000. At the recent conference pressure was exerted by the Premiers to obtain a substantial increase over this amount. However, the Prime Minister would not agree to an additional sum greater than £5,000,000. Therefore, the aggregate Grant this year will be £75,300,000, of which Queensland will receive £12,277,500 or 16.3 per cent. of the total.

These frequent changes are evidence of the failure of the present scheme to provide for rapidly changing conditions. The formula, under which the distribution of tax revenue to the States is made is sound in principle, but it was never designed for present economic difficulties.

The Premiers at last month's conference with the Prime Minister made particularly pointed reference to a practice of the Commonwealth in charging the whole of the cost of capital works and services to Consolidated Revenue and the inordinately large amounts

being so charged. In 1949-50 the sum in question was £73,000,000 and in the previous year £43,000,000. These sums are exclusive of war expenditure charged to Consolidated Revenue. The States are compelled to borrow for similar works and services and incur an annual commitment for interest and sinking fund whilst the Commonwealth in recent years has borrowed on its loan programme only to lend to the States for the Commonwealth-State Housing Scheme.

It is considered that whilst the States are finding it increasingly difficult to carry on, or expand present policies, the practice of the Commonwealth in charging excessively large sums to revenue for capital works and services should be modified.

I might state that the 1950 conference was noteworthy for the unanimous attitude of the Premiers on the unsatisfactory state of Commonwealth and States financial relations and for the strength with which their views were expressed.

Belatedly the Prime Minister recognised the force of the Premiers' case and the need for a review of the whole matter. The Premiers adopted his suggestion of calling a conference of Commonwealth and State Treasury officers to explore the problem, with particular reference to the Commonwealth practice as regards financing capital works and services, and to report thereon and make recommendations. The Prime Minister and Premiers will consider such report and recommendations at a special conference to be called for the purpose.

In view of what I have just stated, it should not be a matter for surprise that the State has no alternative but to budget for a deficit in 1950-51. The amount is £767,825. To budget for deficits in a time of high national income cannot be justified in normal

circumstances, but the position of Commonwealth and States financial relations outlined by me has made this inevitable. Departments however have been requested to observe strict economy and it is hoped that the actual result at the end of the financial year will show an improvement.

The greater part of salaries and wages in the Budget is payable under awards of the State Arbitration Court. No provision has been made anticipating variations of awards resulting from applications which will be before the Court during the course of the financial year.

Any additional appropriations which might be necessary in consequence of award increases will be presented in supplementary Estimates, and an approach will be made to the Commonwealth for an additional grant to cover the cost involved.

There is little scope for further substantially increased revenues, other than from Income Taxation Grants. Probate and Succession Duties and Land Taxation should be fields for further revenue but the States are restricted by the Commonwealth invading these fields also.

On the other hand the following evidence of increased costs in relation to the moneys received as income tax reimbursements will enable the difficulties of State Finance to be appreciated.

The table hereunder compares the expenditure of the last two years with the Budget proposals for 1950-51 of certain social services essential to the welfare of the people. The requirements of these services, apart from other administrative responsibilities of the Government, show a substantial increase beside which the net additional Income Tax Grant of £737,908 in 1950-51 is a small contribution.

	Expenditure.		Provision.
	1948-49.	1949-50.	1950-51.
	£	£	£
Hospitals including Hospital, Motherhood and Child Welfare Fund	2,302,452	2,784,232	3,400,000
Expenditure	96,614	113,961	150,652
Maternal and Child Welfare	234,664	289,995	353,727
Charitable Institutions and Grants	617,373	757,692	843,499
Mental Hygiene	1,302,645	1,613,639	2,002,713
Police	3,603,288	4,120,756	4,753,443
Education and University Endowment			
£	8,157,036	9,680,275	11,484,034

It will be noted that in 1948-49 the cost of public hospital maintenance was £2,302,452, in 1949-50 £2,784,232, and the anticipated expenditure in 1950-51 is £3,400,000.

The Commonwealth's reaction to the increasing cost of public hospitals was a proposal for the reintroduction of the means test and the principle of charging for use of public hospitals. In consideration of adopting a hospital insurance scheme the Commonwealth would increase its payment by 1s. per occupied bed per day. The States in the

first place were not consulted on the matter of the abolition of payment of fees. Now the Commonwealth again proposes to disturb the established arrangements by requiring the States to resort to the previous practice of collection of fees. Quite obviously the proposition is primarily to save Commonwealth expenditure and is further evidence of a very niggardly attitude on the part of the Commonwealth towards matters involving a rightful share to the States of income taxation proceeds.

CONSOLIDATED REVENUE FUND.

REVENUE.

The receipts of the Consolidated Revenue Fund are expected to total £40,477,735, this sum being £3,358,444 greater than the revenue of the last financial year. As the expenditure is estimated at £41,245,560, a deficit of £767,825 is likely to be shown at the end of the year.

The amount to be received from the Commonwealth for Taxation Reimbursement Grant is £12,277,500; the total of the Taxation Reimbursement Grant and the Special Grant received in 1949-50 was £11,539,592.

It is anticipated that Succession and Probate and Stamp Duties will produce £3,500,000, or £370,699 more than during last year.

Land Revenue will probably be £1,632,000, or £26,418 greater than in the previous year.

An increase in railway fares and freights operated from 1 July last. This, together with the growing business of the department, is expected to bring the Railway receipts to £17,400,000, which is £1,941,610 greater than the 1949-50 collections.

EXPENDITURE.

In framing the Estimates of Expenditure for the current financial year, every effort has been made to effect economies and to reduce expenditure consistent with efficiency. It must be realised that the cost of maintaining public institutions and essential public and social services is rising steeply and out of all proportion to the State's revenues.

Salaries and wages of all departments will require £22,555,000, or £2,644,488 more than was needed last year.

The Sinking Fund contributions due on the Public Debt will be £1,356,000, which is £103,040 more than last year's payments.

The increase of £706,793, under the Department of Health and Home Affairs, is mainly on account of the cost of maintenance of public institutions and public hospitals, and the Police Department.

All other departments show greater appropriations as compared with last year. These increases are chiefly caused by increased requirements for salaries and wages, and the expansion of services to the public.

The total anticipated expenditure for 1950-51 from Consolidated Revenue Fund is £41,245,560.

TRUST AND SPECIAL FUNDS.

The Trust and Special Funds comprise Trust Funds created by Acts of Parliament, funds approved by the Executive Council to facilitate the financing of special construction projects, and funds through which considerable sums of money are expended or distributed by State Departments on behalf of the Commonwealth. The expenditure from

all these funds will probably total £32,242,717 during 1950-51. Itemised details of the proposed expenditure will be found in the Estimates.

LOAN FUND.

At the recent meeting of the Australian Loan Council a total works programme of £173,831,000 for the Commonwealth and States was adopted. It was, however, decided to approve of the raising of only 75 per cent. of the loan moneys involved in the programme on the understanding that if any State found that it could carry out a greater proportion of its programme it would be provided with the necessary loan moneys.

Queensland's approved works programme is £19,630,000, and the Loan Fund Estimates have been prepared on this basis.

In addition to the above Loan Fund provision, the Commonwealth programme includes £6,750,000 which will be available to the Queensland Housing Commission for the erection of houses under the Commonwealth-State Rental Housing Agreement.

The programme for all States for borrowings by Local Authorities and Semi-Governmental Bodies, which totalled £70,671,000, was approved without any reduction. Queensland's share of this approval is £10,566,600.

DEVELOPMENTAL WORKS AND SERVICES.

In accordance with the provisions of The State Development and Public Works Organisation Acts, 1938 to 1940, a co-ordinated plan of works and services has been approved. The purpose of such a plan is to avoid haphazardness in public works policy and to ensure that consideration is given to the importance and value of the proposed works in relation to other works planned or under consideration.

The plan makes ample provision for works of immediate benefit to the community. There should be mentioned in this respect the allocations for Soldier Settlement, Rural Development and Irrigation £2,800,154, Railways £7,090,000, Housing £1,111,570, Main Roads £2,655,465, Land Settlement and Forestry £1,630,240, Loans and Subsidies to Local Authorities and other Bodies £5,523,000.

There is provision also for major works which will play an important part in future development. Amongst these are the Burdekin River Dam, Tully Falls Hydro-Electric Scheme, and various Irrigation Projects.

No plan of works is worthy of the name unless it provides concurrently for present as well as future development. In this respect, the plan adopted is well balanced and the moneys to be expended will result in the maximum benefits and returns.

The following statement sets out in summarised form the works and services proposed and the financial allocations for 1950-51:—

	£
Stanley River Dam	270,000
University Buildings	260,275
St. Luc Bridge	10,000
Soldier Settlement Rural Development and Irrigation	2,800,154
Railways (including Deferred Maintenance and Renewals)	7,090,000
Burdekin River High Level Bridge	480,000
Reclamation, Erosion Prevention Works	164,588
Housing	1,111,570
Water Facilities on Stock Routes	133,500
Brisbane Harbour and Port Development	317,450
Mining	384,000
Main Roads	2,655,465
Buildings	1,567,725
Sundry Works and Advances for Development	85,667
Land Settlement and Forestry	1,630,240
Loans and subsidies to Local Bodies and Hospitals Boards (other than Brisbane Harbour and Malarial and Erosion Prevention Works)	5,439,793
Mosquito Eradication	294,077
Queensland-British Food Corporation	160,750
Burdekin River Dam	175,000
Tully Falls Hydro-Electric Project	330,000
	£25,325,254

The prospects of a full expenditure in the year are of course dependent on the availability of technical staff, labour and supplies.

The amount provided for housing is exclusive of £6,750,000 set down for expenditure under the Commonwealth and State Housing Rental Scheme.

The total proposed expenditure, £25,325,254, is a record for a public works and services programme. Cost of railway and other equipment and the use of imported supplies, such as cement and steel, have had their influence in this result, but the programme, nevertheless, represents a substantial acceleration of the rate of carrying out practical projects for the well-being of the community.

RURAL DEVELOPMENT.

Rural development and problems associated therewith have always claimed a substantial portion of each year's Budget. During 1949-50 a total expenditure of £3,505,923 was incurred from the several funds for land settlement, irrigation, forestry, stock routes and rural lands protection, reclamation works, prickly-pear eradication, and other forms of rural activity. In the current year's programme projects for these and like purposes have been provided which will mean a continuance of the works.

Progress is being made with the opening up of land for closer settlement. Thirty-three blocks, comprising 1,208,450 acres of sheep country, and fourteen blocks of cattle country, totalling 1,613,530 acres, were made available during the past year.

Honourable Members: Hear, hear!

Mr. GAIR: In 1949-50 the sum of £48,401 was expended on stock route works included in the Co-ordinating Board's programme and £9,873 for similar works included in the Channel Country scheme being carried out under Commonwealth-State agreement. The 1950—z.

programme for 1950-51 provides for the undertaking or completion of 210 stock route works at an estimated expenditure of £100,000.

The sum of £50,000 is being provided to eradicate prickly-pear in the Rockhampton and Collinsville districts, and the Department of Public Lands is assisting landholders and local authorities by providing at cost price, with free transport, hormone weedicides for the destruction of noxious plants.

Reafforestation expenditure of £869,574 in 1949-50 was a record figure, and brings the expenditure in post-war years to £2,475,189. Man-power difficulties associated with reafforestation were relieved by the employment of 460 New Australians under the Commonwealth immigration scheme. The sum of £722,326 was expended on general timber marketing and allied activities, and £34,685 in making Queensland's scenic, recreational, and educational National Parks more accessible, mainly by the construction of easy walking tracks.

In connection with War Service Land Settlement, a total area of 168,835 acres, comprising 145 properties, has been acquired in various parts of the State. Compensation to date amounts to £446,453, but many cases remain to be finalised. An allotment of 288 farms by ballot to ex-service personnel has been completed, of which 161 are for mixed farming purposes, 30 tobacco growing, and 97 sugar cane production. Opportunities for ex-servicemen to enter the grazing industry have also been provided by the provision of 49 blocks of grazing land, mainly in the wool areas.

At Clare tobacco settlement, in the Burdekin area, 20 blocks were allotted to ex-servicemen, making a total of 30 at that settlement. Substantial returns have been received by the early settlers from areas ranging from 6 to 10 acres.

Honourable Members: Hear, hear!

Mr. GAIR: In the sugar industry, 97 blocks have been allotted and further lands will be examined with a view to acquisition within the limits of assignments approved by the Central Sugar Cane Prices Board.

In the War Service Land Settlement scheme the Agricultural Bank has played a conspicuous part. Advances approved in the past year under the War Service Land Settlement Acts totalled £861,670, compared with £385,529 in 1948-49. Approvals to ex-servicemen under the Agricultural Bank Acts amounted to £860,049, of which £785,798 attracted a three-year's interest and redemption free repayment term concession.

Honourable Members: Hear, hear!

Mr. GAIR: There was also approved £243,956 under the Re-establishment and Employment Act, which brought the total approvals to ex-servicemen during the year to £1,765,675.

The total value of the interest free concession granted in respect of loans to

ex-servicemen to 30 June, 1950, amounted to £203,015, of which £198,352 related to loans granted under the Agricultural Bank Acts.

The total of advances approved by the bank to ordinary borrowers as well as ex-servicemen in 1949-50 was £2,127,186, or more than £400,000 in excess of the total for the previous year.

The provisions of the Agricultural Bank Acts are being liberalised in a Bill which I shall bring before Parliament, and it is proposed to increase the limit of advance from £5,000 to £7,500, and authorise the inclusion of the value of stock, implements, machinery, plant and fruit trees for the purpose of determining the loan security value. The advance limits in respect of stock, machinery, farm houses, &c., will be increased.

Having in view the necessity for the settlement of pastoral lands in Queensland in such a manner as will ensure their maximum development, improvement and preservation, a Royal Commission has been appointed to investigate matters relating to the pastoral industry.

The terms of reference submitted to this tribunal are particularly wide and will entail a close enquiry into the subdivision and settlement of lands best calculated to improve and increase rural population and employment, production, quality and number of stock, pastures and fodder conservation.

IRRIGATION AND WATER SUPPLY.

The Irrigation and Water Supply Commission continued its investigation into dams, weir sites, water resources, &c., during 1949-50 and incurred an expenditure of £69,273. This work will be carried on in the current financial year and the investigations proposed include projects on the Atherton Tableland, the following rivers, the Walsh, Barron, Herbert, Burdekin, Pioneer, Fitzroy, Dawson, Nogoa, Comet, Burnett and Maroochy, as well as Lockyer Creek.

The Burdekin River irrigation, hydro-electric and flood mitigation scheme envisages the construction of a large dam above the Burdekin Falls to store water for irrigation, the generation of hydro-electric energy and flood mitigation. Initial development will comprise intensive cultivation of tobacco and other high-value crops. Ultimately, hundreds of thousands of acres will be irrigated to provide pastures and fodder crops for beef and dairy cattle and other stock.

Generation of substantial quantities of hydro-electric energy will enable power to be supplied for industrial development. The cost of investigation and surveys during the current financial year will approximate £75,000. The development of the irrigation settlement at Clare, for which £90,000 has been provided, will be an integral part of the major scheme, and £130,000 will be spent on the construction of access roads and bridges to the main and diversion dams and the purchase of construction plant.

The total storage by weirs to date is 24,000 acre feet and weirs under construction will provide a further 17,000 acre feet. The programme for 1950-51 provides for expenditure of £790,000 on construction, and provision has been made for the payment of approximately £50,000 to the New South Wales-Queensland Border Rivers Commission, representing Queensland's share of the developmental work on the Dumaresq and MacIntyre Rivers.

The programme for 1950-51 includes provision for the construction of stock route watering facilities in the Channel Country and Barkly Tableland, being one of the measures designed to increase beef production. The Commonwealth will contribute up to a limit of £75,500 towards this expenditure on a £ for £ basis.

The Bureau of Investigation is carrying out experiments associated with the irrigation of pastures and other crops at the Bureau's research station at Gatton and experimental station at Theodore. At both locations, grazing trials on irrigated pastures have been commenced.

PRIMARY PRODUCTION.

The charge to Consolidated Revenue Fund for the Department of Agriculture and Stock for 1949-50 was £437,392, compared with £216,210 in 1945-46. Fees collected in the year and credited to Consolidated Revenue amounted to £57,370. This small revenue is evidence that the Department's services are at the use of primary producers largely free of cost for those activities financed from Consolidated Revenue.

Services rendered were varied and included those related to crop and pastoral field experiments, growing of pineapples, tobacco and other crops, and pasture investigation. Attention was also given to pest and disease control, live stock disease control and husbandry improvement, tuberculosis in dairy cattle, and advisory and investigational activity in the feeding and breeding of both dairy and beef cattle.

The services rendered by this Department to the various primary producing industries of the State are of inestimable value and result in improved quality of products and greater production.

Surveys are being conducted and data examined in relation to bulk handling of wheat in view of the need for mechanisation because of shortages of labour and jute containers.

The production of raw sugar in Queensland in the 1949 season was 895,780 tons in terms of 94 net titre, of which 430,788 tons were exported and 464,992 tons reserved for home consumption. The prices paid were £1 5s. and £1 5s. 6d. per ton respectively higher than the corresponding prices in the 1948 season. The increase in home consumption sugar price was due to a rise of $\frac{1}{4}$ d. per pound in the retail price of refined sugar which took effect in November, 1949.

The export sugar price rose by £3 5s. sterling per ton in January, 1950, and was responsible for the higher price realised for the 1949 season surplus sugar. The total value of raw sugar produced in the State for the season was £23,954,000, which is approximately £750,000 above that of the 1948 season's output.

It is anticipated that another large crop will be harvested for the 1950 season. Present indications are that about 970,000 tons of bagged sugar will be produced, or some 100,000 tons more than in the previous season. The realisation of this estimate is, of course, dependent upon various factors, but it is hoped that the estimate will be attained, as a market at a satisfactory price is assured for the exportable surplus sugar.

As a result of representations made in London by a delegation led by the Honourable the Premier, the purchase of the whole of Australia's exportable sugar until the 1952 season is assured. Thereafter, until 1957, a total of 600,000 tons will constitute the Australian export quota.

The successful conclusion of these negotiations will be a tremendous economic gain not only in the sugar areas immediately affected but to the State as a whole.

The value of the primary production of the State is increasing annually. The estimated values of main lines of production, with the exception of wheat and sugar cane, show substantial increases over the previous year. The State was fortunate in experiencing bountiful rains and generally ideal rural conditions and our exportable surplus is of course being sold at generally high prices. The following comparison will serve to show the effect of this good fortune and the industry of producers in respect of wool, maize, wheat, sugar cane and meat and by-products. The figures for 1949-50 are a preliminary estimation of values:—

	1948-49.	1949-50.
	£	£
Wool	30,772,214	40,000,000
Maize	1,197,011	1,300,000
Wheat	7,172,220	5,900,000
Sugar Cane .. .	16,942,615	16,500,000
Meat and By-products ..	25,022,700	29,000,000

The Tobacco Industry is making headway. Since 1945-46 there has been an increase in acreage under crop from 1,897 to 2,833, and production from 1,411,536 lb. to approximately 2,832,000 lb. The value of production in 1945-46 was £189,969, whilst the estimate for 1949-50 is £849,600.

The assistance given by the Government to the North Queensland Tobacco Growers' Co-operative Association Ltd. has materially assisted in this fine result. Assistance by Government guarantee and loan approvals by the Agricultural Bank total £142,475. The Government guarantees were mainly in respect of the purchase of leaf to enable the Association to carry on manufacturing operations. Consideration is being given to rendering assistance to the South Queensland Tobacco Growers' Co-operative Association Ltd., which proposes to operate on the same lines as the Northern Association.

SECONDARY INDUSTRIES.

In the post-war years there has been a considerable expansion in secondary industries throughout the State. The number of factories operating in Queensland in 1948-49 was 4,083 compared with 3,642 in the previous year and 3,087 in 1938-39.

Average employment also expanded, the number employed being 82,945 compared with 54,110 in the year immediately prior to the war. The value of factory output rose from £125,244,000 in 1947-48 to £154,670,000 in 1948-49, an increase of 23½ per cent. for the year.

Overseas and southern industrialists continue to be interested in Queensland, and there have been many inquiries and investigations regarding new and branch works. Large projects in the course of establishment, such as the paper and board mills at Petrie and the cement works at Townsville, are making progress.

Technical experts from England and the United States are making investigations regarding the probabilities of establishing nitrogenous fertilizer works in Central Queensland, using sulphur from the Mount Morgan Mines and coal from local coalfields.

Financial assistance either by cash advances or Bank guarantees totalling £1,116,998 has been given to 27 companies since the inception of such assistance under The Industries Assistance Act.

MINING.

The continued interest of the Government in the Mining Industry is evidenced by the provision of £106,764 in the current financial year for Investigations of Coal Resources including diamond drilling; and £8,767 as assistance to prospectors. These allocations are in addition to the Consolidated Revenue budget provision of £172,512 for the Department of Mines for mining purposes. Coal production in 1949 of 1,970,388 tons valued at £2,874,062 was an all-time record.

Honourable Members: Hear, hear!

Mr. GAIR: The exploitation of the coal resources of the Central district will be assisted by the regrading of the Railway section Emerald to Clermont which serves the Blair Athol mine and the projected construction of a new rail link from Biloela to the Callide field. To improve the transport of coal by road from Callide to Gladstone the Biloela-Gladstone section is being improved by the Main Roads Commission and in the present financial year it is proposed to spend £213,000 on permanent works and £20,000 on maintenance.

The rise in the price of gold in September, 1949, from £10 15s. 3d. to £15 9s. 10d. per oz. gave a much needed stimulus to gold production. The increased output in 1949 over the previous year was 6,636 fine ozs. and the total production, 76,282 fine ozs. was valued at £930,445.

Copper and lead outputs were higher than in the previous year, the respective values being £758,374 and £4,136,607.

Zinc concentrates were valued at £1,954,199 for 21,241 tons. The production was 352 tons lower than in the previous year but £266,874 greater in value. Tin and zirconite concentrates also contributed substantially to the mineral output.

The output of minerals is a big factor in the value of the State's varied productions and as a result of much development and exploratory work further expansion of the mining industry will take place.

The search for oil is now approaching a stage when definite results will not be long delayed.

ELECTRICITY SUPPLY.

The demand for electrical energy has shown phenomenal growth in recent years and despite difficulties in maintaining the generating capacity and the unavoidable delays in the commissioning of new plant this demand has been met. The extension is evidenced by the fact that, in the last two years, the number of consumers has increased by 25,000 and the units sold from 425,000,000 to 601,000,000.

The State Electricity Commission and Electrical Authorities in all parts of the State are carrying out a vigorous plan of extension which, subject to labour and material shortages, is well in hand. The estimated expenditure on works in progress and to be commenced during 1950-51 totals £22,300,000. The Regional Boards' programmes account for £19,200,000 of this sum, and £4,600,000 has already been expended. It is estimated that a further sum of £4,100,000 will be required in the current financial year. The programmes both for the Boards and the Local Authorities are being aided substantially by means of Government subsidy, which for rural extensions is at the rate of 33½ per cent. of the capital cost and for electricity schemes in Western Queensland 50 per cent. In addition, the Government will subsidise other capital expenditure by Regional Boards for five years from 1 July, 1950. A special subsidy has been approved for the development of the Tully Falls for the generation of hydro-electric energy which will amount to £2,155,000 over the full period of construction. It is anticipated that £330,000 will be spent on construction in the current financial year on the first stage, which is estimated to cost £7,636,000. Another potential source of electricity supply is the Burdekin River Dam.

The subsidies for regional development together with subsidies for rural development, the special contribution towards the electrification of Western Queensland, and the Tully Falls project indicate the very practical effect which the Government has given to its policy of State-wide electrification and will mean more electricity for many more consumers in the next few years.

TOWN WATER SUPPLY AND SEWERAGE SCHEMES.

Ever increasing interest in the town water supply scheme is in evidence amongst the various Local Authorities throughout the State. The generous subsidies made available by the Government are encouraging the installation of such services. Country water supply schemes are subsidised up to a maximum of 50 per cent. of the capital cost whilst water supplies in towns and cities attract 20 per cent. subsidy and half the capital cost of sewerage schemes is also borne by the Government. There are 35 water supply and 9 sewerage schemes under construction at a cost of £3,125,630. Works under investigation number 161 for water supply and 56 for sewerage schemes, the estimated cost of which is £9,582,982. Shortages of essential basic materials are causing delay in construction. Water supply schemes numbering 86 and 20 sewerage schemes, estimated to cost £2,687,029, are fully planned but not commenced.

MAIN ROADS COMMISSION.

The receipts of the Main Roads Commission from all sources totalled £4,235,015, of which £1,165,888 was received from motor vehicle registration fees, £1,481,817 from the Commonwealth on account of the Commonwealth Aid Roads and Works Act of 1947, £300,000 State Government grant and £700,000 loans from the Treasury. The expenditure was £4,230,910, of which £1,836,984 was in respect of permanent works, £1,063,255 for maintenance of roads, and £177,133 for the purchase of plant.

The Commission is also carrying out work in connection with the Burdekin River Bridge. During the year £168,609 was spent on this project. The sum of £96,047 was also expended on projects financed from the Commonwealth Aid, Local Authority Roads, Trust Fund. This fund represents moneys received from the Commonwealth for local authority roads in sparsely settled districts.

On the 30th June, 1950, the total length of roads declared under the Main Roads Acts was 20,608 miles, of which 10,875 were Main Roads and 7,610 State Highways. The increase of total mileage during the year was 592.

The Commission is in need of further plant to carry out its programme and £400,000 has been provided in the Estimates for this purpose. The value of orders placed for tractors and graders aggregates £395,000.

The total provision for roads and other purposes of the Commission in 1950-51 is £6,021,903. Under agreement between the Commonwealth and the State the Commission is also carrying out the construction of roads in the Channel country, Western Queensland, which will assist in attaining a greater beef output. The total expenditure for works in the Channel country, comprising the construction and improvement of 528 miles of outlet roads together with 8 cattle loading and unloading facilities at selected points, is estimated at £900,000. Projects approved to date are expected to cost

£454,285. The expenditure to 30 June, 1950, was £10,355, and the provision in the current year is £300,000.

RAILWAYS.

Operations of the Railways in 1949-50 were affected by considerably higher costs, and, in consequence, the excess of gross earnings over working expenses was only £63,108, compared with £1,156,986 in the previous year. After allowing for interest on the capital debt there was a deficit of £1,466,092.

As from 1 July, 1950, fares and freights were increased which, it is anticipated, will mean additional revenue of £1,250,000 in 1950-51.

The usefulness of the Railways in the development of the State and in the provision of essential transport for the marketing of production will be increased by capital works recently undertaken and others projected as well as by the acquirement of a large number of new locomotives and rolling stock generally. The capital works in the year 1949-50 cost £1,741,245. Twenty-three new locomotives and 299 new wagons were placed in service. During the year additional orders for 25 locomotives, 8 complete air-conditioned trains, 6 rail motor trains, and 1,602 wagons of various types were authorised. The number of locomotives now on order is 130 and rolling stock of various descriptions 3,479, at a total cost of £11,665,694. The delivery of these units will relieve the acute shortage in locomotives and wagons that has been experienced for some time past.

The Department has a number of major works in progress including reconditioning and strengthening of tracks as well as the construction of a deviation to eliminate the rack section between Moonmera and Moon-gan in the Central District. The duplication of the line between Yeerongpilly and Kuraby and between Newmarket and Mitchelton is in progress and the commencement will shortly be made on the concrete work on the new link from near Biloela to the Callide coalfield. A tender has been accepted for the earthworks on this line.

A contract has been let for the construction of a new station and administrative building at Cairns and tenders have been invited for a new station building and administrative offices at Rockhampton.

HOUSING.

The value of general building operations which included the construction of dwellings shows a substantial increase in 1949-50 as compared with previous years. The figure was £17,177,000, compared with £15,792,000 in 1948-49 and £13,200,000 in 1947-48.

The total number of dwellings completed by the State Housing Commission, contractors and private effort totalled 9,494 in the past year, the estimated value being £12,077,000. The number of dwellings completed in the years 1947-48 and 1948-49 totalled 9,289 and 9,405 respectively. At

the close of the year there were 4,556 dwellings under construction. The State Housing Commission completed 1,011 dwellings, which was substantially the same number as in the previous year, and there were 843 houses under construction by the Commission at the close of the year.

The Government's housing programme for 1950-51 is very considerable, and the number of new homes to be erected should show an appreciable increase. Approvals and building agreements to 30 June, 1950, for the erection of a further 2,390 homes include 1,450 pre-fabricated houses to be imported from France and Sweden. The provision of funds for the programme is a substantial increase on the previous year and the sum of £955,570 is included in the estimates for advances to borrowers and purchasers under the Acts administered by the Queensland Housing Commission and £6,750,000 for the erection of homes and purchases of land under the Commonwealth-State Agreement respecting houses for rental. The total sum allocated for all purposes in the previous year was £2,108,500.

The provision of homes has constituted a major effort on the part of the community generally and the State Housing Commission. In common with other undertakings, the difficulties associated with shortages of supplies and labour have militated against the early satisfying of all demands. In spite of this position, it is interesting to note that in the period 1 January, 1946, to 30 June, 1950, a total of 37,912 dwellings was completed as the result of the efforts of all concerned in home building.

Honourable Members: Hear, hear!

Mr. GAIR: Expenditure by the State Housing Commission during the past financial year was as follows:—

	£
Advances to Borrowers under State Housing Acts	48,051
Workers' Homes Act	18,196
Discharged Soldiers' Settlement Act ..	238
Temporary Housing	119,645
Purchase of Land and Cost of Housing for Rental	1,175,222
	<u>£1,361,352</u>

LOANS AND SUBSIDIES TO LOCAL AUTHORITIES AND OTHER BODIES.

The programme of loans recently approved by the Loan Council contains generous provisions for works to be carried out by local authorities, regional electricity boards, hospitals boards, and other public bodies. The Loan Fund Estimates for 1950-51 provide a sum of £5,523,000 for loans and subsidies to local authorities, &c., comprised in the State Loan Programme, whilst Loan Council approvals for the raising of debenture loans total £10,566,600. The total provision in respect of both the State and Debenture Loan Programme is therefore £16,189,600 compared with £13,230,700 in 1949-50. Advances made by the Treasury in the past year amounted to £1,256,861 for loans and £650,790 was paid in subsidies.

whilst the actual amount approved for the raising of moneys by the issue of debentures was £8,228,803.

In the eighteen year period from 1 July, 1932, to 30 June, 1950, the Treasury has approved £8,384,025 in loans to local authorities, &c., and £11,547,947 in subsidies. Debenture loans which are guaranteed by the Government totalled £39,439,202 in the same period. The subsidies approved were for the following purposes:—

	£
Sewerage	4,649,949
Water	1,750,569
Electricity	284,486
Roads, Streets (including Kerbing and Channelling) and Bridges	2,678,925
Drainage	638,315
Buildings	201,188
Miscellaneous	777,065
Harbour Boards and Brisbane Harbour	567,450
	£11,547,947

These subsidies represent a substantial contribution to the cost of local government, and have assisted local authorities to provide amenities such as water, sewerage, and electricity at very reasonable cost to the people.

Honourable Members: Hear, hear!

Mr. GAIR: As already mentioned, some of the rates of subsidy are considerable. For instance, sewerage works are subsidised to the extent of 50 per cent. and country water supply schemes up to a maximum of the same rate. There is also the liberal concession of 50 per cent. subsidy on western Queensland electricity extensions.

Local authorities have also received very favourable treatment in the apportionment of the cost of road works by the Main Roads Commission. In the past ten years, of £12,872,558 expended on permanent works and £6,276,526 on maintenance, local authorities were charged with only £622,355 and £1,561,768, respectively.

Mr. Jesson: Hear, hear! A big concession.

Mr. GAIR: All debenture loans raised by semi-governmental and other local bodies are guaranteed by the Treasurer which enables the borrowing at favourable rates of interest and makes the issue more attractive as an investment to the lender.

EDUCATION.

The provision of funds for the maintenance of the present high standard of primary, technical, secondary and university education and for its expansion represents a considerable proportion of the Consolidated Revenue Fund Budget. In 1950-51 a total of £4,693,443 will be necessary, compared with an expenditure of £4,080,756 in the previous year. It will require 38 per cent. of the Income Tax Grant for 1950-51 to finance the total educational programme.

The development and expansion of the University is proceeding steadily. Amongst notable activities have been the establishment of full Faculties of Education and Architecture; the creating of separate departments of Civil, Mechanical, Electrical and Mining

Engineering; constituting a Chair of Economics; the restoration of the Faculty of Veterinary Science to a fully operative basis; the expansion of the Faculty of Agriculture to include extension and research services and the re-organising of the Department of External Studies embracing provision for University Centres in approved places. Proceedings are also in train for the establishment of a section of Sugar Technology.

By widening the teaching functions of the University and providing improved opportunities for research, that Institution is being enabled to make an even greater contribution to the material improvement of our society and the cultural advancement of our people.

Upwards of 2,000 day and evening students are taking either the whole or part of their courses at the new University, St. Lucia.

These progressive activities, combined with the overall rising costs, naturally involve increasing expenditure. Towards the general running expenses of the University the Government contributed £167,181 for the financial year 1949-50. The sum of £215,630 is being provided for 1950-51.

HARBOUR IMPROVEMENTS.

Harbour improvement works in hand and to be commenced and the purchase of plant in respect of all ports in the State are estimated to cost £2,017,324, the approvals for the various ports being:—

	£
Brisbane	272,800
Maryborough	7,400
Bundaberg	7,553
Gladstone	194,750
Rockhampton	34,500
Bowen	35,400
Townsville	1,306,631
Cairns	158,290

Works in the Brisbane River include deepening and widening of channels and wharf construction. An extensive programme at Gladstone provides for the installation of coal-handling, storage, and loading facilities, construction of an extension to the jetty, and reclamation works. A large proportion of the provision for Rockhampton is also for coal handling facilities. The principal works being undertaken at Bowen are deepening of the channels and berths and jetty improvements.

The Townsville Harbour Board proposes the construction of a new general purposes pier estimated to require £750,000. Reclamation works and removal of Signal Hill will cost £200,000 and the purchase of a new dredge £350,000. The programme of the Cairns Harbour Board includes dredging of channel, £70,000, and purchase of plant, £35,000.

Five major units of new plant being acquired by the Government and Harbour Boards include two new suction dredges costing £700,000. Plans are being prepared for two other units. Four electric cranes are being obtained for use on wharves in the Brisbane River.

The completion of the Harbour works mentioned will increase the usefulness of the various ports, whilst new plant will facilitate dredging operations.

Investigations are being carried out respecting a new outer port for Bundaberg and the establishment of a deep water port in the Fitzroy River.

STATE GOVERNMENT INSURANCE.

The State Government Insurance Office business was well maintained during the year. Income on account of all sections amounted to £3,740,021 and claims paid totalled £1,624,240. The aggregate amount paid in Workers' Compensation Claims since the inception of the Office is £15,774,715. Investments in Commonwealth Government Stock held total £9,378,450 and with Local Authorities £3,500,430.

Life Policies issued in 1949-50 numbered 9,659 for a sum assured of £5,106,744. Other Departments showed very satisfactory progress.

The Fire profits distributions policy of the Office has meant substantial rebates to insurers against fire loss. The rate of distribution in 1949-50 was maintained at 33½ per cent. The activities of the Government Insurance Office have had the effect of reducing fire premiums to an extent that has resulted in considerable savings to the people.

CONCLUSIONS.

As I indicated at the outset, this statement is being presented against the background of a disturbed world.

It is in the light of world conditions that I stress in conclusion what, and this will have been apparent to honourable members, are the principal features of this Budget—the determination of the Government to press on with its policy of State development, and the difficulty of pursuing that policy in view of the unsatisfactory financial relations between the Commonwealth and the States.

While we are naturally anxious to develop Queensland to the utmost of our ability and as quickly as possible, in the interests of the State itself and its people, our determination is not based purely on the grounds of self-interest.

We say that, in the interests of the whole of the Commonwealth, the development of Queensland, the exploitation of its vast natural resources, the improvement of its roads, the intense settlement of its large tracts of fertile land are vital to the security of the whole of the Commonwealth.

It is a hackneyed, but none the less true, statement that this Northern State is the gateway through which any potential enemy of Australia will seek passage.

Therefore, it is not sufficient that the development of Queensland should keep pace with the rest of Australia; it must out-speed it.

I do feel that the sustained pressure exercised by successive Queensland Governments on the Commonwealth for recognition of this urgent necessity will bear fruit. Failure to develop and populate Queensland would help to rob Australia, not only of its

physical ability to defend itself, but of its moral justification to retain this Continent as a great democratic bulwark in the Pacific.

The State's economy is sound. Although the year 1949-50 opened with industry considerably hampered by a nation-wide coal strike resulting in a marked decline in business during the first quarter a high level throughout the remainder of the year was nevertheless sustained.

Record high levels have been reached in general employment, production, and building activities.

Shortages of labour, of certain basic materials, principally those required for building, and shortages of capital equipment, however, continue to impede the State's economy from developing to the maximum. The achievements, nevertheless, in the past year have been entirely satisfactory. Primary production is at a high level. Wool production was the best since 1945-46. Wheat production remains higher than the pre-war average. Tobacco output was almost double that of 1948-49. Sugar production was high. Beef cattle herds increased by 265,000, and production of butter, cheese, maize, bananas, pineapples, and some of the fodder crops have been higher than for the previous year.

Sale prices have generally been high, and Queensland has had a record year of income from the agricultural and pastoral industries.

The upward trend in prices and costs, however, is a matter of great concern to the Government. The pressure forcing a continual rise cannot be relieved generally by the States. The remedy lies with those who control the affairs of the central Government. It is the authority to apply measures to mitigate the inflationary effects of high export and import prices and other factors having this effect on our economy. That authority being in sole control of taxation of incomes and the Australian currency and exchange is in the position to determine, in its wisdom, the best means to bring about a more healthy state of affairs.

I have, in general terms, during the course of this statement, informed hon. members of what the Government has done in the past year in developing the resources of the State and the Budget provisions in the present financial year.

A record provision has been made for developmental works and services, including several large projects which will have a profound effect on our economy for years to come.

Rural development has again claimed a substantial portion of the year's Budget.

Secondary industries are on the increase and the employment therein has increased by 50 per cent. since pre-war.

Coal production has had the attention of the Government for some years past and the beneficial effects of its efforts and policies are now becoming evident.

The Government is pushing on strongly with its policy of State-wide electrification, and the valuable amenities of water supply

and sewerage services are being brought to an increasing number of centres throughout the State.

The activities of the Main Roads Commission will be on a large scale in 1950-51, and the Railways will be in a better position to meet the demands for transport because of early action taken to secure new rolling-stock and wagons.

The housing position will be relieved considerably by the erection of pre-fabricated homes, in addition to the ordinary programme of the State Housing Commission.

Loans and subsidies to Local Authorities and other Bodies have been amply provided for, and the provision of the necessary finance for the Government's educational programme has not been stinted.

I submit that the features of the Budget which I have outlined to you will do much towards developing the State and bringing prosperity and happiness to the people.

Government Members: Hear, hear!

Mr. GAIR: Mr. Chairman, I move—

“That there be granted to His Majesty for the service of the year 1950-51 a sum not exceeding £643 to defray the salary of the Aide-de-Camp to His Excellency the Governor.”

Progress reported.

QUEENSLAND-BRITISH FOOD PRODUCTION ACT AMENDMENT BILL.

INITIATION IN COMMITTEE—RESUMPTION OF DEBATE.

(The Chairman of Committees, Mr. Farrell, Maryborough, in the chair.)

Debate resumed from 17 October (see page 695) on Mr. Hanlon's motion—

“That it is desirable that a Bill be introduced to amend the Queensland-British Food Production Act of 1948 in certain particulars.”

Mr. V. E. JONES (Callide) (3.46 p.m.): I have already said that the standard of pig produced by the Queensland-British Food Corporation has been very low and this is not in keeping with the policy of individual growers, who have proved by winning competitions carried out by the Australian Meat Board over the past few years, that they can produce the desired carcass.

I should like to comment upon a statement made by the Premier to the effect that care must be taken to see that the whole enterprise is not wiped out by disease and to ask the hon. gentleman what action has been taken in this respect. Pigs for the scheme have been bought haphazard from all over the State and they have not been bought from disease-free herds. I think this is essential, particularly when setting up such large units. Disease is already in the piggery at Moura, as has been proved by killings at the Central Queensland Meat Export Company's works. And, what is more, no test was made of the soil at Moura. It was a foolish mistake to establish a

piggery without first proving whether the soil was suitable for one on a large scale. The nature of the soil upon which pigs run plays an important part in their welfare, because it gives to them minerals which it is very difficult to give them in their ordinary feeding.

The Secretary for Public Lands and Irrigation said that you had first of all to have piggeries to breed pigs for the various fattening depots. This was another misleading statement. All the pigs used for breeding have been bought by the corporation and until recently at least no pigs have been set aside for breeding parent stock. Incidentally I should mention that some of the pigs bought have not yet produced a litter. An individual farmer running his own business would not allow that sort of thing to happen. Those pigs would immediately be wiped out.

A Government Member interjected.

Mr. V. E. JONES: Knowing that the manager of the piggery is very capable and very efficient, I think he will have seen to that side of it. In my opinion, the men at the piggery are carrying out the job to the best of their capabilities, under the system that exists.

I heard the Premier and other Government members say that we on this side of the Committee fear that this project will develop into a success. We do not fear that at all—we wish the project every success—but as experienced men we desire to offer constructive criticism that we know is right. It is the wish of members on this side of the Committee that the project will be a success, but I regret to say that, particularly from the point of view of raising pigs, I feel confident in giving my personal opinion that the rearing of such huge numbers by the corporation as is suggested will not be a success.

We have also heard some comments about supplies. I think the Premier pointed out this morning that the matter of getting supplies for the corporation came under separate legislation. Why could not such consideration be given to individual farmers, who have always been crying out for supplies? I have seen large supplies of pig-netting at Peak Downs and at the Moura piggery, and I could nominate farmers whose present requirements of pig-netting amount to 500 coils. They actually need these supplies now to carry on their work and production.

In conclusion, all I wish to say is that when this legislation was originally introduced, the pig-farmers of this country gave an assurance that they would produce all the pigs necessary if they received their cost of production. I assure hon. members that we will still do it if necessary.

Mr. BURROWS (Port Curtis) (3.53 p.m.): This Bill deals with two subjects: the first is the necessity for more capital, and the second is more or less a machinery clause protecting the rights of the tenants to improvements on the land.

There is nothing unusual in granting the corporation further capital. Hon. members opposite are making a song out of it, but are we to accept their bland statement that merely because the British Food Corporation requires further capital it must be declared a failure? To show how wrong they are, I should like to remind hon. members that it is quite common for large concerns to find it necessary to increase their capital, particularly during this inflationary period, which has been brought about largely as the result of the Federal Government, which is supported faithfully, if not wisely, by hon. members opposite.

We all read the financial columns in the Press. I admit that I do not make a fetish of studying them, because, unlike hon. members opposite, I have no pecuniary interest in them. Even if I did have the opportunity and made an investment and I got 500 per cent., it would not make a difference of £5 to me at the end of the year. However, I admit that I do look at the financial columns of the newspapers at times and that they are of some interest to me but not of the same interest as they are to the affluent group opposite. However, I do not begrudge them their affluence but I think I am just as good as they are and perhaps better in other respects. I am quite happy and I am not trying to ridicule anyone for being rich.

Anyone with an elementary knowledge of accountancy knows that under-capitalisation can be a dangerous condition. We also know that it is possible for an undertaking to have assets greatly in excess of its liabilities and yet be very much embarrassed financially merely because it has not enough liquid or current assets. Let me illustrate my point. I may have a lease at Callide, worth say £40,000 but I may not have enough money in the bank even to pay a caretaker and so according to law I should be bankrupt although in fact I should be worth £40,000. The fact that the Queensland-British Food Corporation requires more liquid assets or capital is not something to quibble about and even the most critical and most bitter member of the Opposition cannot make a point of that. We had a company like the A.C.I.—Australian Consolidated Industries—one of the mightiest concerns in Australia recently introducing another £1,000,000 of capital into its undertaking on top of an issue of well over £350,000 in bonus shares. Firms like G. J. Coles and Woolworths find it necessary to increase their capital and Dunlop Perdriau increased its capital by about £1,500,000. Not so long ago the great concern of B.H.P. introduced more capital into its undertaking.

The CHAIRMAN: Order!

Mr. BURROWS: The point I make is that the need for the introduction of more capital is by no means an indication that the concern is on the down grade. As a matter of fact, where would the hon. member for Kedron and his business be today if he had been satisfied not to enlarge his capital? I think I have sufficiently made my point that

the need to introduce more capital into the Queensland-British Food Corporation is by no means an indication of its failure.

The hon. member for Coorparoo very discreetly refrained from making any attack on the second feature of the Bill and his conduct was in striking contrast with that of some of his colleagues opposite, who rush in where angels fear to tread.

He tried to develop that point in his attempt to ridicule the need for introducing this machinery clause into the Act, which in effect protects the tenant's right to any improvements erected on the land. Would there not be a hue and cry if a Crown lessee found at the end of his lease that he had no equity in the improvements he had made to it? From what I can gather, the clause is merely a reenactment of a clause to be found in any similar lease. The hon. member for Coorparoo said that this was a deal between Government and Government, and that even the Socialists won't trust one another. If there was any concern on the part of the British Government about what the Queensland Government would do at the expiration of the lease or when the day came when the corporation had attained its objective and carried out its functions and it was decided to wind it up—and I very much doubt whether there is any such concern—it would be based only on the fear that by a political accident hon. members opposite would then be in power, not the present Government. If that part of the Bill was inserted at the request of the British Government, which I very much doubt, that is what would have inspired it. In any agreement it is not unusual to put such things in writing. The hon. member for Coorparoo tried to make a big song out of the fact that this is a deal between Government and Government. After all, what are Governments? They are merely trustees of the people and the British Government, as trustees of the people of the British Empire, are entitled to be more concerned about the contents of an agreement and have it made more binding than if such an agreement was being entered into by individual members of the community. The same applies to this Government. A trustee has a trust to discharge and a duty to observe. There are lots of things which a trustee may not do that individuals are not very much concerned about doing.

I should like to deal generally with other criticisms made by hon. members. Despite the fact that two years have elapsed since this agreement was made, hatred of the British people engendered because they exercised their democratic rights and elected a Government to suit them still exists in the hearts of hon. members opposite. The people of Britain elected a Labour Government and in the eyes of the Opposition that is an unforgivable crime. They, in effect, say that because the people of Britain had the audacity to go to the polling booth and vote for the Government of their choice they should be rewarded with starvation.

As I said previously this creates fear in hon. members opposite, and as Australians they should be ashamed of themselves. When

the battle for Britain was on members opposite would have given Britain anything. The only crime the British people committed in the eyes of members opposite is that they exercised their democratic right and elected a Government to their liking. That is behind the criticism of the Queensland-British Food Corporation. As I said in 1948, members opposite wore the knees out of their trousers because they would be down on their knees every night praying that Peak Downs would get no rain so that the project would be a failure. That was their general approach to this project. I can understand their intense disappointment. I appeal to them as Australians to realise that the British people are our own kith and kin.

Mr. Sparkes: You gave them sorghum instead of bacon.

Mr. BURROWS: They asked for bread from you and they got stones.

Mr. Sparkes: They asked for bacon and got sorghum.

Mr. BURROWS: They asked for grain and at least they got quite a lot of sorghum. Members opposite more than likely think that the Queensland-British Food Corporation should have gone to Tanganyika. If over half a million was to be spent in South Africa hon. members opposite would have said it was a lovely project. If the money was being spent in South Africa, Argentina or even in Franco's Spain, members opposite would be in their glory.

The hon. member for Cunningham complained that the store cattle bought in May and sold in December were fat when they were bought. He said he inspected these cattle, which were supposed to be store cattle, and they were fat; according to him they were not stores. He said no credit was due to the sorghum stubble on which they were grazed from May to December because they were fat in May when they were put on it. Anybody with an elementary knowledge of grazing knows that if you have a beast fat in May, and you can keep that condition on him till December you are doing remarkably well. I should be a very happy person if I knew of any of our natural grasses that could keep a beast fat from May to December, except in very rare conditions. These cattle were bought for £12 or £13 a head and sold for £22 a head; so the sorghum stubble enabled the cattle to be bought and sold at a profit of approximately £8 a head. It is a pity we have not a bit more of this sorghum stubble in Queensland. Even if the hon. member for Cunningham was correct, the fact that these cattle were kept in the same condition from May to December was no mean achievement, and thanks are due to the management of Peak Downs and the sorghum stubble.

Mr. Sparkes: Do you mean they had bought fat bullocks for £13 or £14 a head?

Mr. BURROWS: I did not say that at all but the hon. member for Cunningham said the cattle that were bought were fat.

The hon. member for Callide submitted certain statistics and mentioned that the first exhibit of pork by this corporation did not get a prize at the Lake's Creek meatworks. He seems to have taken great delight in that fact, but even the exhibit that obtained the lowest mark in that competition was very good pork and the fact that within 12 months of the commencement of operations by this corporation it was able to exhibit at all is to be commended. If the corporation's exhibit had run third in a field of four after 12 months' operations it would have spoken volumes for the success of the project.

Another complaint of the hon. member for Callide was that the products of Peak Downs were sold everywhere. For the edification of the hon. member for Kedron, who has been so busy hobnobbing with Santa Claus that he has lost touch with Australia and the business of his own electorate, I would inform him that export sales of pork are controlled by the Australian Department of Commerce in collaboration with the British Food Ministry. But hon. members opposite believe that the British Empire consists only of the British Isles. They forget that there are a number of British troops in Hong Kong, Malaya, and other places. The British Food Ministry allocates the meat and the economics of the position should be sufficient to answer the criticism of hon. members opposite. Would it be economic to ship meat to London and then ship it from London to Hong Kong or Malaya or anywhere else? The ramifications of the British Empire are not confined to the British Isles, as hon. members opposite would like the people to believe. The sun never sets on the British Empire.

Anybody who has studied the report of the Peak Downs project must realise that it is financially very sound but even though it were not shown to be sound on paper it must be remembered that it has returned a big dividend to Queensland, a return equal to the capital already invested, in this respect: it has demonstrated that sorghum and grain can be produced in Central Queensland and that millions of acres of land that was treated with contempt by private enterprise after it had exploited it and let it return to burr, weeds, and other pests, is still very valuable and capable of producing much food for the starving people not only of Australia but of the world.

The quibblings and the criticism of hon. members opposite and their hopes that the Peak Downs project will fail, have not materialised. They will not admit defeat but are hoping against hope that the people of Great Britain will be starved into re-electing a Tory Government and they will go back to the Fascist doctrine they yearn for, and when that comes about we will listen to their tale of woe.

Mr. MUNRO (Toowong) (4.16 p.m.): I think it would be appropriate at this stage if we made an endeavour to return to the basic question and subject matter of the debate. My impression is that if we get down to the essentials, we have had a very

thoughtful and statesman-like analysis of the position by the hon. member for Coorparoo. Since his speech we have had some supplementary ones by hon. members on this side dealing with matters of detail and from the Government side we have had the reply by the Premier, the distinguishing feature of which was its absolute inconclusiveness, as well as speeches along similar lines by other hon. members opposite. It is well known that it is a very essential feature in the art of debate, if the case for an issue is rather weak, to more or less avoid that issue and talk about a number of minor points of less relevance. Therefore at this stage I propose, as briefly as I can, to repeat and to some extent amplify one or two of the major points made this morning by the hon. member for Coorparoo, which have not been replied to by the Premier. I am doing this particularly to give that hon. gentleman the opportunity of replying further.

On the basic question of the activities of the Queensland-British Food Corporation, it is common ground that on occasions when food is required urgently for any people that food must be produced urgently, and at that stage there is perhaps not a great deal of time to consider exactly the best means of going about it. That to a certain extent was the position a few years ago from the point of view of the British people, but we are coming to the stage when there is evidence that this activity might involve and probably will involve very much more capital expenditure than the amount originally contemplated. And it behoves this Government—and if the Government do not do it it behoves this committee—to consider this activity a little more carefully from the point of view of where it will lead us. That was the main point of the speech made this morning by the hon. member for Coorparoo. What he endeavoured to do was to analyse the proposal in the Bill. It is not a very small matter, because we contemplate the expenditure of £500,000 on something in the nature of a partnership in which the people of Queensland have a quarter interest. A comparison has been made between an activity of this kind and a large business institution and I should say that if I were a member of the board of directors or a shareholder in a large business institution I should want to know a great deal more about the proposal if it became evident that an expenditure in the nature of millions of pounds was likely to be involved. For that reason, the questions that have been put forward deal with such very important aspects as the short-term production results, the long-term production results, the total capital costs, and our moral commitments in completing the venture as distinct from the specific commitment of £125,000 that is dealt with in this measure.

Turning now to the response of the Premier, I must confess as a new member of this Parliament that I was very disappointed with it. I was disappointed, not only because he did not reply to the essential features of the address by the hon. member for Coorparoo,

but also because he used such outworn political phrases as saying that we on this side of the Committee were trying to damn with faint praise, or, again, referred to what he regards as our intense desire to see this undertaking a flop. I should say that a reply of such a nature is unworthy of any Premier of this State.

Opposition Members: Hear, hear!

Mr. Hanlon: What I said was perfectly true. When you have been in this House as long as I have, you will appreciate the truth of that statement.

Mr. MUNRO: I do not believe it is true. I have heard today what I regard as a very fair and impartial analysis of this proposal by the hon. member for Coorparoo, and merely because it may have been put in somewhat restrained terms, as the hon. member for Coorparoo usually puts his case, that is no reason why it should be referred to by the Premier, or by anybody else, as condemning the scheme with faint praise. I know most hon. members on this side of the Committee very well and I think I am quite correct in saying that there is no desire on their part to see activities of this kind a flop. But, as I have said, we are in the position of representatives of the shareholders in this State of Queensland, and when large-scale undertakings of this kind are being carried on it is only right that full particulars of the activities should be given to us.

The hon. member for Port Curtis went even further than the Premier. He not only emulated him in his remarks but he also referred to the Opposition generally as having a hatred of the British people. Could any more absolute nonsense be spoken by a responsible member of this Committee?

Turning now to the substance of this debate, I submit that the real and substantial proposition put forward by the hon. member for Coorparoo was his analysis indicating that on the basis of the information available to us, the total capital expenditure on this undertaking may amount not to £2,000,000 or £2,500,000, which is the increased amount envisaged in this Bill, but to perhaps £8,000,000. We have not available to us all the information that the Premier has, but I stress the fact that the hon. member for Coorparoo has certainly put before this Committee a prima-facie case indicating that the expenditure may amount to something of that order. The Premier has had the opportunity of replying but up to the present he has not disproved the case of the hon. member for Coorparoo.

Mr. Smith: I could assume that you had the measles.

Mr. MUNRO: And the hon. member's assumption would be entirely unwarranted.

Mr. Smith: And I could say the same of the hon. member for Coorparoo.

Mr. MUNRO: If I may be permitted to reply to that irrelevant interjection, I could say that the hon. member for Coorparoo gave sufficient particulars to indicate his case, which is entirely different from an assumption.

Naturally, we want a little further information from the Premier and—because I have found on other occasions that one is likely to be misrepresented in replies from the other side of the Chamber—I want to make it abundantly clear that we are not concerned with any question of profit, that is not in issue, but we are concerned with the most efficient means of production, which means also that we must be concerned with costs; and in this connection costs, and relative costs, are all-important.

There is another point that must receive due consideration and that is that, rightly, hon. members on both sides of the Chamber have conceded that this activity is of considerable value to the State from an experimental point of view, but I should like to make the other point that when you carry on an undertaking for experimental purposes you do not do it by spending millions of pounds.

Mr. Smith: The Mt. Isa Company did it.

Mr. MUNRO: Not if it could have done it otherwise. I am not suggesting that this capital expenditure is not justified; I am merely suggesting that we should be given a little further information. If the reason for the expenditure is merely experimentation then that is not a sufficient reason for the expenditure of this additional vast sum. I submit that the basis for experimentation should be on a smaller scale and the result could be equally effective.

Replying to the last interjection, which might give rise to the suggestion that the hon. member for Coorparoo was merely speaking on the basis of certain assumptions, I would point out that it is no assumption to say that if 500,000 pigs per annum is to be the turn-off in the future, it will be necessary to have buildings—pigsties, yards, fences and the like. The pigs themselves may grow—and there are not many there at the present time—but buildings, yards, pigsties, plant and equipment will not grow. We want to know something about the buildings. Where are these additional improvements and plant to come from out of this amount that we are considering at the moment?

I do not want to take up the time of the Chamber any more than is necessary and I would conclude by again submitting to the Premier very specific questions that we could reasonably expect him to answer either during this debate or at a later stage. The questions I put to him are, first; is the objective still a turn-off of 500,000 pigs a year? my second question is: what is the estimate of the total capital cost? In other words, will it be £2,000,000 or will it be nearer £3,000,000? My third question is: will the cost of production of pigs under this scheme be favourable or unfavourable compared with the cost of production under other more proved methods of pig-raising? My fourth question is: approximately how long will it be before the objective of the turn-off of 500,000 pigs a year be achieved?

Finally, I might be permitted to refer to something said by the hon. member for

Keppel when he was replying to speeches made from the Opposition benches. He said, more or less, that what we are saying was not of much use because our criticism was not going to do us any good. The hon. member for Keppel has an entirely wrong conception of his duties in this Chamber, and of what we regard as our duties in this House.

Opposition Members: Hear, hear!

Mr. MUNRO: We are not putting forward this criticism because we think it will do us any good; we are advancing it because we think it might do the Premier some good. (Government laughter). If we can do that we might do something that will be of value to Queensland.

Hon. E. M. HANLON (Ithaca—Premier) (4.32 p.m.): I just want to reply to the hon. member for Toowong. I forgive him for his lack of knowledge of this undertaking, as he has only come into Parliament this session.

Mr. Munro: I know a good deal about it.

Mr. HANLON: If the hon. member knows the story of the introduction of this scheme he will know that from its inception it was attacked because it would prevent the sorghum-growers of Queensland from getting a higher price from the people of Britain. (Opposition interjections.)

Mr. Nicklin: Absolute bunkum.

Mr. HANLON: We were told then that by going onto the British market with sorghum we should bring down the price. The hon. member for Toowong has to realise that at that time Britain was in a desperate position for food. She was desperately short of food. Meat was almost an unknown quantity with her people. I doubt if the hon. member for Toowong would know sorghum from anything else. He certainly does not know the history of this matter, or he has been acting a part in this debate. The attitude of hon. members of the Opposition is typical of the attitude that was expressed by Mr. C. H. Jamieson, the president of the Queensland Dairymen's Organisation, as reported in the "Courier-Mail" of 30 April this year. I would hardly believe that Mr. Jamieson would say what he was reported to have said. This is what the "Courier-Mail" reports him as saying—

"All that concerns us is the price. We are not worrying about the Motherland or any other land. Let them cut out butter rationing tomorrow if they like, but give us a price adjustment."

That statement was exactly the attitude of Country Party members when this Bill was introduced.

Mr. Macdonald: That is not right.

Mr. HANLON: Let hon. members read the debate. When, as I have said previously, the question of supplying Britain with meat was discussed, the hon. member for West Moreton, who was then Deputy Leader of the Country Party, did not get a

hostile remark from hon. members opposite when he said "Business is business," in other words, "Get as much as you can out of the needs of Britain." I could not go and lay a wreath one day on a cenotaph in memory and in honour of those who had laid down their lives in saving and protecting Britain from her enemy and then on another day come here and endeavour to get every shilling out of her by exploiting her needs. I make bold to say that if I can do anything to help Britain to meet her needs for food I will do so. If I adopted the attitude that has been assumed by some hon. members opposite I should never be able to take part in any patriotic celebration in this country, but I am sure that the hon. member for Toowong does not know the history of this scheme. I am sorry the hon. member has not read it; if he had he would know.

Mr. Pie interjected.

Mr. HANLON: I am not going to take any notice of the hon. member. His reputation has been so completely destroyed by himself that nobody would take any notice of him.

Mr. Pie interjected.

The CHAIRMAN: Order!

Mr. HANLON: He destroyed it on oath.

Mr. Pie interjected.

The CHAIRMAN: Order! I ask the hon. member to obey my call to order. If I have to call him to order again, I will name him.

Mr. HANLON: This undertaking was gone into by the Queensland Government in an endeavour to help the British Overseas Food Corporation to provide enough food, not only for their immediate needs but, as was explained to the House at the time, because Britain was attempting to provide security in the matter of food in the event of another war. And hon. members opposite have been exploiting the possibility of another war for political purposes. (Opposition interjections.) They have been trying to find something in the national situation to cover up the complete and utter collapse of government by the Liberal Party in Canberra. I suppose the economic advisers of the British Government decided that it would be better for the British Commonwealth to be self-contained in food. There was no possibility of starting a great undertaking in Queensland in 1948 to provide sorghum for the people immediately; they knew it would take time to build up a great undertaking. Hon. members opposite know that it takes time to build up a great undertaking. (Opposition interjections.) They wanted to make sure that in the event of another war later on Britain would have within the territory of the British Commonwealth a source of food to enable her to keep going. (Opposition interjections.) They were conscious of the fact that it would be an advantage to us all if the British Commonwealth was self-contained in time of war for foodstuffs, if we

could get our foods in our own territory instead of being at the mercy of foreign nations. After listening to the debate on the introduction of the measure in 1948, I begin to doubt the wisdom of Britain's placing herself at the mercy of hon. members opposite in preference to the Argentina or some other foreign country. No foreigner ever made any more rapacious demand on Britain than hon. members opposite.

I rose particularly to correct the remarks of the hon. member for Toowong, who was not here at the time when the legislation was introduced. The hon. member can read up "Hansard" and let the House know afterwards whether he agrees with what I say now or not.

Mr. EWAN (Roma) (4.39 p.m.): As a new member I must say I am absolutely shocked to see the day when a responsible Premier would make such absurd and untrue accusations against perhaps the finest section of the community of Queensland. (Government laughter.) I can say definitely without equivocation that our people would share their food mouthful for mouthful, with their British brothers; they would share every penny or every ounce of food they possessed. It hurts me as a primary producer and one who knows these people to hear a responsible person like the Premier making such a damning indictment against this section of the community.

The Premier stated that after the establishment of the Queensland-British Food Corporation they hoped that they would build up an export trade of 500,000 pigs. As a responsible member of this Parliament, I feel that one of the responsibilities of this Government is the wise handling of public funds, and I think that any opposition to this amendment that may have been expressed by the Opposition was a fulfilment of their responsibility to the community as a whole. You will find no such ridiculous statement coming from the Opposition as we heard a few moments ago.

I was particularly interested by the statement of the Secretary for Public Lands. He is one of the Ministers of this Government of whom I take considerable notice. (Government interjections.) Even though the Minister's colleagues disagree with me in that respect, I believe it. The hon. gentleman stated that it had been said that this was a socialistic venture, but when it is boiled down what does it mean? It means that the public, as an aggregate body, are investing a part of their capital with the public of Great Britain for a specific purpose. And why not? That is quite right. If it will achieve the result envisaged by the Premier and produce pig-meats and beef for the people of Great Britain.

Mr. Burrows: Are you not more concerned about the Tory Government in England?

Mr. EWAN: The hon. member knows more about coal than beef. If we achieve the end of producing meat for Britain, well and good. I confess right here that I do not know much about agriculture, although I

have read a lot about it and have spoken to practical farmers. There have been two really good seasons at Peak Downs, and I understand there was a very poor crop the first year and a pretty good crop this year. I understand the grain was pretty poor the first year, but quite good this year. Well and good: I am not disputing the fact that grain can be grown, but what was set out to be done was to produce meat for Britain.

A Government Member: Pig-meats.

Mr. EWAN: Do not come at that racket! The Government are going to produce cattle, because they have 15,000 head on the scheme. They bought cattle, and that is meat. I am going to deal with cattle too—after I have finished with pigs.

Mr. Jesson: You stick to cattle.

Mr. EWAN: I know quite a lot about pigs, and I am learning much more every day. The Premier is not an unsophisticated man, but he has stated in relation to the production of pigs that if we put another £125,000 of the taxpayers' money into the scheme he will produce out of the hat 500,000 pigs in this year, next year, or some time. But let us hear what the land writer of the Brisbane "Courier-Mail" has to say about it. Do not forget that this writer went to Peak Downs and wrote a series of articles on behalf of the Queensland-British Food Corporation last year.

The talk of 1,000,000 bushels of grain proved to be a squib, as only 316,000 bushels was produced. Let us listen to what Mr. Cornish has to say, remembering that he is a very practical man, a gentleman born and reared on the land. He has been investigating land matters ever since his connection with the "Courier-Mail" began and he said—

"At the rate Queensland-British Food Corporation piggeries are being established, two centuries will elapse before the objective of 500,000 pig carcasses a year is realised."

Is it any wonder that the Opposition take such a dim view of the fact that the Premier seeks to ask this State to invest another £125,000 in the scheme?

The one bright spot is the provision for securing the corporation's equity in the improvements. Coming events cast their shadows before them, Mr. Farrell, and it indicates clearly that the Premier, in spite of the hypnotic attitude he adopts, is endeavouring to mislead us. The provision envisages to my mind the possibility of his intention to bring about a liquidation of the scheme. If it is as good as the Premier tells us, he will probably open up the area for selection for returned soldiers—that is, if it is as good as he says it is. I venture to say that if that is done the returned soldiers of Australia will produce more food, more pig-meats than any socialistic venture could produce.

It might be asked why the Opposition are so concerned about the expenditure of £125,000, particularly as the Premier indicated that we have £500,000 already in the

scheme. Let us remember that in the early '20s—and I lived alongside of one of them and saw what was going on (Government interruption)—

The CHAIRMAN: Order!

Mr. EWAN: Did I hear a cock crow on the Government benches? If the cap fits, let them wear it. They know all about it. Whether they got away with a few poddy calves or not—

The CHAIRMAN: Order! I hope the hon. member will get back to the subject matter of the debate. It is getting out of hand. The question of State stations is not involved in the motion before the Committee.

Mr. EWAN: No, Mr. Farrell, State stations do not come into the question at all but I am dealing with the matter from the financial aspect and the responsibility of a Government towards the citizens of the State and the taxpayers as a whole, particularly when we know that a previous socialistic enterprise in Queensland involved the State in the loss of £5,000,000.

The CHAIRMAN: Order!

Mr. EWAN: Let us look at the report made by the Queensland-British Food Corporation. On the first page it will be seen that the corporation started off with 27 employees and now has 329.

The Secretary for Public Lands and Irrigation said that this corporation could engage in the production of pigs, cattle and sorghum in the same way as a private individual and on the same terms and conditions. Let me point out, however, that the aggregate area held by the corporation is 487,131 acres and the total annual rental payable to the State—and we are responsible for the finances of this State and to the taxpayers and the citizens generally—amounts to only £533 5s. 11., or less than .26d. an acre.

Mr. Hanlon: You know that is a deliberate mis-statement.

Mr. EWAN: I took the figure from the report.

Mr. Hanlon: You know you are not telling the truth.

Mr. EWAN: It is in the report. The Premier says it is a deliberate mis-statement, but I will show him the figures. No, let him get his own report and work it out for himself.

I suggest that if that same land was thrown open for private enterprise, the people occupying it would be charged an annual rental of 4d. or 6d. an acre, but according to the report we are charging only a peppercorn rental. I will find it in the report for the Premier.

Furthermore, Mr. Farrell, the report indicates that the corporation has rather a splendid plant, including 100 motor vehicles.

A Government Member: They are all part of the assets.

Mr. EWAN: Yes, but they are not for carrying the grain, because a contract for carrying the grain has been let to a man named Quince. Those vehicles are for the use of the staff of 329. There are something like 20 or 30 flat-top trailers. Why have they got all those vehicles?

For this area of 500,000 acres, the Government want this State to put in another £125,000, they want to employ 329 hands, they want to have 100 motor vehicles, but they have not produced a rasher of bacon in three years. We have it from the Premier that some cattle have been produced, but a glance at the photo of the cattle that appears in the report will show that they are not by any means high-class; they are not even prime. The price that they brought on the open market compared very unfavourably with that received by private enterprise. It is contended that these cattle were fattened on the stubble and on the grain lying on the ground, but as a practical cattle man, I suggest that had there been no sorghum on any of these properties the cattle would have been turned off in just as good a condition. As a matter of fact, I have been informed that only 400 cattle were fattened on sorghum.

Mr. Ingram: You are wrong again.

Mr. EWAN: It is in the report. Let me revert to the report. I ask the Premier to turn to the report of the Queensland-British Food Corporation dealing with accounts for the year ended 31 March, 1950, and there he will find total rents amounting to £533 5s. 11d., with the different properties set out. Then all the properties are mentioned elsewhere, Peak Downs, Retro, Wolfang, Cullin-la-Ringa, Marmadilla, Inderi, Orion Downs, Moura and Bajool. There it is in the report and yet the Premier tells me that what I said was an untruth. (Interruptions.)

The CHAIRMAN: Order! I ask hon. members to have some consideration for the reporting staff, who I am sure must have a great deal of difficulty in hearing the hon. member for Roma. I ask the hon. member to continue his speech.

Mr. EWAN: As my statement has been challenged, I want to quote from the report, which says—

“Of the numbers shown above as sold, only 718 of the bullocks had actually been fattened on the corporation's properties. Four hundred of this number were fattened on the sorghum residuals. . . .”

I do not know whether that is true but it is in the report. It is the Government's report.

Mr. Hanlon: It is not a Government report.

Mr. EWAN: The Premier is responsible for what is going on on this property because he has £500,000 of the State's money invested in it.

Mr. Hanlon: You have.

Mr. EWAN: The Premier indicates that he is not a taxpayer. I want to bring my remarks to a close by saying that we as an Opposition believe we have a responsibility to the taxpayers and residents of this State and we believe that one of the encouraging prospects in this legislation is the fact that provision will be made to enable the scheme to be wound up if it is thought necessary and wise and we will oppose with all the emphasis at our command the sinking and obvious waste of any further moneys in the scheme.

Hon. E. M. HANLON (Ithaca—Premier) (4.57 p.m.): I want to draw the attention of the hon. member for Toowong to the type of criticism levelled by Country Party members at this project. I made the hon. member for Roma repeat several times his statement about rent and he pointed out that the total amount of rent was £533 5s. 11d., which he said was paid on 487,000 acres of country.

Mr. Ewan: No.

Mr. HANLON: Yes, he did, and the hon. member knows that his statement is not true or he is too dumb to be in this Chamber. When the Queensland-British Food Corporation took over this property from the original leaseholders the corporation paid exactly the same rental to the Crown as had hitherto been paid. The corporation also paid cash for freehold land acquired for it by the Co-ordinator-General of Public Works. The land so acquired was vested in the Crown and the Crown granted the corporation a lease in respect of it at a peppercorn rental. The Queensland-British Food Corporation in fact paid for the freehold land and surely the hon. member for Toowong would not support the idea that we should charge people for land that they bought themselves. The hon. member for Roma, who has freehold land, would buck if we were to begin charging him Crown rental on freehold land. The corporation paid exactly the same rent on the property as was paid by the lessees from whom it was released. The Department of Public Lands gave no concession whatever in rent to the corporation. I rose really to remind the hon. member for Toowong of the criticism levelled by members of the Country Party at the Government and to remind him of the people with whom he is associated.

Mr. MULLER (Fassifern) (5 p.m.): The opposition raised by hon. members on this side of the Committee to this legislation when it was introduced two years ago was not so much as to the possibilities of sorghum-growing or pig-raising as to the economics of the scheme. We felt it was economically unsound, and that eventually for this reason it would break down.

Mr. Devries: And that it was a socialistic enterprise.

Mr. MULLER: So it is. I still say it. The Leader of the Opposition was not extravagant when he said it was Communism in its embryonic form. It is. After all, there

is not much to choose between Socialism and Communism. What was at the back of the minds of the British Government and Queensland Government when this scheme was introduced was not to provide food for Britain so much as the opportunity for introducing this form of socialistic farming. The Premier said that when this legislation was introduced the Opposition were not very much concerned about whether the people of Great Britain were fed or not. He knows that that statement is far from the truth; in fact, he knows it to be untrue. The only reason why the Opposition did not vote against the Bill at that time was that they felt that if anything could be done to help the starving people of Europe, by all means let it be done. We felt at the time that the Government would fall down on the job.

The Premier said that the Opposition were more concerned with profits than with anything else. The reason why the people of Great Britain have not got more pig-meats and more meat was the stupid attitude adopted by the socialistic Governments of Queensland and Australia. We were short of pig-meats at that time. He knows very well what I am saying is right. That was due to the fact that the Commissioner of Prices fixed the price of pig-meat at less than production cost. This is not profiteering. No sane person would grow cheap pigs with dear grain. After a thorough examination of costs it was proved that pig-meats could not be produced at the existing price of grain at less than 1s. 4d. per lb., and the price the pig-grower was allowed was 1s. and 1s. 1d.

The CHAIRMAN: Order! I hope the hon. member is not going to develop that line of argument, because the question of price does not enter into this legislation.

Mr. MULLER: I am merely replying to the Premier.

The CHAIRMAN: Order!

Mr. MULLER: I will deal with the wisdom or unwisdom of increasing the capital of the corporation. The activities of the corporation cannot be increased without capital, but the reason why we were short of pig-meats at that time was that the price did not enable us to produce. The price of pig-meat today is 2s. per lb., and if the industry had been allowed to go on there would have been no need for the Queensland-British Food Corporation to embark on this project. Our line of approach to production of pig-meats was to encourage the people in the business. If that was done, all these housing problems and the need for facing up to additional costs of running this farm would not have arisen. The Government did not realise what they were up against when they introduced this legislation.

I want to draw attention to one or two items in the balance sheet. It will give some idea of the cost of the scheme. It would be impossible, and perhaps it would be unfair, to analyse the whole of the corporation's financial statement, and therefore I will content myself with focussing attention

on one or two items. The first item is £104,602 for buildings and installations, while included in floating assets is agricultural equipment, £263,778.

The vehicles cost £77,311. Agricultural equipment and vehicles can be classed as floating assets. It is not so much a matter of the money that is invested as of the interest and the depreciation. According to the figures I have, the building installations suffered a depreciation of £1,791 and that on agricultural equipment £21,493. The vehicles have suffered depreciation amounting to £11,846. When we look at the operating account, income and expenditure, we find the sales of grain sorghum were £109,790 and sales of cattle £65,145. It should be remembered that the cattle were bought and resold and the real income would not be more than perhaps £12,000 to £13,000, which would represent a good profit on this number of store cattle.

In the depreciation account we find the following:—

	£
Agricultural equipment ..	18,604
Wages	147,000
Travelling expenses ..	3,462
Salaries	21,000
Interest	32,000
Hired road transport ..	11,000
Freight	20,000
Hired labour	3,855

That is perhaps not an actually true statement of what the position was on the first year's operations, nevertheless it does give some conception of what the costs are likely to be.

I know something about the project up there. I have been farming all my life and I know something about the economics of the business, as well as the hard work. I made it my business to go and look at Peak Downs. I was there in June, 1949, and I revisited it in April, 1950; and I saw both crops. It is true that the first crop suffered rather badly as a result of frost, and it would not be fair to say that 368,000 bushels would be a fair estimate of the crop had it been allowed to mature. This year I was pleased with the crop; I thought it was as good as I had seen anywhere. The land is quite suitable for growing grain, if you get the season. I do want to compliment some of the officers, who did a remarkably good job.

After all, you have to get down to the economics of this thing if you are to see whether it is going to pay. What have we done so far? Two and a-half years ago we started off to supply Britain with pig-meat. It has been stated on two or three occasions during the debate that the total we sent to Britain or consumed here was 281 pigs. If we were prepared to give the pig-growers two and a-half years ago a price that would have enabled them to grow pigs we would have had the pig-meat instead of a mere 281 pigs. I think I should be modest in saying that we should have had at least 281,000 pigs. Apart from the socialistic aspect of the enterprise, therefore, we are not going to send Britain pig-meat at a reasonable price, because if you

put pigs on the market you can get nearly 2s. a pound. We argued at the time that it was necessary to give the growers a price that would enable them to produce what was required by the starving people of Britain.

The Premier says that we are out to exploit the starving people of Great Britain. In fact, the hon. gentleman used much stronger language than that. He said that we were concerned only about profits. We are charging Great Britain in the vicinity of 2s. a lb. for pig-meat and they are still going without. What have we done to cheapen the cost to the people of Great Britain? What are we likely to do? A moment ago I drew attention to one or two small items in the balance sheet of the corporation to give some idea of what we are up against. I give credit to the men placed in charge. They are doing a remarkably good job, but they are up against it. Economically they cannot carry on. Any person who has a farm will know this to be a fact. The corporation is paying these men the basic wage or a little more. Some are skilled and some unskilled. Some unskilled men today are earning £15 and £16 a week. They get their ordinary wage and are paid overtime to do the job. It may rain; anything may happen. The weather may not be such as to enable them to stay on the job. The men have to sit down in their working hours because they are unable to go out and work and then they have to be paid overtime. No pig-grower, grain farmer, or any other person can carry on with such an overhead as Peak Downs has to bear.

This undertaking was approached from an altogether wrong angle. After all, we cannot blame the people of Great Britain. They know nothing about farming and Australian conditions. They felt they were being exploited. And I blame the Government for this: instead of advising the British Overseas Food Corporation on sound lines and telling them they could not produce pig-meats or meat or food of any kind for the price at which they thought they could, they should have told the British Government just what the position was. If they were not in a position to do so they could very easily have got the information from members of the Opposition, who were prepared to advise them on sound lines.

This scheme is the most extravagant piece of farming that I ever saw in my life. In days to come it will be looked on as the greatest bungle ever attempted by any State Government. An hon. member referred to State Stations, but this project will be even worse. I hope the Premier will implement the clause of the Bill that provides for the winding-up of this corporation if necessary. In the interests of the people of Great Britain and Australia the sooner this corporation is wound up the better. We shall not give Great Britain any cheaper meat as the result of its carrying on in the ordinary way. I certainly give credit where it is due and it has been successful in exporting some sorghum and this year will export a greater quantity. But the Leader of the Opposition did not overstate the facts when he said that Britain was over-supplied with grain now. That is perfectly true and the Premier

knows it to be true. I am connected with a co-operative exporting organisation that gets monthly and even weekly information about the supplies of commodities in Great Britain. Mr. Farrell, you would be amazed to know that many of these lines, even some lines of foodstuffs, are not wanted by Great Britain. Only six weeks ago Great Britain told us that she did not want honey as there was enough on hand for 12 months. The association with which I am connected has about £200,000 invested in honey that we cannot ship nor sell. How do you know other lines of foodstuffs will not meet a similar fate? Dairy produce may perhaps be wanted for a year or two longer, but the fact remains that many of the foreign countries are now producing on a pre-war level and, in a considerable number of instances, a greater quantity.

If it relies on the export of grain, the corporation will find in a very short time that the price it will get will be considerably less than it is getting now. In fact, I have very grave doubts whether it will be able to ship it at all.

I realise that you cannot judge a scheme on the first year's operations. It would not be fair to do that, because the corporation had to break up the soil and to contend with the frost, and costs were of necessity high. Over the last two years the corporation has experienced exceptionally good seasons; old hands about Capella and Emerald have told me that the last two seasons were the best known. The season before last was the best for 20 years and last season was even better. We cannot expect good seasons to be with us all the time and if I am any judge the grain from the project will cost nothing less than a pound a bushel. If it is produced at that price the corporation will not be able to sell it.

The idea was to cultivate 30,000 acres during the first year's operations, 70,000 acres in the second year, and, as the Premier remarked, to cultivate eventually 250,000 acres of land and to produce 500,000 pigs a year. With all the farming equipment, buildings, and diesel trucks, etc., one can imagine what the overhead costs will be when 250,000 acres of land is put under cultivation. The thing will be so big and unwieldy that overhead costs will kill it and the Government will look mighty silly in a couple of years when they see the results. On the other hand, supposing the land had been held by private enterprise and had been cut up into 5,000 or 10,000 acre-blocks, do you not think, Mr. Farrell, that there would have been more cattle on the area than there are now? The cattle-growing side of the business will prove the most profitable. There are approximately 15,000 head and any cattle man will tell you—I know what I am talking about and the hon. members for Aubigny and Roma will tell you the same thing—that if you get a net return on store cattle of £5 a year it is a pretty good thing. With 15,000 head there will be a return of £75,000 and, what is more, overhead costs will not be high. From cattle one can see the possibility of a handsome net return but from pigs there is

the provision of equipment, vehicles, buildings and plant and you have to have 400 men round your neck all the time. Look at what the overhead costs will be. I give the Premier and the Secretary for Public Lands and Irrigation credit for knowing something about the law of economics and they should know that this thing cannot go on. The Premier in using camouflage to increase the capital to be invested, was taking the opportunity of the legislation in a snide fashion to wind the scheme up in quick time.

Mr. Hanlon: There is nothing snide about its introduction.

Mr. MULLER: Perhaps I should use the word "clever" instead. I am afraid that the Premier and his Government will be looking for a soft place to fall in a very short time. I do not think that we should engage in this experimental work when there is really no need for it. If we were successful in helping the starving people of Great Britain and it was costing us a few hundred thousand pounds, it would not be so bad. After all, there is nothing more precious than life and if we could help starving people we should be doing a good job. But we have not done that and we do not look like doing it, despite the fact that the corporation has obtained the services of many capable men, such as Mr. Kemp, the late Mr. Young, Mr. Calder, and Mr. McKeon.

Mr. Evans: Some of them are engineers.

Mr. MULLER: They are expensive men. As the hon. member for Mirani said, some of them are engineers and have to be paid engineers' salaries. You cannot pay these high-salaried men and expect to grow sorghum in competition with people who are growing it on sound economic lines.

Let us get back to reality again. When this legislation was introduced 2½ years ago, the Downs people had a crop of 4,000,000 bushels and they had difficulty in getting it away, because of a delay in obtaining an export licence. As a result, a good deal of it was wasted. Again I know what I am talking about, because my own show had some hundreds of thousands of pounds invested in it and we were heavy losers because we could not unload the sorghum that we bought. Would it not be much better to continue along those lines? In that way Britain would have had more sorghum and more pigs. What happened when this corporation was established? The people growing sorghum were somewhat concerned about the prospects of marketing what they had grown, and statistics show that they immediately reduced their plantings.

I do not want to proceed along these lines, Mr. Farrell, but although I admit that the corporation can grow sorghum and that it has very capable men to grow it, the fact remains that its costs will accumulate to such an extent that it will be unable to compete. In pig-breeding, everything must be analysed very carefully. It is impossible to produce cheap pigs on dear feed. The only way to grow pigs economically is by the

use of some other protein than grain provides. I suppose 95 per cent. of the pigs grown in Australia are grown on dairies, where they are fed on skimmed milk and grains. Already the corporation has had to buy other protein meals, because it is impossible to raise pigs on grain alone. In my opinion, the whole thing is economically unsound. We talk about settling ex-service men on the land, and what better opportunity—

Mr. Burrows interjected.

Mr. MULLER: I agree with the hon. member for Port Curtis. I am not condemning the soil. I think it is good land, and if it was cut up into 5,000-acre blocks I believe that the rush by young ex-service men would be so great that we should not be able to cope with it. If this area was handled by private enterprise in areas of a suitable size, I believe it would be a great success, it would produce much more than it does at present, the people of Great Britain would derive some benefit, and there would be some real development in the district. There is no development in that district now. As far as I can see, the town of Emerald is as dead as it was previously.

Mr. Foley: What rubbish!

Mr. MULLER: I cannot see any difference in its rate of development. This scheme is run from Brisbane and it is being run at a loss. The first year undoubtedly showed a loss, which I am prepared to overlook, but the losses in the next five years, if it lasts as long as that, will be in the vicinity of hundreds of thousands of pounds. There will be a repetition of the experience we had in connection with the State stations, the State butcher shops, and the State Produce Agency.

(Time expired.)

Mr. MORRIS (Mount Coot-tha) (5.25 p.m.): We in Opposition are "fully sensible of the responsibilities associated with our office and the necessity to administer the State's finances wisely and prudently." Those words are to be found in the Financial Statement, delivered in this Chamber today by the Treasurer, a very apt expression and one that can be properly applied to a discussion of a Bill of this kind. We have before us a project founded some two or three years ago by the present Premier and since then it has been losing money. However, as the Deputy Leader of the Opposition has pointed out, we are quite prepared to face a loss in the initial stage and also face a loss if the scheme is going to provide food for the people of Britain in her dire needs. The original Bill was introduced with the object of providing food for Great Britain in her time of need but of course we hear today from the Premier some talk about its being an insurance in some future war. We know that that aspect of the matter was never mentioned when the project was first introduced and is introduced now by the Premier as a red herring to try to bolster a case that has absolutely no foundation in economic fact.

I doubt very much whether I should have risen at this stage had it not been for one or two statements by members of the Government Party, statements that I resent personally and on behalf of my colleagues in Opposition. They are completely false and should not have been made by responsible Ministers of the Crown or even by nonentity backbenchers of the Labour Party. Because the hon. member for Coorparoo gave a factual description of the present capital cost of the project and made a factual forecast of what would be required in the way of capital to bring this scheme to fruition and the fullest stage of development, as desired and estimated by the Premier himself, he was castigated by the Premier in terms that were completely unjust and unfair. For instance, he was told by the Premier that we were damning this scheme with faint praise and that we had an intense desire to see it fail. But, worse than that, the hon. member for Port Curtis had the audacity and the effrontery to get up and make statements that were founded on complete fallacy, that were as false as is his own doctrine—and God knows that's false enough—when he said that we on this side of the Chamber had a hatred of the British people and desired to see this scheme fail. I repeat that that statement is as false as the heart of the man who made it, as false as his own doctrine, and I repudiate the statement on behalf of myself and the members of the Opposition. We have every justification and right—

Mr. BURROWS: I rise to a point of order. The hon. member has said that I subscribe to a false doctrine. That is offensive to me and I ask that it be withdrawn.

The CHAIRMAN: I ask the hon. member for Mt. Coot-tha to accept the denial of the hon. member for Port Curtis that he has a false doctrine.

Mr. MORRIS: To carry on—

Mr. BURROWS: I rise to a point of order.

The CHAIRMAN: I ask the hon. member for Mt. Coot-tha to accept the denial of the hon. member for Port Curtis that he has a false doctrine.

Mr. MORRIS: I did not say he had a false doctrine. I merely said his statements were as false as his doctrines.

The CHAIRMAN: Order! If the hon. member does not comply with the direction of the Chair I shall have to ask him to resume his seat. I now ask him to accept the denial of the hon. member for Port Curtis.

Mr. MORRIS: Mr. Farrell, I would rather resume my seat.

Mr. AIKENS (Mundingburra) (5.30 p.m.): I remember well the passage of this Bill through this House in 1948, and I remember the attitude I adopted then. As a matter of fact, I have been reading up "Hansard" in order to refresh my memory

on some of the minor points and in doing so I have realised just how this original Bill was rushed through the House in a spirit of panic. I commented then on the ambiguity of the principles of the Bill and, in fact, on its general airiness. At that time the Leader of the Opposition saw fit to agree with me, after he heard my argument. I said, for instance, on the first reading—

"I want to know, for instance, whether the Bill specifically provides for the growing of sorghum and pigs or whether the corporation will have power to extend its activities and grow other crops. For instance, will it be able to go in for beef-raising, and will it be able to go in for the cultivation of other fodder crops?"

Later on, after the Leader of the Opposition had seen my points, he supported me, as he very often does.

I said this also—

"I make this suggestion to the Premier: if this Bill is merely a Bill to provide for the co-operation and collaboration between the Queensland Government and the British Government to provide the British people with the pig meat that they so urgently need, let him bring down a Bill specifically dealing with that; let him bring down a Bill to establish a socialised, mechanised, collectivised or Sovietised piggery, and I will support it."

So I went on. Because I thought the original Bill was vague, and because I believed quite honestly that it was originally brought down to cover up a stinking racket, I opposed it. I told the House then that Lord Plummer, the then chairman of the British Food Corporation, was also a director of Lever Bros. I was of opinion that the Peak Downs scheme was being formulated and was going to be undertaken simply as an aid to supplying Lever Bros., first and foremost with oil and that the British Food Corporation was merely going to get the scraps. The Premier evidently did not know what the objects of the British Overseas Food Corporation were, because although I asked him repeatedly he could not give me any assurance on the real principles of the Bill. I have to laugh at the present attitude of the Opposition, because if they turn to page 2289 of the debate on the original Bill in Committee they will see that I tried to amend the Bill to make it foolproof but the combined Opposition ganged up with the Government and voted against me and my colleague, the hon. member for Bulimba. Time has shown that the racket I thought existed did not come off, not because the Queensland Government woke up to Lord Plummer but because the British Government did and sacked him.

The Queensland-British Food Corporation is now doing at Peak Downs some of the things the Premier suggested it might do. It is producing grain sorghum and some fat cattle, and it may by the grace of God and the sustained efforts of the Government produce a pig in our lifetime. I listened with considerable interest and sympathy at that time to the claims of the Opposition, particularly its members interested in pig-farming.

They said that the pig-farmers could supply the things Peak Downs was set up to supply. If their idea of supplying pig-meats to the people of Great Britain is on the same plane as that on which they supply pig-meats, including ham and bacon, to the people of Australia, then I say, "God help the people of Great Britain," because no working man in Australia can afford to buy bacon and ham. Already the price of cooked ham is 9s. a lb. in Sydney. I should say that the producers of pig-meats and cattle in Australia are holding the useful people of Australia up to ransom. The sooner someone tackles them, the better it will be for the useful people of Australia. The output of Peak Downs will not be restricted or circumscribed by the greed and avarice of any private individual. Today we are not turning out our full quota of cattle and pigs from Australian farms and stations because of the avarice of the graziers and pig-raisers who will look at their income-tax returns before they sell a beast. (Time expired.)

Hon. E. M. HANLON (Ithaca—Premier) (5.36 p.m.): There is not much to which I need reply. The Opposition contended when this measure was introduced that the farmers of Queensland could produce all the pigs Britain required, if they got a price. The price has been increased but they have not produced the pigs.

The Leader of the Opposition was by far the fairest of the Country Party members in dealing with the Bill during the introduction and he pointed out that the farmers could produce the pigs if they got an incentive price and that one thing holding them up was heavy taxation. But if they were paying heavy taxation they were getting a price to enable them to produce pigs, consequently we took the view that there was no reason why production should be held up. Except for one statement by the Leader of the Opposition, his criticism was reasonably fair.

The truth of the matter is that a few members of the Opposition, particularly the member for Fassifern, who so savagely opposed the measure, went and saw the enterprise. The hon. member for Fassifern was complimentary about how it was working and other members who went up were quite complimentary too.

Mr. Muller: At what cost?

Mr. HANLON: We can say quite safely that every shilling spent on the undertaking is represented by at least 20 shillings' worth of assets today. Do not forget that the land on which the hon. member is talking about growing sorghum on the Darling Downs cost £20 an acre, whereas this land was bought for 18s., £1, and £1 2s. an acre, which represents a considerable difference in the capital investment in the land. Furthermore, the value of the land has increased. There is not the slightest doubt that the land would bring far more today if resold. As the Secretary for Public Lands pointed out

during the debate previously, the experiment has shown cattle-growers that they can fatten cattle with sorghum. Several of the growers whose leases expired have acquired further leases on condition that they grow a certain number of acres of sorghum. One or two have undertaken to keep 500 acres under sorghum to fatten or top off their cattle or, in time of drought, to keep them alive. The whole basis of the cattle industry in that summer-rainfall belt will alter as a result of this undertaking. That is one of the main advantages. If we can get an experiment costing less than £2,000,000 at that time—if we can get a £2,000,000 experiment in summer-grain production in the Central plain country and the only share borne by the State is one-quarter, we are getting a good job done. And every shilling put into the show is represented by an asset that is capable of being turned into cash.

What the end of the scheme will be I do not know. As the world position improves, it may be possible to turn it into a great co-operative undertaking. It may be possible to break it up into small holdings, with co-operative works for the killing of pigs or the curing of pork—whatever is found best. Only experience will tell us what is the best to produce on the property. Hon. members opposite seem to be affronted because the corporation was producing cattle. In 487,000 acres of Central Queensland plain you will find parts that are suitable and other parts that are not suitable for grain-production. Any hon. member opposite knows that only the suitable areas are being put under grain. However, the remainder of the country will carry grass in good seasons, and it would be very poor business to allow that fodder to go to waste. Cattle are being introduced and are being fattened on it. The thing to remember is that we do want eventually to produce everything that can be produced. If one thing fails, then try something else. The task is to try to make a success of summer grain-production on country that formerly ran only a few sheep. The country had been eaten out by overstocking. The natural grasses had gone and the country was infested with all kinds of weeds, so badly that some of the best country, including homesteads, fencing, bores and everything else, was bought for 18s. an acre.

Mr. Aikens: You have reclaimed a wilderness.

Mr. HANLON: It is remarkable to know how far that country was run down. It has been shown now that it can be put to another purpose.

Mr. Muller: With the exception of drought.

Mr. HANLON: Droughts occur on the Darling Downs. Droughts and floods occur everywhere. There have been floods at Peak Downs. The bulk of the sunflower crop rotted. It could not be taken in after a long run of wet weather. Only a very small part of the crop could be harvested.

Mr. Muller: I repeat that a repetition of that season will break the corporation.

Mr. HANLON: It would break anybody. Do not forget that many of the farmers would have been broken by bad seasons if they had not got aid from the Government, aid by way of the taxpayers' money, to meet the situation they found themselves in. We have come to their aid in saving the cattle industry. We had to provide the money to keep them going. I am not suggesting that it is not very wise for a Government to give aid to an industry in distress, but the point I make is that all these disasters that hon. members opposite prophesy for the Queensland-British Food Corporation have to be faced by other growers. All have to face them. That is nothing unusual in this country. When I was in England I spoke to a gathering of the House of Commons and the House of Lords. They were very concerned about the frosts that had affected the crop that year. I told the gathering that in this country farming was altogether different from farming in England. I pointed out that with the good growing season we had in 1949 there would be great growth of suitable crops. I pointed out that if we did not get a hurricane, fire, or something else, we should harvest the grain. That was always so, and hon. members opposite know it. We know that over a record of 49 years we could get four good, one fair, and one bad season out of every six. That was the record of the rainfall in the area for 49 years as recorded by the Weather Bureau. If we could average four good, and one fair season out of six, that would be as good an average as the average farming district in Queensland gets. We do not get six pretty bad seasons. If they have only one bad season out of six, the farmer is able to face it, once he has established himself. The difficulty is in trying to meet such a season and in trying to establish himself at the same time. That is the difficulty the corporation is striking now. The first crop struck a frost. This year a great acreage of sunflowers was ruined by excessive rain.

The rain did not fall only on the Queensland-British Food Corporation property. We know that miles of fencing and bridges were washed away on private farms in all parts of the State. Nature, when it strikes, does not pick on an individual; it strikes a whole area of the State and everybody suffers alike. We have been long enough at work in this State to know—

Mr. Evans: Your record in handling these affairs is so bad.

Mr. HANLON: The hon. member should know perfectly well that I have not handled—

Mr. Evans: Your Government.

Mr. HANLON: We know that a previous Government, not so wary as the present-day members of the Labour Party, got caught badly with State stations. They had so many thousands of breeding cows and bought some excellent bulls but the cows on neighbouring properties had the calves. The productivity of surrounding places increased and it was

some contribution! But if we did lose on the roundabout we probably caught up in the swings—or somebody else got the benefit.

I do not think hon. members need feel very much alarmed about the proposal to increase the capital of the corporation, as every hon. member knows that the cost of everything has gone up since 1948. The provision about the corporation's having the right to improvements on a property is according to our law but the overseas body wants the provision put in the Act.

Mr. Evans: We know there will be a lot more money to come.

Mr. HANLON: There might be. The whole thing may prove so successful that they might want to double or treble the amount of capital. Under Queensland law the owner or lessee of any property owns the improvements on the land and all we are doing is to satisfy the British-Overseas Food Corporation by putting it in the Act.

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

AYES, 34.

Mr. Aikens	Mr. Jesson
" Brown	" Marsden
" Byrne	" McCathie
" Clark	" Moore
" Collins	" Moores
" Crowley	" Power
" Davis	" Rasey
" Devries	" Riordan
Dr. Dittmer	" Roberts, F. E.
Mr. Donald	" Smith
" Duggan	" Taylor, J. R.
" Dunstan	" Turner
" Foley	" Walsh
" Gair	" Wood
" Gardner	
" Graham	<i>Tellers:</i>
" Gunn	" Burrows
" Hanlon	" Ingram

NOES, 27.

Mr. Allpass	Mr. Morris
" Bjelke-Petersen	" Müller
" Decker	" Nicholson
" Dewar	" Nicklin
" Evans	Dr. Noble
" Ewan	Mr. Pie
" Gaven	" Pizzey
" Hiley	" Plunkett
" Jones, V. E.	" Roberts, L. H. S.
" Kerr	" Sparkes
" Low	
" Luckins	
" Macdonald	<i>Tellers:</i>
" Madsen	" Chalk
" McIntyre	" Munro

PAIRS.

AYES.	NOES.
Mr. Hilton	Mr. Wordsworth
" Keyatta	" Taylor, H. B.
" Larcombe	" Heading
" Whyte	" Watson

Resolved in the affirmative.

Resolution reported.

FIRST READING.

Bill presented and, on motion of Mr. Hanlon, read a first time.

The House adjourned at 5.56 p.m.