

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

THURSDAY, 25 SEPTEMBER 1952

Electronic reproduction of original hardcopy

Hon. E. J. RIORDAN (Flinders—Secretary for Mines and Immigration), for **Hon. P. J. R. HILTON** (Carnarvon), replied—

“1. Owing to the many urgent works before the Architectural Branch it has not been possible up to the present to prepare plans and estimate of cost of septic system installation at Indooroopilly State School. According to the department’s plan records the blank-end wall of the new classroom will be 39 feet from the existing E.C.’s. which are situated on lower ground. Site limitations preclude the removal of the E.C.’s. to a more distant position.

“2. The minimum distance prescribed by the Health Regulations is 20 feet.”

STATE HOUSES, EDITH STREET, ENOGGERA.

Mr. MORRIS (Mt. Coot-tha) asked the Secretary for Public Works and Housing—

“1. What is the size and type of construction of the following houses in Edith street, Enoggera:— Nos. 1236, 1239, 1240, 1241, and 1244?

“2. Which of these houses have been sold, on what date was each one sold, and to whom?”

Hon. E. J. RIORDAN (Flinders—Secretary for Mines and Immigration), for **Hon. P. J. R. HILTON** (Carnarvon), replied—

“1.—

House No.	Size.	Area.	Type of Construction.
1236 ..	2 bedrooms and enclosed Sleep-out	1,006 s. feet	Clinker Brick
1239	912 s. feet	Timber
1240	966 s. feet	..
1241	938 s. feet	..
1244	963 s. feet	..

“2. It is not proposed to make this information available as the Housing Commission is in the same position as a bank, building society, or any other financial institution, and any transactions between the Commission and its clients, whether they be tenants or purchasers is confidential.”

THURSDAY, 25 SEPTEMBER, 1952.

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

QUESTIONS.

SEPTIC SYSTEM, INDOOROOPIILLY STATE SCHOOL.

Mr. MORRIS (Mt. Coot-tha) asked the Secretary for Public Works and Housing—

“1. Has any decision yet been made in regard to the provision of a septic system at the Indooroopilly State School to obviate what must be the only alternative, namely, the erection of new classrooms unpleasantly close to the existing E.C.’s?

“2. What is the minimum distance permitted between classrooms and E.C.’s?”

ADVANCES BY AGRICULTURAL BANK.

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

“1. How many advances of £7,500 have been made by the Agricultural Bank since the legislation became operative which increased the maximum advance to that amount?

“2. In the same period, how many advances of £6,000 and over have been made?”

Hon. E. J. WALSH (Bundaberg) replied—

“The information is being obtained.”

WEIR ON THREE MOON CREEK, MULGELDIE.

Mr. V. E. JONES (Callide) asked the Secretary for Public Lands and Irrigation—

“In reference to the construction of the weir on Three Moon Creek, near Mulgeldie, as the completion of this work is necessary to enable the creek to be crossed and save the public a deviation of several miles through private property, and as only a small amount of work remains to be done, will he kindly expedite the job so as to ensure that the weir and the road crossing will be completed before the next wet season?”

Hon. T. A. FOLEY (Belyando) replied—

“Construction work on the Mulgeldie weir will be resumed shortly. Work ceased because of high flow conditions in Three Moon Creek for a considerable period, which held up the completion of the main weir wall, the fishway, and the paving of the road crossing.”

WIDENING OF BRUCE HIGHWAY, INNISFAIL-CAIRNS.

Mr. WATSON (Mulgrave) asked the Minister for Transport—

“In reference to the narrow portions of the Bruce Highway, particularly the portion between Innisfail and Cairns, as the lack of sufficient width results in continuous breaking of the edges of the road and expensive repairs to the bitumen surfacing, will he kindly give consideration to the widening of such road wherever such action would be justified by a reduction in the cost of repairs?”

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

“Yes. The cost of shoulder maintenance rises as the density of traffic increases. The Main Roads Department is continually watching this question, and widens the pavement when the intensity of traffic is such that widening is economically justified.”

CAIRNS SLEEPING BERTHS, SUNSHINE EXPRESS.

Mr. WATSON (Mulgrave) asked the Minister for Transport—

“In reference to the allocation of sleeping berths and seats on the Cairns-Brisbane Sunshine Express—

1. How many (a) berths and (b) seats are allocated for booking at Cairns?

2. Is it a fact that allocation of berths and seats at Cairns is not operative and final until the train arrives at Townsville?”

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

“1. The Winter Season allocations at present in operation are:—

	(a) Berths.	(b) Seats.
Monday—		
1st class	10	9
2nd class	12	20
Tuesday—		
1st class	8	9
2nd class	9	20
Wednesday—		
1st class	14	9
2nd class	15	20
Thursday—		
1st class	12	6
2nd class	12	20
Friday—		
1st class	14	9
2nd class	9	20
Saturday, from Cairns—		
1st class	4	3
2nd class	6	6
Sunday, from Townsville—		
1st class	4	3
2nd class	6	6

The foregoing allocation is for the Cairns District from Tully northwards. The Summer Season allocation has not yet been fixed.

“2. Berths and seats may be definitely booked within the foregoing allotments, 28 days in advance. Any berths and seats required by Cairns after the allotments have been exhausted are referred to Townsville and immediately allocated from there if available.”

BOAT HARBOUR, BOWEN.

Mr. COBURN (Burdekin) asked the Treasurer—

“With reference to his answer to my question of 9 September relative to the establishment of a small boats harbour at Bowen, as I have been advised that no member of the North Queensland Cruising Yacht Club has any knowledge of any verbal advice having been tendered by Mr. Fison, Engineer, Harbours and Marine Department, will he kindly make available to me the substance of Mr. Fison’s verbal advice to which he referred in his answer to my question?”

Hon. E. J. WALSH (Bundaberg) replied—

“The first communication from the Club to the Chief Engineer, Department of Harbours and Marine, was dated 20 July, 1950, and set out four proposals. The Club was advised that the matter would be discussed on the occasion of the Chief Engineer’s next visit to Bowen. The Club, subsequently, had discussions with the Senior Engineer. On 6 November, 1951, the Harbour Board was advised that the Chief Engineer would discuss the proposals with Mr. Darwen, Commodore of the Club, on 13th idem. He met two persons representing the Club and advised them that two of the schemes were worthy of consideration, but that their relative merits could not be determined until a survey had been made and borings taken.”

RESUMPTIONS FOR WANDOAN-TAROOM SOLDIER SETTLEMENT.

Mr. EWAN (Roma) asked the Secretary for Public Lands and Irrigation—

“In reference to published statements that, because of shortage of funds, the Government is reconsidering its soldier settlement proposals in respect of Wandoan-Taroom properties,—

1. Have any of the frozen properties yet been released? If so, how many and which properties?

2. Is it the intention of the Government to release all properties which have not yet been acquired?”

Hon. T. A. FOLEY (Belyando) replied—

“1. and 2. It is the Government's hope that settlement at Wandoan may still proceed. In the meantime, the release of frozen properties has not been considered.”

EXTENSION OF URANGAN JETTY.

Mr. PIZZEY (Isis) asked the Treasurer—

“Have the plans and specification yet been completed for the extension of the Urangan jetty? If so, when is construction likely to be commenced?”

Hon. E. J. WALSH (Bundaberg) replied—

“On 25 July, 1952, I advised the hon. member for Maryborough that plans and specifications had been prepared and a similar letter was forwarded to the hon. member for Isis. The actual date of commencement of work will be dependent on the availability of loan finance.”

HEAVY LOCOMOTIVES, NORTHERN RAILWAY.

Mr. AIKENS (Mundingburra) asked the Minister for Transport—

“In view of the fact that heavy goods and mixed trains of up to 605 tons are being hauled in the Northern Division by C16 engines some of which are 40 years old, while the latest type B18½ and BB18½ engines are used on light suburban passenger trains in the metropolitan area, will he have as many of the latter type as are required transferred to the North and utilise the C16 engines on the metropolitan suburban passenger traffic for which they would be quite suitable?”

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

“It is necessary to use a number of ‘B18½’ and ‘BB18½’ locomotives to work suburban passenger trains because of an insufficient number of tank engines being available for the purpose also because, owing to the tightness of the timetable, there is no time on certain long runs with all-station stops for tank engines to take water. In addition, there are several

8-coach trains working in the suburban area which cannot be satisfactorily run to schedule by a tender engine of lower tractive effort than that of a ‘B18½.’ The schedule engine load for goods trains over the main line sections of the Northern Division on which ‘B18½’ locomotives can run is higher for a ‘C17’ class locomotive than for a ‘B18½’ class between Brisbane and Bundaberg or Brisbane and Toowoomba, and the density of traffic over the last two-mentioned sections warrants preference being given to the use of ‘B18½’ class locomotives in the Southern Division. Forty ‘C17’ class locomotives were ordered from Walkers Limited and of 29 delivered since 17 April, 1950, 13 have been allotted to the Northern Division.”

ENROLMENTS, SANDGATE AND CHERMSIDE ELECTORATES.

Mr. DEWAR (Chermside) asked the Attorney-General—

“1. As the return tabled this week shows the electoral enrolments at 31 December, 1951, and in view of the fact that the Chermside and Sandgate electorates had over 14,000 electors enrolled as at 31 May, 1952, will he explain whether the information contained in the ‘Courier-Mail’ dated 24 September, relating to the Mt. Gravatt and Kedron electorates being the only electorates having enrolments above the new quota of 13,881 maximum, is correct?”

“2. If not, is any action contemplated in relation to all electorates having enrolments above that quota?”

Hon. A. JONES (Charters Towers—Secretary for Labour and Industry), for **Hon. W. POWER** (Baroona), replied—

“1. Yes.

“2. See answer to Question 1.”

PAPER.

The following paper was laid on the table—

Regulations under the Traffic Acts, 1949 to 1952 (18 September).

LEAVE OF ABSENCE TO MEMBER.

Hon. V. C. GAIR (South Brisbane—Premier) (11.13 a.m.) (By leave, without notice), I move—

“That leave of absence for this session be granted to Malcolm McIntyre, Esq., member for the electoral district of Cunningham, on account of illness.”

I am sure all hon. members of this Parliament will join with me in expressing sympathy with Mr. McIntyre in his long illness and in tendering him sincere good wishes for a speedy return to good health.

Honourable Members: Hear, hear!

Motion (Mr. Gair) agreed to.

COMMONWEALTH-STATES FINANCIAL RELATIONSHIPS.

RESUMPTION OF DEBATE.

Debate resumed from 18 September (see p. 380) on Mr. Larcombe's motion—

“(a) That in the opinion of this House the present financial relationships between the Commonwealth Government and the State Governments of Australia are not in consonance with the spirit and understanding which existed when the States entered the Federal union;

“(b) That the present financial relationships are hampering the States in their efforts to increase production and promote development; and also impeding otherwise their efforts to discharge their obligations as State Governments;

“(c) That these financial relationships should be reviewed and revised, urgently, with the object of enabling the States to fulfil the purposes for which they were created.”

Mr. F. E. ROBERTS (Nundah) (11.15 a.m.): Last Thursday, whilst I was discussing this motion two things happened, the first that my time expired and the second that the time of debate also expired. I should like now to express my appreciation to the hon. member for Nash who moved that I be granted an extension of time to complete my speech, and to the House for granting me the privilege of completing what I desire to say on this important motion. I had been dealing first of all with the way in which the present Federal Government have dissipated our reserves overseas and by their action of fits and starts destroyed the faith of Australian investors in various public loans and their confidence in the Federal Parliament of Australia. By way of illustration of the way in which the present Federal Government have dissipated the reserves that had been built up so carefully overseas by a very praiseworthy Labour Government under the leadership of the late J. B. Chifley, let me remind hon. members that as at 30 June, 1952, our reserves in England stood at £362,000,000 Australian, whereas only 12 months previously those reserves had amounted to £843,000,000 Australian. Of course, all hon. members realise that we do not need to look only overseas to see the result of the tragic policy being pursued by this Federal Government; we can find many illustrations of it nearer home. I had mentioned before the debate was interrupted last week that because of this vacillation, hesitancy, and acting by fits and starts on the part of the Loan Council, the Brisbane City Council had been placed in a very precarious position so far as its first loan in 1952-1953 was concerned. That was the loan that opened on 14 July, 1952. I had mentioned that whilst the Loan Council insisted that the Brisbane City Council and other local authority borrowers on the mainland should approach the market with an offer of £4 10s. per cent. interest, it had at the same time

approved the raising of a loan by the Hydro-Electric Commission of Tasmania, which had advertised its loan in Queensland and in the other States on the mainland at £4 12s. 6d. per cent. Despite that handicap, because the public of Brisbane and Queensland wished to show their confidence in the new Labour administration in the Brisbane City Council, and realised the importance of the works proposed to be done in the capital city of the State, its loan at £4 10s. per cent. was over-subscribed to the extent of £200,000. Whilst that loan was still on the market, we saw advertisements such as this in “The Courier-Mail” of 26 July, 1952—

“Strong public support for the Hydro-Electric Commission, Tasmania, Loan offering £4 12s. 6d. per cent. interest.”

That did, without doubt, militate very much—

Mr. Decker: It was not free of exchange.

Mr. F. E. ROBERTS: There is no exchange between Tasmania and the mainland. That militated very much against the success of the Brisbane City Council's loan and against comparable loans at that time being raised in Sydney.

Since that time matters have become worse and worse. I mention this because other public utilities, which I admit are carrying out work just as essential as that carried out by the Brisbane City Council, have been placed in a more favourable position than the Brisbane City Council because of the way in which the Loan Council and the Federal Government are conducting themselves. For instance, there is in Brisbane a private company known as the City Electric Light Company Ltd., which generates and distributes power to consumers in the metropolitan area. That company is carrying out a really worth-while job on behalf of the residents of this city and the south-eastern part of the State, but, being a public company, over recent weeks it has been able to offer investors interest at the rate of £4 15s. per cent. per annum. At the same time as it was offering that rate of interest, the C.S.R. Company Ltd., another public company, was offering the investing public 5 per cent. per annum interest on a loan it was raising.

Disregarding the ramifications of the Brisbane City Council in other directions, let me remind hon. members that its electricity undertaking is just as great and is just as important to the people of this State, and of Brisbane in particular, as that of the City Electric Light Company Ltd. However, whilst the City Electric Light Co. Ltd. could offer the investing public £4 15s. per cent. interest, the Brisbane City Council, until two days before its most recent loan opened—last Monday—was confined to interest at the rate of £4 10s. per cent. on the loan that it proposed to raise. That was a very big handicap to the loan and would be a big handicap to any similar borrowing by any other semi-government or local government authority.

As another illustration of the way in which the Loan Council treats semi-government and local-authority borrowers in comparison with private companies, let me remind hon. members that when approval finally came through from the Loan Council—I received it somewhere about 7 o'clock last Friday night—we were informed that the Brisbane City Council would not be permitted to retain any moneys subscribed over the £500,000 for which we were appealing as a minimum. However, at a time when the Brisbane City Council and other local authorities were being told that they could not retain any over-subscriptions, advertisements were appearing in the daily Press in Brisbane such as this—

“Applications still being accepted in the City Electric Light 4½ per cent loan, already over-subscribed.”

Although the City Electric Light Company's loan had been over-subscribed, it was still advertising for further subscriptions. The company frankly informed the public that its loan had been over-subscribed, but it was still seeking investments at 4½ per cent. interest but at that very time the investors of Queensland who desired to place money in the Brisbane City Council's loan were being told, first of all, that they could get only £4 10s. per cent. interest—finally it was increased to £4 12s. 6d. per cent.—and that in any event the Brisbane City Council would not be permitted to retain any moneys subscribed above £500,000. That state of affairs is so ridiculous as to be completely beyond the comprehension of the average person, whether he is a Labour supporter like me or a financial wizard, which Sir Arthur Fadden is held up to be by certain sections of the community.

Mr. Low: Has the Queensland Premier lodged any objections with the Loan Council?

Mr. F. E. ROBERTS: If the hon. member is interested in what the Premier has done, I will read a telegram that the Premier sent to the chairman of the Loan Council but before I read that telegram to answer the interjection of the hon. member, let me show how unsatisfactory the whole position is. On 15 September local-authority loans were opened in Melbourne and Sydney on behalf of borrowers in those cities. On 11 September, that is, the Thursday prior to last Monday week when these two loans opened here in Brisbane, we received prospectuses from those borrowers in which they advertised that they were offering the investing public £4 12s. 6d. per cent. At that time the Brisbane City Council had been told by the Loan Council that we should not be entitled to offer more than £4 10s. per cent.

Mr. Kerr: Are the rates free of exchange?

Mr. F. E. ROBERTS: I am not sure about that. About a week before the Brisbane City Council was to go on the market we had been told quite positively that there would be no increase in the interest rate, yet

these two borrowers in the South were going on the market at £4 12s. 6d. per cent. The Brisbane City Council immediately did what any other public borrower would have done: we made application to the Loan Council for the right to offer the same rate of interest as the other borrowers in the South, that is, £4 12s. 6d. per cent. The two loans that I have referred to were duly opened in the South on 15 September at £4 12s. 6d. per cent. and despite every endeavour on the part of the Brisbane City Council through the State Premier and Treasurer here to have the matter reviewed by the Loan Council, it was not until about a quarter to 7 last Friday night, three days before our loan was to be opened, that we were informed that the Brisbane City Council would be permitted to offer the same interest rate of £4 12s. 6d. per cent.

Mr. Kerr: Is that interest rate free of exchange to the borrower? For instance, if a lender in Cairns invested £1,000 in the loan and banked the money in Cairns, would the council pay the exchange on that sum?

Mr. F. E. ROBERTS: My time is running out and I am not in a position to reply to the hon. member just now but later I will give him a copy of our prospectus in order that he may look into that question and others relating to the matter. I do not want to get away from the question of interest rates just now.

Last Friday night we were informed that the council would be able to offer the same interest rate of £4 12s. 6d. per cent. That meant that the Brisbane City Council could not go on the market as an ordinary borrower should, especially in these days when borrowers are confined to a period of two weeks in which to raise the money. Obviously no consideration whatever had been given by the Loan Council or its members outside Queensland to the difficulties and the work involved in placing a loan on the market. Stereos have to be prepared, advertisements have to be drafted, and the whole complicated machinery that goes with the raising of a loan at the present time have to be followed. Yet the Loan Council left it until a quarter to 7 on Friday night last, not much more than two days prior to the opening of the loan, to inform the Brisbane City Council that its interest rate would be increased from £4 10s. to £4 12s. 6d. per cent.

I want to inform the hon. member for Cooroora, who asked by interjection what attitude the Premier of Queensland had adopted, that as soon as this muddle—and you cannot call it anything else—developed, I got in touch with the Treasurer, who approached the Premier, and he was good enough to send this telegram to the Loan Council, Canberra—

“Brisbane City Council desires float public loan £500,000 and retain over-subscriptions up to £500,000 for new works

1952-53 stop issue price par currency 10 years interest £4 12s. 6d. underwriting 20s. brokerage 5s. stop in view of Loan Council decision regarding increased interest rate for other recent raisings I approve acceptance offer and seek your concurrence and Loan Council approval stop also seek approval Council's request over-subscriptions."

That was the wire that the Premier was good enough to send to Canberra some days before we received any intimation as to what the position would be, which was of course somewhere about a quarter to 7 last Friday night. That is the unsatisfactory position in which all local authority borrowers and semi-governmental authority borrowers find themselves today, because of the vacillation and the inertness of the Federal Government and Loan Council in these important matters.

Mr. Low: Actually the Premier did not lodge a protest because he was not allowed to do so.

Mr. F. E. ROBERTS: Everything had to be done between a quarter to 7 on Friday night and Monday morning when the loan opened, and the hon. member will agree that in those circumstances any protest would have been superfluous.

I will show how this position of interest rates has deteriorated. I am only taking the Brisbane City Council as an example, because all similar borrowers have been in the same boat. It has raised quite a number of loans. On 1 July, 1949, the interest rate was £3 6s. 3d., then it was increased to £3 7s. 6d., to £3 10s., to £3 17s. 6d., to £4 2s. 6d. and then to £4 10s., and in the space of a month it was further increased to £4 12s. 6d. I say quite frankly that there can be no justification for this ever-increasing interest rate that the Loan Council has decided to make available to such borrowers. There is no justification for it. The issue could have been decided in the first instance by a firm stand, a strong stand, or a statesmanlike stand by the Federal Treasurer and the Federal Government. All that was required was for the investing public to be told that there would be no further increase in interest rates in such praiseworthy loans as were raised from time to time by such borrowers as the Brisbane City Council.

Because of this vacillation, and because of this ever-increasing spiralling of interest rates, two things happened. First, holdings of persons who very often invest in previous loans have depreciated. Secondly, people who have money for investment, have held off, knowing full well from experience over the past two or three years that if for the time being they refrain from investing their money, in all probability within a month, two months, or three months, they will have a better interest offering for their money. That has meant that all local authorities and semi-government borrowings have not met with the success they should have.

An Opposition Member: Do you think your loan will succeed?

Mr. F. E. ROBERTS: I do not see how the present loan can succeed, in view of what I have said this morning and in view of the frightful state in which the market in Australia is at the present time because of the shameful and wicked vacillation of the Federal Treasurer in particular and, secondly, if anything is required to bolster up what the Federal Treasurer is doing, the Federal Government and the Loan Council.

An Opposition Member: Can you not get an extension of time?

Mr. F. E. ROBERTS: You cannot get an extension of time for the loan. The Federal Treasurer and the Loan Council have adopted a policy that a fortnight is long enough. It is too stupid for words. If the hon. member had seen some of the telegrams and correspondence that have been received through the ordinary channels by local-authority borrowers such as the Brisbane City Council from the Federal Treasurer, I say quite frankly he would not be nearly so prone to help the Federal Treasurer in his political campaign as he probably has been in the past.

Mr. Low: I do not think the Premier is supporting you as he should.

Mr. F. E. ROBERTS: I am satisfied that he is supporting us, just as he is supporting the State Electricity Commission. The Premier and the Treasurer of each State are looking after their own. There we come back to something about which I had a little to say last Thursday. There is no doubt that our Premier and Treasurer are looking after the interest of the Brisbane City Council and the other local-authority borrowers in Queensland and each semi-government borrower such as the State Electricity Commission.

On 17 September this year an article appeared in "The Brisbane Telegraph," written by Henry R. Nowotny, headed, "A rise in interest rates is long overdue." It is remarkable that articles like this can be published in the daily Press and so little notice taken of them—so little objection taken to them. Towards the end of the article this gentleman, after pointing out that ever-increasing interest rates affect detrimentally those who have patriotically invested time and time again in various loans in recent years, goes on to say,

"We may say that a rise in the rate to 6 per cent. would by no means be too much."

The whole purpose of this article is to advocate an increase in interest rates to 6 per cent. I have made myself quite clear. My conviction is that interest rates should be pegged. Let me say that that is my personal conviction; and like other opinions of mine or any other human being, it could be wrong.

Mr. Kerr: At what rate?

Mr. F. E. ROBERTS: It should have been pegged when they were paying 3¼ per cent.

This gentleman who writes in "The Telegraph," after advocating an increase in interest rates to 6 per cent., goes on to say,

"The second is that we must arrest the basic-wage spiral at all cost."

Such people are concerned only with increased interest rates. "Don't peg interest rates, whatever you do, and don't peg profits, whatever you do, but peg the basic wage" is their cry. Peg the price of the only thing the ordinary citizen can sell to this community, that is, his labour, but do not peg profits. That is what they want. (Opposition interjections.) We should mention these matters when we come across them to show just how inconsistent they are and what interests they are really representing or speaking for when they make these suggestions about increasing interest rates.

There is one other matter I must touch on before my time expires, that is, the result of all this vacillation and this absence of firm government by the Commonwealth upon essential works that are being carried out by the various local authorities and semi-governmental instrumentalities. This is the most recent history I can discover—happenings within the past two or three weeks. The Geelong Harbour Trust approached the

market for a loan of £500,000. The loan closed and was under-subscribed by £200,000. The Melbourne City Council loan has just closed. That council approached the market for £1,000,000 but received only £500,000—£500,000 under-subscribed. The Sydney Water Board loan was under-subscribed by £700,000 and the Melbourne Board of Works loan was under-subscribed but I cannot ascertain by how much. If that is not the strongest condemnation of this vacillation policy being pursued by the Federal Government in relation to its fiscal programme and by the Loan Council of Australia, then I do not know what could be. Not only are Queensland and the other States of the Commonwealth, which have great developmental works crying out to be done, unable to proceed with them because they are not getting their fair and equitable share of the revenue being received by the Commonwealth Government, but all these local authorities and semi-governmental bodies that are entrusted with the carrying out of works of great public necessity are handicapped because not only do they not get some of the moneys available out of Commonwealth revenue but they do not receive the loan moneys that they ordinarily would receive for these purposes, and that because the market is not stabilised as it could be stabilised and as only one instrumentality can stabilise it, that is, the Federal Government of Australia.

So long as that state of affairs continues then, looking nearer home—so far as we are concerned and so far as I am concerned—Brisbane will not be able to supply electric

power that industry in this city requires and that homes require, Brisbane will not have the water and sewerage required in the city. If you want to go further afield, no other local authority in Queensland will be able to supply these essential services that people have a right to have.

(Time expired.)

Mr. NICKLIN (Landsborough—Leader of the Opposition) (11.45 a.m.): I listened with a great deal of interest to the two hon. members who moved and seconded the motion before the House. Their performances are the most surprising exhibition of political tightrope-walking that this House has ever witnessed. We have had a really amazing performance from the two star performers who have been selected by the Government to put up a case in support of this motion. Let us have a look at them.

First of all, we have the hon. member for Rockhampton. He came in here posing as a valiant State rightist, and proceeded in his own inimitable style to slate the terrible Federal Government, but in posing as an advocate of State rights in supporting the motion he conveniently forgot the platform he had signed and the policy of the party of which he is so proud to be a member. He forgot that the Labour platform definitely states that the policy of the Labour Party is unification as against State rights. I should say that he gave a most polished exhibition of political tight rope-walking in moving the motion, and he did negotiate his act successfully.

Then we come to the hon. member for Nundah, who seconded the motion. Although he is allegedly seconding the motion, everything he said was against it. He proclaimed himself to be a straight-out unificationist. He said, "Abolish State Governments. There is no doubt about where I stand. I am a unificationist." At least he was honest. He did state the Labour Party's platform when he said he was a unificationist. After listening to those two speakers, I am puzzled to know—and I am sure other hon. members on this side are in the same position—exactly where the mover and seconder stand and where those hon. members who sit behind them stand. Are they State-rightists, or are they unificationists? The mover said he was a State-rightist and the motion favours the maintenance of State rights, yet the seconder opposed it and spoke differently from the mover.

Although the hon. member for Rockhampton gave a polished exhibition in his act, the hon. member for Nundah was not quite so successful; he fell off the tight rope straight away, and the only conclusion I can come to is that this motion is moved not for the purpose for which anyone reading it would think, not for the purpose of maintaining State rights, but as an excuse for hon. members on the Government side to attack the Federal Government. There is no doubt that both hon. members who

have spoken certainly took every opportunity during the time they were speaking to do a great deal of tub-thumping in their attack on the Federal Government. It was also noticeable that at the same time they walloped very vigorously three Labour josses. The three main matters about which they complained are uniform taxation, Loan Council decisions, and the financial overlordship of the Commonwealth, which the motion suggests is allegedly destroying the sovereign rights of the States. Both speakers vigorously walloped those three matters. Who were responsible for uniform taxation, who were responsible for the creation of the Loan Council, and who have advocated unification all through? It has been the Labour Party in every instance, so that in walloping those things so vigorously as they have done, the two hon. members who have spoken merely condemn the actions of their own party.

Uniform taxation was instituted by the Curtin Labour Government as a war measure in 1942 under the defence power in the Commonwealth Constitution. After the war, the Chifley Government rejected the claim by the States for the restoration of their taxing powers, and acting in accordance with a decision of the High Court, continued to levy income taxation at such rates that the States were precluded from levying their own separate income taxes. The very things stated by the two members who have spoken to the motion have been a condemnation of their own Government all the time, yet they come in here, as the hon. member for Cherm-side has said, alleging that they are a united party and know where they are going politically. After hearing them last Thursday and again this morning, I say that they do not know where they are going politically, because one advocates one line of action and the other another.

Let me come to the second test, namely, the Loan Council decisions. If we go into history we find how the Loan Council was brought about. It was brought about by the signing of the Financial Agreement by State Governments and the Federal Government. We look at the make-up of the Governments who signed the Financial Agreement and we find that four of the seven were Labour Governments.

Mr. Walsh: Nobody is quibbling about that.

Mr. NICKLIN: Another example, Mr. Speaker, of what I have been saying, that the Labour Party does not know where it is going. The hon. members who moved and seconded the motion complained bitterly about the actions of the Loan Council, and now the Treasurer is saying that nobody is complaining about it.

Mr. Walsh: About the agreement's having been signed.

Mr. NICKLIN: I have heard the Treasurer make some vigorous speeches from time to time, but I repeat that four of the seven

Governments who signed the Financial Agreement were Labour Governments. Yet the Labour Party's policy is now being vigorously condemned by the hon. members who moved and seconded the motion.

Mr. Walsh: That is not so.

Mr. NICKLIN: Every Labour Party in Australia, except the Lang Government in New South Wales, advocated a "Yes" vote in the referendum in 1928. Will the Treasurer deny that?

Mr. Walsh: No.

Mr. NICKLIN: No. I want to know where the Labour Party stands on this financial issue in Australia. It created the Loan Council and advocated a "Yes" vote when the Financial Agreement was incorporated in the Australian Constitution, and now it condemns the Loan Council, its constitution and actions, *holus bolus*, and, according to the expressed wishes of the mover and seconder of the motion, it would today tear up the Financial Agreement and do away with the Loan Council because, allegedly, the Labour party is not getting a fair deal.

Mr. Walsh: Because of the failure of the Commonwealth in accepting decisions of the Loan Council.

Mr. NICKLIN: If the Treasurer is not satisfied with the Loan Council he can initiate a move to wipe it out tomorrow, but for goodness sake, let the Labour Party make up its mind where it stands, because every hon. member who speaks on the question seems to have a different idea. For convenience and political expediency, hon. members opposite are prepared to throw overboard their political platform. For example, the hon. member for Rockhampton, in moving the motion, said it was designed to support the rights of the States, but the hon. member for Nundah said, "There is no doubt where I stand. I am for unification. I would do away with State Parliaments." If the Labour Party platform was put into operation local governments would be of some importance, and no doubt the hon. member for Nundah, who is Lord Mayor of the city of Brisbane, would be cock of the walk.

And now I come to the third matter that I referred to, that is, the allegation by the hon. member for Rockhampton that the financial overlordship of the Commonwealth is destroying the sovereign rights of the States. The unification joss is a main part of the political worship of Labour, but apparently it is not as popular now as was expected when it was written into the party platform. There is no doubt that considerable difference of opinion exists among members of the Labour Party as to exactly where the Labour Party stands on this important question. It would be very interesting if somebody in authority in the Labour Party would make it clear just what the attitude of the party is.

Mr. Walsh: The Labour Party's attitude is very clear.

Mr. NICKLIN: The Treasurer says it is very clear, but he has not sat here and listened, as other hon. members have, to the whole of the debate that has taken place on this motion. For the information of the Treasurer, I tell him that we who have listened to the whole of the debate have noted that the mover spoke one way and the seconder the other way. No doubt the speakers who were put up by the Government were specially selected to put the Government's case in support of this motion, yet those two star performers, to whom the Government gave this great job are at sixes and sevens. Then the Treasurer comes in and he is at sixes and sevens with both of them. Where are they?

There is no doubt where we on this side of the House stand in regard to the Federal principle. We are adherents to the Federal principle and we believe in decentralisation. As the first part of the motion says, we believe that the spirit and understanding that existed when the States entered the Federal union has been wrongly departed from by successive Federal Governments. We quite agree that the financial arrangements between the Commonwealth and the States are not in consonance with the spirit and understanding that existed when the States entered the Federal union. When Federation in Australia was initiated, it was initiated on the true Federal principle; it was composed of the various States, who were to retain certain sovereign powers and responsibilities, whilst the Federal Government were to co-ordinate the activities of the States and to take care of various functions of a Federal nature. That is the real Federal spirit. The Opposition stand for the Federal principle, for the decentralisation of powers and the maintenance of strong and independent States. We stand also for the creation of new States with sovereign powers.

Mr. Walsh: So does the Labour Party.

Mr. NICKLIN: With sovereign powers?

Mr. Walsh: Yes.

Mr. NICKLIN: Good. The Treasurer says that the Labour Party stands for the creation of new States with sovereign powers. You will notice that I deliberately asked the hon. gentleman if it was with sovereign powers and he answered the question "yes," that that was the Labour Party's policy. Now let me quote from the Labour Party's platform on this matter, as quoted by the hon. gentleman himself in this House a few days ago. This is what he said—

"To clothe the Commonwealth Parliament with sovereign powers and with authority to create States or provinces possessing delegated constitutional powers."

Delegated by the Commonwealth! Again I ask; where does the Labour Party stand? Its members do not know. They are running all over the place and do not know exactly where they stand.

The motion deals with the financial relationships between the Commonwealth and

the States and I want to deal specifically with that subject. On the subject of the maintenance of the Federal Parliament the Labour Party does not know exactly where it stands at all, but let us look at where its members stand in regard to the financial relationships between the Commonwealth and the States. The hon. member for Rockhampton, the mover of the motion, made a number of suggestions in support of his case. He made six proposals in all, the first of which reads—

"A revised formula in relation to income-tax reimbursement grants to the States." It was very interesting to hear the hon. member make some comment on this important question. While he was dealing with this point I interjected to ask: what about uniform taxation—did he favour its continuance, did he favour the return of the taxing powers to the State? The hon. member parried the question by saying, "I will tell you about that later." It is very interesting to know that the hon. member for Rockhampton did not say one word about uniform taxation. He gave a very polished performance as a political tightrope-walker. But when we came to the seconder of the motion, the hon. member for Nundah, we have a difference of opinion. The hon. member for Nundah says, "I want uniform taxation continued. I do not want the States to have the taxing powers again." No, he is quite happy that uniform taxation should be continued as at present. Again, where does the Labour Party stand? That is what we want to know. We have the hon. member for Rockhampton on the one hand glossing over the issue and on the other we have the hon. member for Nundah coming right in and saying where he stands.

This is a very live issue, the return of taxing powers to the State. At the last meeting of the Loan Council the Prime Minister informed the State Governments that 1952-1953 would be the last year in which the Commonwealth would levy income taxation for payment to the States. What a bombshell he threw into the Premiers' Conference!

Mr. Walsh: He was asked by the Premiers at the previous Loan Council meeting to return them and the Country Party Premier in Victoria was the first to ask him.

Mr. NICKLIN: And did not the Premiers of New South Wales and Queensland in particular, have their tongues in their cheeks when they asked for it? They never would have asked for them if they thought they would have got them.

Mr. Walsh: What about the Country Party Premier of Victoria?

Mr. NICKLIN: The Country Party Premier in Victoria, like all Country Party men, is honest.

Mr. Walsh: He asked for its return.

Mr. NICKLIN: He always asked for it; he never varied from it. (Interjections). Victoria suffered most under uniform taxation, while Queensland had an advantage.

The action of the Prime Minister in informing the State Premiers at the Loan Council meeting that the Federal Government had decided to return to the States their powers of income taxation certainly paralysed the State Premiers. They did not know where they were. They had asked for the return of those powers previously and, having had their request granted them right on the spot, they had to take it.

There is a difference of opinion among hon. members opposite whether they want those taxation powers returned to the State or not. It is only right, when we are considering the financial relationships between the Commonwealth and the State, to consider this question whether the Government want the return of their taxing powers or not. We cannot deal with the purpose of this motion properly unless something is included in it that will make it clear where the Government stand on this very important question. In view of the great diversity of opinion that has been expressed by hon. members opposite who have avoided the issue, and those who have interjected, it is only right that we should get a statement of their position, get it definitely sewn up where the Government stand on an important question like this.

Mr. Walsh: What is your amendment?

Mr. NICKLIN: The Treasurer knows that official experts are now investigating this matter of the return of the taxing powers to the States, and when those investigations are completed and the reports are furnished to the Prime Minister there will be another conference of State Premiers to make a decision. The Prime Minister announced recently that he expected the matter to be finalised by the end of 1952. The Premier and Treasurer of this State, and those sitting behind them, have not very much time to make up their minds.

Mr. Walsh: We have made up our minds. Don't you worry!

Mr. NICKLIN: The Treasurer came in just a while ago and made reference to the Treasurer of Victoria, who is also Premier, and asked what his attitude was on the return of taxing powers to the State. As I have said, he has never varied as to his position in the matter. Recently, in his speech introducing his Budget for 1952-1953, he had this comment to make on uniform taxation—

“Income tax is expected to be levied again by each State in 1953-54, with taxpayers having to compile one return and having one assessment. Return of that power would mean a renaissance of State Parliaments and a return to real responsible self-government of the States in a truly Federal system.”

I entirely agree with him because the real basis of the Federal system is self-reliant States that are prepared to accept their responsibilities.

Opposition Members: Hear, hear!

Mr. Walsh: What would you do with States like Victoria that will not accept them and pay low wages to their servants?

Mr. NICKLIN: Queensland would be a lot better if it would accept its responsibilities in regard to it.

Mr. Walsh: We always have.

Mr. NICKLIN: We know that hon. members opposite and their Government will dodge their responsibility as long as they can. They will accept the money they get under the uniform-tax arrangement and blame the Federal Government for what is given to them because they know they have no responsibility in regard to the collection of it. Will there not be a different song when the responsibility for collecting taxes is their own, and when they have nobody to blame but themselves? Then they will have at least to endeavour to be responsible and not act in an irresponsible manner as they have been doing in recent years. Their action has been a complete negation of responsible government. They have at all times endeavoured to evade their responsibility by blaming the Federal Government for alleged misdeeds and alleged maldistribution of the moneys collected under uniform taxation.

I propose to test the sincerity of the Government in regard to this matter, therefore I move the following amendment—

“Add to the question the following paragraph—

“(d) That the Queensland Government, in accordance with its expressed opposition to continuance of uniform taxation, should immediately advise the Commonwealth Government that it agrees with the proposal of that Government to restore full taxing powers to State Governments and urge that the details of such proposal be completed for submission to States as early as possible.”

Mr. Walsh: It is quite superfluous. We have told the Prime Minister we will take the powers back.

Mr. NICKLIN: If, as the Treasurer says, it is superfluous because they have already done so, the hon. gentleman might second my amendment.

Opposition Members: Hear, hear!

Mr. Walsh: This is Private Members' Day.

Mr. NICKLIN: In view of the tremendous difference of opinion on this important subject of the relationship between the Commonwealth and the States that exists on the opposite side of the House we should at least get some opinion from hon. members on this very important question.

Mr. F. E. Roberts: Do you suggest there is no difference of opinion over there?

Mr. NICKLIN: This will test the sincerity of hon. members opposite. However, the hon. member for Nundah has left us in no doubt as to where he stands.

Mr. Sparkes: He is honest.

Mr. NICKLIN: He is. He said that he favours the continuation of uniform taxation. He is an avowed unificationist; he stands up to the Labour Party platform, and is not prepared to deny it. We have no doubt where he stands. This amendment will give the members of the Government an opportunity to show by their votes where they stand on this matter. We shall at least know where they stand on one subject, even though we do not know where they stand on many other important subjects.

Let us examine the financial relationships between the Commonwealth and the States. Both hon. members who have spoken on this motion have condemned the Federal Government for their alleged lack of consideration of this State; that has been the theme song of the speeches of hon. members who have spoken on this motion and during the Address in Reply. The theme song of the Labour Party at the present time is: "Blame the Federal Government for this and that in the hope that the people may be led away from thinking of or examining our own misdeeds."

Let us see how the Federal Government have treated this State. In answer to a question asked by the hon. member for Southport, the Treasurer gave some very enlightening information as to the amounts that have been received by the State from the Federal Government for the year 1951-52.

Mr. Speaker, I ask hon. members to listen to how the Commonwealth Government have helped the State and the ways in which they have helped the State with direct financial grants:—

Amounts received from the Commonwealth Government in 1951-1952—

	£	s.	d.
Grant towards Interest on the Public Debt	1,096,235	0	0
Income Tax Reimbursement Grants ..	13,994,458	0	0
Special Grant ..	5,005,542	0	0
Social Services Grants—			
Hospital Benefits ..	901,000	0	0
Pharmaceutical Benefits ..	91,834	3	0
Commonwealth Aid Local Authority Roads Grant ..	861,566	13	4
Commonwealth Dairying Industry Grant	63,481	3	1
Contribution towards Herd Recordings .	11,630	16	11
Payments under Commonwealth Aid Roads and Works Act	1,979,993	16	4
National Fitness Grant	8,575	0	0
Grant to Queensland Road Safety Council	11,100	0	0
University Education	224,459	3	4
Total ..	£24,249,875	16	0

As to the hospital benefits, from what we hear, the present Government, merely through political pigheadedness, are evidently going to refuse the grants for social services that they can receive from the Federal Government. How silly!

In spite of that total of moneys received that I have quoted, hon. members opposite stand here and say that the Commonwealth Government do not help the State.

Mr. Walsh: Why do you not quote the help the other States get, to make a fair comparison?

Mr. NICKLIN: The hon. gentleman knows that as far as income-tax reimbursement grants are concerned, Queensland is on the best end of the stick: it is better off than any of the other States. The hon. gentleman knows that only too well, as I shall quote to him in a moment. Let me emphasise, Mr. Speaker, that that £24,250,000 that the Commonwealth Government gave to the State during the last financial year is a substantial sum and the State has never received so much revenue before.

Mr. Walsh: What about the value of the £1?

Mr. NICKLIN: It is not a bit of use the Treasurer's trying to get me off the track. Let us stick to the real issue, that is, that the Commonwealth Government have given very substantial help to Queensland and have given to the States the greatest revenue they have ever had in their history.

The Treasurer has asked what the other States get, but let us see what Queensland got. I go back to the uniform-tax arrangement. This was instituted by the Commonwealth in 1942-1943 and the amount payable to Queensland was based on the average collections for the two previous years of income tax, £3,927,000, and State development tax, £2,370,000. We must not forget that by the inclusion of the State development tax as income tax for the purpose of compilation of the amount to be returned to this State from uniform taxation, Queensland did enjoy a definite advantage over the other States. In the twenty years to 1951-1952, the State Labour Government have received the benefit of the inclusion as income tax of £57,300,000 collected by way of unemployment relief tax when arriving at a formula for the amount of uniform taxation to be returned to the respective States. The extent to which this has affected Queensland is evident when we compare the amounts paid to Queensland by the Commonwealth from uniform-taxation revenue. In 1945-1946, under a Labour Federal Government, the grant to Queensland amounted to £5,821,000. This was gradually increased over the years until it reached the sum of £10,230,000 in 1949-1950, the last year of a Labour Federal Government's regime.

In that year, a change of Government took place and it is interesting to note that at the end of the financial year the grant made to

Queensland by the present Federal Government jumped to £14,279,888, an increase of approximately £4,000,000. In 1951-1952 it was increased to £19,000,000, and it is expected that the amount for 1952-1953 will be £21,700,000, yet hon. members on the Government side have the colossal hide to rise here and say the Federal Government are not giving this State a fair share of the revenue coming from uniform taxation!

I point out also that in the year 1951-1952 Queensland received the second highest grant per head of population—£15 10s. 5d. as against an average of £14 2s. 7d. for all States, so that we have not done so badly after all. There is no doubt that the Federal Government have acted very fairly in this matter. Actually, Queensland enjoys an advantage in the method of working out the formula for the allocation.

It is to be remembered also that the Commonwealth Government have made a very substantial contribution to Queensland's finances in other ways. I refer in particular to the substantial contribution received by this Government from the Commonwealth under the Federal Aid Roads Acts. I remind the House that when the present Menzies-Fadden Government were elected they amended that Act to give Queensland, a large State with a comparatively sparse population, an advantage.

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

Mr. NICKLIN: I thank hon. members for their courtesy.

As I was saying, the amendment of the Act passed by the Federal anti-Labour Government was of particular advantage to Queensland as this State gained as a result of the additional contributions made available. That Queensland has been much better treated under non-Labour Governments than under Labour Governments is evident by the fact that in 1948-1949, under the Chifley Government, the Commonwealth's contribution was £1,326,000 or 32% of the total contribution. In the first year of the present Liberal-Country Party Government that sum was increased to £1,700,000, or 36%, and in the following year, 1950-1951, the contribution was £2,461,000, or 44% of the total.

Mr. Walsh: Look at the increase in the number of cars.

Mr. NICKLIN: The Treasurer is a very ungrateful gentleman; he never appreciates anything the Commonwealth Government do to help him with the finances of this State. There is no doubt that we have to thank the Federal Country Party leader for the increased contributions Queensland has received under this legislation. He has received the complete support and backing of the Liberal Party section of the Government in this respect; in fact, it was the joint policy of the present Federal Government to do this as soon as they were elected.

It was the first thing the Government did—they put their election promise into effect and it has materially helped State finances.

What thanks do the Federal Government get for their consideration to Queensland from hon. members opposite? None at all. All they have got is abuse. I say that hon. members opposite should at least have some political decency and recognise the fact that Queensland has received a much better deal financially from the present Federal Government than it ever received from any previous Labour Government. This State at the present time has never been so well off for funds. However, I will not develop that argument because we shall hear a little about it from the Treasurer this afternoon and I hope to tell him something more about it in a future debate.

Let me turn to the other complaints made by the hon. member for Rockhampton about the financial relationships existing between the Commonwealth and the States, and I refer in particular to his complaint about loan money. He said that action should be taken to prevent the Federal Government from vetoing decisions of the Loan Council concerning the amount of loan money to be raised for the States, for the purposes of production, development and other capital works. Could any responsible Government, particularly a Federal Government who have to accept responsibility for raising money for the States to spend, do anything else but attempt at least to put irresponsible States on the rails in regard to loan money?

Mr. Walsh: In other words, you are agreeing that they are not giving effect to Loan Council decisions?

Mr. NICKLIN: The Loan Council, according to the hon. members who initiated and seconded the motion, should be wiped out. The Treasurer says that the Loan Council should implement its decisions.

Let us examine what happened at recent Loan Council meetings. Representatives of the States have gone to Canberra, and notwithstanding the advice of the Commonwealth Government's financial advisers—and I refer to the Commonwealth Bank, which is responsible for maintaining the financial stability of this country under the direction of the Commonwealth Government—they have adopted the irresponsible attitude of asking for huge sums of money that they know very well cannot be obtained. For example, at the last Loan Council meeting the States asked for £300,000,000 of loan money, but they were told that it was impossible to raise any more than £50,000,000. The States have the voting power on the Loan Council, so that they control it.

Mr. Walsh: The Loan Council made a decision for £247,500,000, but the Commonwealth refused to accept it.

Mr. NICKLIN: The States eventually reduced their demands to £247,000,000, as the

Treasurer has just said, but the Commonwealth Government politely told them, which was the fact, that it was impossible to raise that amount.

Mr. Walsh: How did they know?

Mr. NICKLIN: The Treasurer knows that the condition of the loan market in the year 1951-52—and it still exists—was such that to enable the States to carry out their loan-works programmes, the Federal Government raised considerable sums of money from revenue. What fools they were! They got themselves into political disfavour with the people of Australia by increasing taxation in order to raise money so that the States could carry on their loan-works programmes. They risked their political future for the States. What thanks did they get? They got nothing but abuse from the States.

Mr. Walsh: Do you include the Liberal Party Leader of Western Australia in your remarks?

Mr. NICKLIN: I include all the States, but at least the Premier of Western Australia did have enough decency to acknowledge the help given by the Federal Government. Have we ever heard one word from hon. members opposite in praise of the Federal Government for finding £155,000,000 from revenue to build up the States' loan-works programmes last year? No! They condemn the Federal Government outright. However, notwithstanding the abuse hurled at them by the States, the Federal Government are again finding from revenue £130,000,000 to help the States. And then we have a motion such as this introduced into this Chamber condemning the Federal Government! During the debate we have had not only an irresponsible attitude towards the help given by the Federal Government but we have had also all sorts of abuse in regard to loan raisings, interest rates, and so on.

It was very interesting to hear hon. members opposite get up and complain about the increase in interest rates. It should have been kept at 3½ per cent., someone said and "Hear hear!" said the rest of them. Do not forget that when the ruling rate of interest in the Commonwealth was round about 5 per cent. a Queensland Labour Government went to America and borrowed money at 7½ per cent. These are the political purists who do not want to raise the interest rates, yet they are the chief offenders. Can you expect anything else but a lag in the Brisbane City Council loans, about which the hon. member for Nundah complained so bitterly, when we have hon. members here who adopt the attitude they adopted in this debate in connection with interest rates and the raising of loans? One hon. member went so far as to advise the people not to put their money into public loans.

Mr. Walsh: Because of what?

Mr. NICKLIN: Because the Commonwealth Government had something to do with it.

Mr. Walsh: That is not true.

Mr. NICKLIN: He suggested that they should put their money into the savings bank. We must have loan money to develop the State, we must have loan money, but if hon. members opposite adopt the attitude of decrying Commonwealth loans and frightening people against putting their money into them as they have done, we shall not raise the loan money that we require to meet the needs of Governments of States, local authorities, or anybody else. Money is required for developmental purposes. Do not forget also that the interest rates that hon. members opposite complain about so bitterly are not fixed by the Commonwealth Government. They are fixed by the Loan Council, on which the States have a majority. If the States do not want interest rates to go up, why do they not vote against it?

Mr. Walsh: I am telling you that the Premiers of the States wanted the interest rates pegged but the Commonwealth representative would not agree and out of deference to the Commonwealth we made no decision on the matter.

Mr. NICKLIN: That is the prize joke of the day.

Mr. Walsh: Nevertheless it is true.

Mr. NICKLIN: We have heard nothing else but abuse against the Commonwealth Government. The hon. gentleman and his Government have used their voting power on the Loan Council against the Commonwealth Government all the time. You cannot tell me that if the State Premiers wanted to peg the interest rates they could not do it because they have the voting power on the Loan Council.

Mr. Walsh: Out of deference to the Commonwealth representative no decision was made but, believe me, at the next Loan Council meeting there will be a decision.

Mr. NICKLIN: The States have a majority in voting power on the Loan Council. Let me ask the Treasurer what attitude his Government have adopted in regard to the increasing of interest rates. Have they agreed or have they not? They have agreed.

Mr. Walsh: Do you realise that under the Financial Agreement the Loan Council cannot fix the rate of interest.

Mr. NICKLIN: The Treasurer is an expert in endeavouring to dodge the issue.

Mr. Walsh: That is factual.

Mr. NICKLIN: He cannot dodge the issue nor can he dodge the fact of where his Government stand in regard to the increase in interest rates. Did they agree to it or did they not?

Mr. Walsh: Queensland has always opposed an increase in interest rates.

Mr. NICKLIN: I will leave it at that.

Mr. Walsh: Queensland is opposed to increased interest rates.

Mr. NICKLIN: The hon. gentleman has given an answer without giving the actual words. It is an evasion of a direct answer. After all, if the States and the Federal Government are opposed to the Loan Council set-up they can abolish it if they wish. They can either continue the Loan Council or bring it to an end.

Mr. Walsh: All parties, not one party.

Mr. NICKLIN: Section 105A of the Commonwealth Constitution provides that any such agreement can be amended or rescinded. The Treasurer would not be a party to abolishing the Loan Council. The Treasurer would not be a party, either, to this State's raising its own loans and going on the market as a borrower.

Mr. Walsh: What is your reason for saying that?

Mr. NICKLIN: Because the hon. gentleman knows he would not get the money.

Mr. Walsh: We always got it before the establishment of the Loan Council.

Mr. NICKLIN: He would not get it. That is the position. If the loans have not been filling in the past as they should have, it is because of the irresponsible statements made by hon. members opposite. They have given publicity to their statements in an endeavour to deter people from investing in Commonwealth loans and create a lack of confidence in the Government. When the Government's attitude, as expressed by the two speakers to this motion, is examined we can quite realise that the Government are completely irresponsible in their attitude towards their financial relationships with the Commonwealth and that the sooner they are compelled to accept their own responsibility for the funds they have to get to carry on the purposes of government, the better it will be for everybody concerned. Then the Government will have to act, as they should act, as a responsible sovereign Government instead of an irresponsible Government, as they have been doing up to the present time by biting the hand that has fed them. It has fed them very well indeed. The facts revealed by the discussion on this motion show that we on this side of the House are entitled to ask the Government just where they stand on the very vital question that is covered by this motion.

Opposition Members: Hear, hear!

Mr. KERR (Sherwood) (12.44 p.m.): I rise to second the amendment. It is very pertinent at this time, when the Government are continually moaning and complaining about the lack of funds, particularly loan funds.

The Leader of the Opposition has covered the ground in support of the amendment very fully indeed. He has pointed out what this Government or the State Premiers have done. They go to the Loan Council and ask for all the money in the world and throw the onus on the Federal Treasurer of getting it. They are cagey or silent on interest rates and then turn round and abuse the Federal Government on them.

The hon. member for Nundah evidently foresees that the Brisbane City Council's loan that is now on the market will not be filled. If ever in my life I listened to any speech that would cause people to refrain from filling that loan I did so this morning. It is evident that the State Government and the Brisbane City Council do not want to get that money. It is obvious they apparently are trying to persuade the people not to subscribe. The statements made by the hon. member for Nundah would give anybody the impression that he thinks he is not going to get that money.

Mr. F. E. Roberts: My statements are true.

Mr. KERR: It is not. We know the statements of the Treasurer to the Press and in this House, and we know that the onus of raising loans lies with the Loan Council, and we know what the State Governments attempted to get in the past and what they eventually agreed to—£247,000,000 between them. The rate of interest was not determined; in other words, it was left in the Federal Treasurer's hands.

Let me trace some of these interest rates; let us go back a few years, when the rates were 3½ per cent. and 3¼ per cent.

Mr. Walsh: When?

Mr. KERR: Some years ago; some of them were up to 4 per cent. The Federal Treasurer has shown every prudence, indeed all that could be expected of him, in gradually increasing those rates. He has tried to get the money at the best rate possible. Nobody knows that better than the hon. member for Nundah. He walked along quietly; he did not jump to 5 per cent. as a Labour Government did during Mr. Theodore's time when they got the money in America at 7 per cent. plus discount and exchange; nobody knows what the ultimate cost was. The Federal Treasurer is getting the money from the public as cheaply as he can. The Treasurer knows that this money cannot be got from the public at the rates of interest that have been operating in the past.

Mr. Walsh: Why not?

Mr. KERR: Because the investors in these loans have to live. Whereas people could live on 3 per cent. five or ten years ago they would need 4 per cent. or 5 per cent. to live on the same standard to-day.

Mr. Foley: Why don't they put value back in the pound?

Mr. KERR: Why the hell take it out of the pound? (Government interjections). The Labour Government have been in power for thirty years and they have taken it out, and they expect us by a wave of the wand to bring it back; it cannot be done like that.

I stress the point that the Federal Treasurer has been very prudent in the matter of the interest rate; he has not jumped into a high interest rate because the money was not flowing in. As the Leader of the Opposition pointed out, he financed the State loans for 1951-1952 out of tax raisings from the general public of Australia.

Mr. Walsh: The States never asked him to do that. (Opposition laughter).

Mr. KERR: If the Federal Treasurer had not done that the hon. gentleman would have been out of funds. As a matter of fact, this Government do not want to pay interest on loans at all. What they are in favour of is compulsory loans free of interest.

Mr. Walsh: That is what Sir Arthur Fadden advocated.

Mr. KERR: That is just what the hon. gentleman wants; alternatively, he wants a terrific increase or expansion in bank credit but he has not the courage to say so. That is what hon. members opposite want. They apparently want loans free of interest or a terrific extension of bank credit. A limited extension of bank credit is being used by the Federal Government but they have been very prudent; they know the evils attached to it.

I have no objection to raising money at 5 per cent., none whatsoever; if it is good enough for private industry to pay 5 per cent. I think it is good enough for public loans to be raised for governmental or local-authority purposes at 5 per cent. too. I see no reason why there should be a distinction. Let me point this out: there is a distinction between Commonwealth loans for public works, such as the construction of the Burdekin Bridge or similar works, and loans for the processing of consumer goods and principles of the interest rates in these matters are totally different.

This Government have been particularly fortunate in the allocations made to them by the Federal Government. The leader of the Opposition went to much trouble to point out formula used in the reimbursement of income tax by the Federal Government. As he pointed out, Queensland gets a return based on the rate of income tax and State development tax operating at the time when uniform taxation was established. Victoria thus was under a very heavy handicap inasmuch, as the rates of income tax operating there then were considerably lower than those in Queensland and, moreover, there was no State development tax in that State. In fact the rates of income tax operating in most of the Australian States at that time were considerably lower than in Queensland. For those reasons Queensland

has been particularly well provided for and I can only comment that the Treasurer of this State is speaking with his tongue in his cheek when he talks of the bad treatment this State gets from the Federal Government.

Referring now to the loans of the Brisbane City Council I would say that a rate of interest of £4 12s. 6d. per cent. should be fairly attractive to investors and he would be indeed a Jeremiah who would forecast that that money will not be subscribed. Whether there will be an oversubscription of the loan, it is difficult to say, but it is a very sorry state of affairs when we have the hon. member who is also the Lord Mayor standing up in this House and decrying the very loan he is trying to raise.

Mr. Foley: He was decrying the lack of uniformity—one loan with an interest rate of £4 10s. and another of £4 12s. 6d.

Mr. KERR: The rate of £4 12s. 6d. is virtually uniform throughout Australia. The money subscribed to the State Electricity Commission for its purpose carries £4 10s. or £4 12s. 6d. per cent. The C.S.R. Company is on the market in Victoria for a loan of £4,000,000 or £5,000,000, and what are the Queensland Government going to do about that? Are they going to stifle subscriptions to loans for public undertakings and ultimately stop production? This company has to have this money to carry on its industry in this country, and 5 per cent. is not a very heavy rate of interest to have to pay for it. I would remind hon. members opposite that their Governments have not hesitated in the past to get money at any cost and to pay any rate of interest. There is only one reason for their changed attitude and that is their determination to do everything they possibly can to try to discredit the actions of the present Commonwealth Government in their attempt to keep not only Queensland but the whole of Australia on a level keel.

Mr. Foley: There is no need for us to discredit anybody; they discredit themselves.

Mr. KERR: The Labour Government's objective is to discredit the Federal Government. During the debate on this motion we have listened to two hon. members of the Labour Government, one a straightout and full-blooded States-righter, a real Sir Henry Parkes come to life again. Then we have the unificationist, the hon. member for Nundah. There is no doubt about where he stands.

Mr. Sparkes: He was honest about it.

Mr. KERR: Yes, we must give him credit for that. The people of Australia should be warned that the ultimate objective of the Labour Party is a supreme economic council that would over-ride everything, that would enforce compulsory loans free of interest, and so on. It would also use bank credits because the Labour Party's traditional policy is to manufacture money.

The great distinction between bank credit and money raised by way of loans from the people's earnings is that one is, in a sense,

real money—you cannot get real money—while the other is only paper money, and if the rate of interest is fair loans will be filled, because all the people ask is a fair rate of interest. After all, is it better to resort to extensive, unlimited, unbridled bank credit or to raise money by loans? The public have the money. We know there are millions of pounds in the savings banks and I have always been at a loss to understand why people are satisfied with 2 per cent. interest on their money in savings banks while they could enjoy £4 10s. or £4 12s. 6d. per cent. in the dozens of loans that are offering. Another feature is that the money is easily converted on the exchange. If a man invests money in a £100 bond and he needs the money later, and if the rate of interest is right, he can get his money back on the morning he wants it from any broker in the city. I have always been worried about the fact that the people have not been educated to the knowledge that they can enjoy much better returns from loans than they receive from savings banks. In many cases the banks pay no interest at all.

Mr. Decker: What is the exchange?

Mr. KERR: The hon. member for Nundah was not able to tell us this morning whether his council's loan was free of exchange. For instance, if a man at Cairns wanted to invest £1,000 in the present Brisbane City Council loan at £4 12s. 6d. per cent., the hon. member for Nundah was not able to tell us whether that man would have to pay exchange on his cheque for £1,000 or whether he would have to pay exchange on the cheque he received in Cairns for the interest received by him for the loan.

Another point that we should not forget is that somebody must have agreed to the rate of interest that the Brisbane City Council is offering for the present loan. It must have been the Federal Treasurer, if nobody else, because the State Premiers have given him the right to fix these rates of interest. Despite that fact, hon. members on the Government side will bellyache, winge, and complain about the rates of interest. The State Government still say they want money although I cannot see why they should, because they have ample money. As I have pointed out in the Press on many occasions, they have plenty of money in "kitty," they have plenty of money from loan funds as well as a great deal in reimbursements from taxation. I should not like to call this the prodigal State of Australia but it does seem to be getting close to that position.

At 2.15 p.m.,

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

TREASURER'S FINANCIAL TABLES.

Hon. E. J. WALSH (Bundaberg—Treasurer) presented the tables relating to the Treasurer's Financial Statement for the year 1952-1953.

Ordered to be printed.

ESTIMATES-IN-CHIEF, 1952-1953.

Mr. SPEAKER read 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, 1953.

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. E. J. WALSH (Bundaberg—Treasurer) (2.17 p.m.), who was received with Government "Hear, hears!" said:

MR. FARRELL,

It is pleasing for me, in presenting my first Financial Statement as Treasurer, to announce that the financial year 1951-52 closed with a surplus of £45,395 in the Consolidated Revenue Fund. The surplus forecast in the Budget was £36,197.

In the past fourteen years, surpluses have been accomplished on thirteen occasions, the net credit thus accruing to the Consolidated Revenue Fund amounting to £1,065,733. This is conclusive evidence of the careful husbanding and efficient handling of the State's finances.

I propose following the usual practice of reviewing the accounts of the different Funds for the financial year just past and then making some remarks regarding the proposals for the current year.

As is customary, the Budget Tables and Estimates are now available to the Committee and I feel that Honourable Members will find them helpful and informative.

FINANCIAL YEAR, 1951-52.

CONSOLIDATED REVENUE FUND.

The receipts for the year were £55,753,114 and disbursements totalled £55,707,719, the resultant surplus being £45,395.

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

	Estimated.	Actual.	Over Estimate.
Receipts	£ 52,270,235	£ 55,753,114	£ 3,482,879
Expenditure	52,234,038	55,707,719	3,473,681
Surplus	£ 36,197	45,395	9,198

REVENUE.

The following statement gives details of the actual receipts, under their respective headings, as compared with the amounts anticipated 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	19,000,000	19,000,000
Land Tax	505,000	888,091	383,091	..
Licenses	230,000	314,691	34,691	..
Succession and Probate Duty	1,600,000	1,870,099	270,099	..
Stamp Duty	2,400,000	2,277,307	..	122,693
Totalisator and Betting Tax	250,000	291,751	41,751	..
State Transport Facilities Act	725,000	845,596	120,596	..
Traffic Act	110,000	114,034	4,034	..
Total Taxation	24,870,000	25,601,569	731,569	..
Land Revenue—				
Selection, &c.	1,055,000	1,103,954	48,954	..
Timber	850,000	1,155,235	305,235	..
Pastoral Occupation	505,000	509,172	4,172	..
Total Land Revenue	2,410,000	2,768,361	358,361	..
Mining	64,000	73,274	9,274	..
Railways	20,500,000	22,407,144	1,907,144	..
Other Receipts	3,330,000	3,806,531	476,531	..
Total	£ 52,270,235	55,753,114	3,482,879	..
Over Estimate		£3,482,879	£3,482,879	

Receipts from all sources of Taxation totalled £25,601,569, inclusive of £13,994,458 for Income Tax Re-imbursement Grant and £5,005,542 for a Special Commonwealth Grant for Revenue purposes. The aggregate amount received in these Grants was £19,000,000, or £4,720,112 more than in 1950-51.

The other main items of Taxation Revenue were Land Tax £888,091, Succession and Probate Duty £1,870,099, Stamp Duty £2,277,307, and State Transport Facilities Act fees £845,596. Although Stamp Duty receipts failed to reach the amount anticipated they were £14,142 greater than in the previous year.

Land Revenue totalled £2,768,361 including £1,155,235 for timber collections. Land Revenue exceeded the amount received in the previous year by £741,629 and was £358,361 over the estimate.

Railways receipts reached the record sum of £22,407,144, which was £3,531,262 more than was received in 1950-51.

EXPENDITURE.

The total expenditure for the year was £55,707,719 and exceeded the estimate by £3,473,681. The following table furnishes details of the actual expenditure for departments and services and a comparison with the Parliamentary appropriations:—

Head of Expenditure.	Budget Estimate.	Actual Expenditure.	Over Estimate.	Under Estimate.
	£	£	£	£
Schedules				
Interest on Public Debt	2,012,258	2,022,352	10,094	..
Executive and Legislative	5,428,700	5,432,411	3,711	..
Premier and Chief Secretary	77,585	79,390	1,805	..
Health and Home Affairs	438,973	403,478	..	35,495
Public Works	9,592,653	9,218,118	..	374,535
Labour and Industry	798,942	766,642	..	32,300
Justice	341,252	1,059,350	718,098	..
Treasurer	879,744	831,246	..	48,498
Public Lands and Irrigation	2,049,601	3,358,195	1,308,594	..
Agriculture and Stock	1,313,509	1,209,388	..	104,121
Public Instruction	691,325	644,313	..	47,012
Mines and Immigration	6,079,041	6,060,811	..	18,230
Railways (excluding Interest)	474,044	443,826	..	30,218
Transport	21,930,000	24,053,686	2,123,686	..
Auditor-General	49,787	49,911	144	..
	76,644	74,602	..	2,042
Total	£ 52,234,038	55,707,719	4,166,132	692,451
Over Estimate		£3,473,681	£3,473,681	

The increase of £3,473,681 over the total expenditure estimated in the Budget is very largely the consequence of basic wage rises, which considerably affected costs, salaries, and wages in all branches of the Public Service, the Railways and the maintenance of Government Institutions and Public Hospitals. Excesses over the appropriations were shown for Public Hospitals £274,499, Mental Hygiene £123,031, and State Children £28,174. Government policy is, as far as possible, to avoid stinting its humanitarian enterprises.

The increased expenditure under Treasurer is due to the charging to Consolidated Revenue the sum of £1,300,000 on account of subsidies on loans to Local Authorities granted during the year.

Railway running costs are greatly influenced by basic wage movements, and expenditure for that Department was £2,123,686 in excess of the amount voted. The actual expenditure absorbed all the receipts which were insufficient by £3,508,244 to meet expenditure and the interest on the capital indebtedness.

It is, however, pleasing to see that, despite the rapidly rising costs of services generally, most Departments were able to effect savings and so kept their expenditure within the appropriations.

The following condensed summary shows how the disbursements for 1951-52 were distributed between uncontrollable commitments and controllable expenditure:—

Expenditure, 1951-52.			Compared with 1950-51.	
Particulars.	Amount.	Percentage to Total Revenue Expenditure.	Increase or Decrease.	Percentage Increase or Decrease.
	£	%	£	%
Interest on Public Debt	5,432,411	9.75	Inc. 436,466	Inc. 8.74
Sinking Fund	1,460,630	2.62	Inc. 86,146	Inc. 6.27
Exchange on Interest Payments	580,690	1.04	Dec. 4,079	Dec. .74
	7,473,731	13.41	Inc. 518,533	Inc. 7.49
Salaries and Wages	30,092,105	54.02	Inc. 6,222,253	Inc. 26.07
Statutory Payments (excluding Sinking Fund)	482,109	.87	Inc. 30,131	Inc. 6.67
Other	17,659,774	31.70	Inc. 4,312,041	Inc. 32.31
	£55,707,719	100.00	Inc. £11,082,958	Inc. 24.84

Interest on the Public Debt, Sinking Fund contributions, and exchange on interest remittances overseas are inescapable liabilities and accounted for £7,473,731 or 13.41 per cent. of the total expenditure of £55,707,719.

Expenditure on salaries and wages, which are, of course, set by awards of the Industrial Court, is also uncontrollable and in the year amounted to £30,092,105 and comprised 54.02 per cent. of the total expenditure, while payments made under various Acts of Parliament aggregated £482,109.

The controllable portion of the expenditure, therefore, was only £17,659,774, or 31.70 per cent. of the total.

TRUST AND SPECIAL FUNDS.

1951-52.

The transactions of the Trust and Special Funds showed increases in both receipts and expenditure.

The receipts were £35,388,102 or £8,112,966 more than in the previous year, and the expenditure of £35,425,073 exceeded that of 1950-51 by £9,971,714.

The Trust and Special Funds finance many important services, and also from them are

disbursed moneys which have been made available by the Commonwealth for projects and services carried out or controlled by State departments. Advances to settlers and for home building and the transactions for large construction works are also financed through the Trust and Special Funds.

The following statement shows the main items of expenditure and gives some idea of the magnitude and importance of the activities implemented through the Trust and Special Funds:—

	£
Main Roads Fund	7,469,098
Queensland Housing Commission Fund	2,233,235
State Insurance Fund	5,771,934
Hospital, Motherhood and Child Welfare Fund	1,202,801
Forestry and Lumbering Fund	1,027,172
Fish Supply Fund	723,753
Co-ordinator-General of Public Works Construction Fund	425,435
Tully Falls Hydro-Electric Project Fund	446,153
Agricultural Bank Fund (including Loans to Discharged Servicemen)	2,191,081
Harbour Dues Fund	627,012
State Coal Mines Fund	538,669
Commonwealth-State Housing Fund	5,718,599
Commonwealth Aid, Local Authority Roads, Fund	901,601
Commonwealth Dairying Industry Fund	66,180
Commonwealth Education Fund	74,821
Hospital Benefits Fund	880,241
Hospital Benefits (Private Hospitals) Fund	136,858

LOAN FUND.

1951-52.

The expenditure from Loan Fund was £23,662,458, this being £5,964,722 greater than the amount spent in 1950-51.

From the statement which follows, showing the particulars of the Loan Fund disbursements, it will be appreciated that the Loan moneys have been used for projects and purposes which make for the sound development and progress of the State.

The details are:—

	£
Railways	6,448,189
Public Buildings	2,281,755
Main Roads	1,731,994
Loans and Subsidies to Local Bodies and Hospitals Boards	4,541,084
Land Settlement and Development	2,271,722
Mining	128,951
Burdekin River Bridge	305,000
Water Supply	1,095,358
Tully Falls Hydro-Electric Project	545,000
Burdekin River Authority	572,500
Drought Relief	250,000
Harbours and Marine	336,405
Agricultural Bank	1,230,000
Queensland Housing Commission	1,720,000
New University Works	127,500
Somerset Dam Hydro-Electric Plant	77,000
Total	<u>£23,662,458</u>

A dissection of the expenditure from Loan Fund from 1st July, 1932, to 30th June, 1952, is as follows:—

	£
Developmental Expenditure—	
Main Roads	10,041,617
Land Settlement	16,405,991
Rural Assistance	6,087,617
Mining	1,073,555
Loans and Subsidies to Local Bodies, &c.	22,660,981
Somerset Dam	2,732,191
Brisbane River Improvements	754,214
Story Bridge	102,500
St. Lucia Bridge	62,700
Burdekin River Bridge	1,412,648
Tully Falls Hydro-Electric Scheme	999,000
Callide Road Connection	239,830
Docks and Shipping Facilities	778,702
Rocklea Munitions Buildings	465,680
Queensland-British Food Corporation	625,000
Railways	25,201,456
Burdekin River Authority	672,500
	<u>90,316,132</u>
Other Expenditure—	
Workers' Dwellings and Workers' Homes	5,475,368
Public Buildings	13,144,752
Advances to Railway Superannuation Fund	423,085
A.R.P. Equipment	464,211
Sundry Works	818,975
	<u>20,326,391</u>
Total	<u>£110,642,523</u>

The repayments to Loan Fund in 1951-52 totalled £1,592,704; a sum of £150,000 was allocated towards Sinking Fund contributions in terms of the Financial Agreement, leaving £1,442,704 available for Loan Fund expenditure.

It is gratifying to realise that over the past five years the repayments to Loan Account aggregated £6,741,310, of which £750,000 has been used for Sinking Fund purposes. The balance of £5,991,310 relieved to that extent the State's call on loan raisings for public works.

The Loan Account showed a credit balance of £2,453,068 at the 30th June, 1952. The following statement summarises the operations of the Account for the past year:—

	£	£
Cash Balance, 1st July, 1951	Cr. 2,039,397	
Receipts—		
Repayments	1,592,704	
Less Amount utilised towards Sinking Fund Contributions	<u>150,000</u>	1,442,704
Proceeds of Loan Raisings—		
Domestic Issues	3,124,100	
Less Discount	<u>101</u>	3,123,999
Australian Loans for Works	19,376,000	
Less Expenses	<u>13,616</u>	19,362,384
Australian Conversion Loans	5,121,170	
Less Expenses	<u>10,980</u>	5,110,190
Instalment Stock Conversions	548,900	
Expenses of Loan Raisings and Discount provided from Consolidated Revenue Fund	<u>31,837</u>	31,659,411
Disbursements—		
Expenditure on Works	23,662,458	
Australian Loans Converted	5,121,170	
Instalment Stock Converted	548,900	
Additional Expenses in connection with Loan Raisings during 1950-51	<u>7,139</u>	29,339,667
Cash Balance, 30th June, 1952	Cr. £2,319,744	
Extended Deposit	<u>133,324</u>	
Total Balance of Loan Account, 30th June, 1952	<u>Cr. £2,453,068</u>	

CASH BALANCES AND INVESTMENTS.
1951-52.

It is very pleasing to know that the wisdom and discretion of Queensland's 1932-1952 Governments have ensured that our present cash position is quite sound. At the end of last financial year the State's cash balances

amounted to £10,648,055 and investments totalled £8,306,881. The details are itemised in the following summary:—

CASH BALANCES AND INVESTMENTS AT 30TH JUNE, 1952-

Cash Balances—		£
Consolidated Revenue Fund .. Dr.		2,740,634
Trust and Special Funds .. Cr.		11,068,945
Loan Fund Cr.		2,319,744
Total Cash Balances Cr.		10,648,055
Investments—		
Assurance Fund, Real Property Act—		
Commonwealth Loan	35,350	
Main Roads Fund—		
Commonwealth Loans	311,000	
Parliamentary Contributory Superannuation Fund—		
Commonwealth Loans	43,207	
Post-war Reconstruction and Development Fund—		
Commonwealth Loans ..	435,000	
Fixed Deposits	500,000	
		935,000
Trust and Special Funds—		
Commonwealth Loans ..	4,549,000	
Fixed Deposits	2,300,000	
		6,849,000
Extended Deposit	133,324	
Total Cash Balances and Investments		£18,954,936

The Cash Balances were held as follow:—

Commonwealth Bank—		£
Current Account	6,999,286	
Debenture Deposit Account	1,946,518	
Commonwealth Savings Bank	27,769	
Agent-General, Current Account	1,674,426	
Bank of England, Current Account	17	
National City Bank of New York, Current Account	39	
Total Cash Balances, as above		£10,648,055

PUBLIC DEBT.

The gross Public Debt at 30th June, 1952, was £187,309,758, and exceeded the debt at the end of 1950-51 by £21,152,857. The amount to credit of the State in the National Debt Sinking Fund was £493,879, and allowing for this, the net Public Debt at 30th June, 1952, was £186,815,879 as compared with £166,105,709 at 30th June, 1951.

The State's portion of public loans raised by the Commonwealth for works and services was £5,944,000, while a further sum of £13,432,000 was obtained from a special loan raised by the Commonwealth. Domestic raisings were £3,094,000 from the Commonwealth Savings Bank, £10,100 from the Uniform Gauge Railway Depreciation Fund, and £20,000 from the Public Curator's Unclaimed Moneys Fund, making the total loan raisings £22,500,100.

All public loan issues during the year were at par and carried interest at 3½ per cent. for long term and 2 per cent. for short term investments.

The public loans floated by the Commonwealth were not well supported, and it was not possible to finance the total approved works programmes of the Commonwealth and States from the proceeds of these raisings. To secure the requisite balance of funds the Commonwealth negotiated a short term loan of £160,000,000 at 2 per cent. interest, from which loan, as stated previously, Queensland received £13,432,000. The proceeds of this loan were investments by the National Debt Sinking Fund of the surplus in the Commonwealth Consolidated Revenue Fund for 1951-52, which was made available to the Sinking Fund by special legislation, together with other moneys from Commonwealth sources.

The average rates of interest payable on the Public Debt in recent years are shown in the following table:—

	30th June, 1949.	30th June, 1950.	30th June, 1951.	30th June, 1952.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
<i>Including Exchange—</i>				
Overseas Debt	4 8 1	4 8 8	4 9 6	4 10 9
All Debt	3 12 11	3 12 2	3 10 3	3 8 0
<i>Excluding Exchange—</i>				
Overseas Debt	3 6 11	3 7 0	3 7 1	3 7 1
Australian Debt	3 4 10	3 4 1	3 2 1	2 19 11
All Debt	3 5 7	3 5 1	3 3 7	3 1 10

During 1951-52 a total of £7,473,731 was required for the Public Debt charges, interest amounting to £5,432,411, sinking fund contributions to £1,460,630, and exchange on remittances of over-seas interest payments to £580,690.

It is noteworthy that, although the Public Debt has increased by £56,138,116 in the last ten years, the charges in 1951-52 were greater by only £820,396 as compared

with 1941-42, and the proportion of Consolidated Revenue Fund expenditure incurred to pay the charges was 13.41 per cent. and 28.19 per cent. respectively in those years. This pleasing feature has been consummated by judicious conversions of loans and the repatriation of over-seas loans to Australia as well as the low public loan interest rates of 3½ per cent. and 3¼ per cent. which operated from 1940 to 1950.

I furnish a table showing how the Public Debt has moved from over-seas holders to Australian investors during the last ten years:—

Domicile of Loans.	At 30th June, 1942.	Per-centage of Total.	At 30th June, 1952.	Per-centage of Total.	Comparison—1951-52 with 1941-42.	
					Amount of Increase or Decrease.	Percentage Increase or Decrease.
Australia.. ..	£ 63,112,527	% 48-11	£ 188,312,143	% 73-84	Inc. £ 75,199,616	Inc. % 119-15
Over-seas	68,059,115	51-89	48,997,615	26-16	Dec. 19,061,500	Dec. 28-01
Total	£131,171,642	100-00	£187,309,758	100-00	Inc. £56,138,116	Inc. 42-80

PUBLIC DEBT REDEMPTIONS AND CONVERSIONS.

Of the public loans which fell due in Australia during 1951-52, Queensland's proportion was £3,890,010, at 3½ per cent. and £1,231,160 at 2 per cent., a total of £5,121,170. These maturities were fully dealt with by the flotation of cash and conversion loans, the new loans in lieu being £1,680,320 at 2 per cent. maturing in 1954 and 1955, and £3,440,850 at 3½ per cent. maturing in 1965.

There also fell due for final redemption during the year Commonwealth Instalment Inscribed Stock, issued under the Savings Bank Amalgamation Agreement, totalling £548,900 and carrying interest at the rate of £3 9s. 9d. per cent. The Government accepted the Bank's offer of conversion for 10 years at 3 per cent. interest.

No loans matured in London or New York during the last financial year.

SINKING FUND.

The National Debt Sinking Fund established under the Financial Agreement was designed to completely extinguish in 58 years each loan existing at 30th June, 1927, and to extinguish loans raised thereafter in 53 years. The Sinking Fund contributions are not accumulated, but are utilised by the National Debt Commission to purchase existing securities, and these are cancelled, thus effecting immediate reductions of the Public Debt.

The operations of the National Debt Sinking Fund have been very satisfactory, and since its inception to the 30th June, 1952, securities to the face value of £22,725,764 have been redeemed or purchased and cancelled on behalf of Queensland, and the Public Debt has been reduced accordingly. Cancellations during 1951-52 totalled £1,347,243.

The contributions made to the Sinking Fund during the last five years are given in the statement which follows:—

Particulars.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52.
	£	£	£	£	£
State Contributions—					
5/- per cent. on Debt	356,491	367,044	384,886	414,502	453,948
15/- per cent. on Special Debentures	16,110	16,110	16,110	16,110	16,110
4½ per cent. on Cancelled Debt	687,126	743,587	802,072	893,980	940,680
per cent. on Revenue Deficit Loans	49,892	49,892	49,892	49,892	49,892
Total by State	1,109,619	1,176,633	1,252,960	1,374,484	1,460,630
Commonwealth Contributions	234,561	247,341	265,182	294,799	334,244
Total Contributions	£ 1,344,180	1,423,974	1,518,142	1,669,283	1,794,874

In order to emphasise to the Committee the value of the National Debt Sinking Fund and the magnitude of its transactions, I submit a brief summary of the Queensland figures up to the end of last year:—

Expenditure—	
Redemptions and Repurchases	23,733,375
Payments to American Loan Sinking Fund	390,424
Discount and Expenses of Conversion and Redemption Loans	280,752
Exchange on American Loan Remittances	74,300
	<u>24,478,851</u>
Cash Balance, 30th June, 1952	£493,879

NATIONAL DEBT SINKING FUND, 1ST JULY, 1927, TO 30TH JUNE, 1952.

Receipts—	£
Contributions by State	19,752,441
Contributions by Commonwealth	5,086,321
Interest on Investments, &c.	133,968
	<u>24,972,730</u>

ESTIMATES FOR YEAR 1952-53.

CONSOLIDATED REVENUE FUND.

REVENUE.

It is anticipated that the receipts of the Consolidated Revenue Fund will reach £61,897,235, which will be £6,144,121 greater

than the revenue of the last financial year. The expenditure is estimated at £62,185,554, with the result that a deficit of £288,319 is probable at the end of this year. The main factors that make the budgeting for a deficit inevitable are (1) the Commonwealth Income Tax Reimbursement Grant will be considerably below requirements and (2) the withdrawal by the Commonwealth of Hospital Benefits payments in respect of public ward patients in public hospitals. I will refer to these matters at a later stage.

The amount to be received from the Commonwealth for Taxation Reimbursement Grant and Special Grant is £21,700,000 as against total Grants of £19,000,000 received in 1951-1952.

Succession and Probate and Stamp Duties will probably return £4,180,000 or only £32,594 more than was received last year.

It is anticipated that Land Revenue will produce £2,574,000, which will be less than was received in 1951-52 by £194,361; timber royalties are likely to fall by about £200,000.

Railway fares and freights are expected to yield £25,200,000. The receipts last year were £22,407,144.

EXPENDITURE.

Estimates of Expenditure for 1952-1953 have been cut drastically and it is feared that there will be much difficulty in maintaining the high standard of many of the public institutions and essential public and social services which the State has so proudly sustained for so many years.

The Sinking Fund payments due on the Public Debt will require £1,584,000, which is £123,370 more than last year's contributions.

The increase of £1,672,138 under the Department of Health and Home Affairs is mainly on account of the increased cost of maintenance of Public Institutions and Public Hospitals.

Increased outlays in salaries and wages, and the normal expansion of absolutely essential public services necessitate larger appropriations in all other Departments.

TRUST AND SPECIAL FUNDS.

The Trust and Special Funds comprise Trust Funds created by Acts of Parliament and Funds approved by the Executive Council for the financing of special construction projects, together with Funds through which State Departments expend or distribute moneys on behalf of the Commonwealth. The disbursements from all these Funds are anticipated to aggregate the sum of £41,892,070 during this financial year. Details of the heads of expenditure are furnished in the Estimates.

LOAN FUND.

Loan Programmes totalling £351m. submitted to the Loan Council by the Commonwealth for Commonwealth-State Housing and

by the States for Public Works, Loan Advances, &c., were for totals substantially in excess of the total borrowings of the previous year. This is readily understandable.

The year 1951-1952 was the first of the post-war years in which labour and materials were available to an extent that permitted the substantial carrying out of full programmes, and rendered possible, in prospect at least, the overtaking of the lag in public works development, which resulted from necessary curtailments during the war.

After hearing the Commonwealth representative on market prospects the States agreed to reduce their programmes to £247.5m. which was the previous year's figure plus an inadequate addition of 10 per cent. to cover increased costs.

The Loan Council Co-ordinator-General of Works estimated that the net increase in costs for labour and materials for the current year was 25 per cent. compared with the previous year.

Having regard to this estimate it will be seen that to maintain the Works Programme at the same volume as the previous year's the Premiers would have been justified in demanding £271m. and not £247.5m.

The Commonwealth's requirements for Commonwealth-State Housing were also reduced from £41m. to £30m.

The Prime Minister, however, maintained that prospects limited the chances of borrowing for the year to only £183m. which, with £5m. loan repayments makes a total of £188m. available to all Governments for their works programmes or £37.3m. less than the figure for 1951-52.

The Premiers very strongly, but unsuccessfully, endeavoured to convince the Prime Minister of the serious effect such a reduction in public works development would have on the welfare of the nation at a time of marked expansion of production in all its forms and increased population through a large scale immigration policy. The Commonwealth, however, resolutely refused to make available more than £133m. from its own resources additional to anticipated loan raisings of £50m.

In view of the inadequacy of the sum said to be available in 1952-53 it was agreed that £10m. of loan cash carry-over in the hands of the States should be used for public works programmes.

The apportionment made by the Loan Council means that, if no more than the anticipated sum of £183m. is raised, Queensland will have £18.51m. for its public works programmes and £3.73m. for the Commonwealth-State Housing scheme. The corresponding figures in the previous year were £22.5m. and £4.489m. respectively.

This State, however, is in the very fortunate position of being able to supplement its share of the public borrowings from its own resources. Because of this happy situation, the co-ordinated plan of works and services approved in accordance with the

provisions of the State Development and Public Works Organisation Acts, 1938 to 1940, provides for a greater sum than that approved in the previous year to be spent on works and services of a developmental character.

The total provision for works in all Funds is £30,425,734 compared with £28,370,510 approved and actual expenditure of £26,255,932 for 1951-52. Whilst this total may not in effect provide quite the amount of actual development represented in the previous year's expenditure when allowance is made for increasing costs due to the inflationary condition of our economy it, nevertheless, represents a very substantial contribution towards developing the State and will ensure in a large measure continuity of developmental works already undertaken and the maintenance of employment in these spheres.

The allocation of this substantial sum of £30,425,734, was made possible to a large extent by the utilisation of reserves maintained in the Trust and Special Funds and this is evidence of the wisdom of the Government in carefully husbanding financial resources.

It is proposed to expend from the Post-war Fund on this programme £4,000,000 of a credit of £4,301,751 at 30 June, 1952.

In addition the Trust Accounts of operating Authorities such as Main Roads, Burdekin River Authority, Tully Falls Hydro-Electric Scheme and Housing Commission are being drawn on to a maximum extent.

The necessary funds will be obtained from the following sources:—

State Loan Fund	£	20,332,000
Consolidated Revenue Fund		320,000
Trust Funds—		
Post-war Reconstruction and Development Fund		4,000,000
Other Trust and Special Funds		5,273,734
Total		£30,425,734

The following statement sets out, under appropriate headings, the works and services proposed—

Somerset Dam	£	417,500
University Works (including St. Lucia Bridge)		121,000
Soldier Settlement, Rural Development and Irrigation		3,281,125
Railways		8,097,780
Burdekin River High Level Bridge		444,013
Reclamation and Erosion Prevention Works		99,890
Housing		1,458,300
Water Facilities on Stock Routes		113,175
Brisbane Harbour and Port Development		611,000
Mining		672,000
Main Roads		3,044,152
Buildings		1,687,000
Land Settlement and Forestry		1,603,500
Loans and Subsidies to Local Bodies and Hospitals Boards (other than Tully Falls Scheme, Brisbane Harbour Trust and Malarial and Erosion and Prevention Works)		5,933,648
Mosquito Eradication		246,955
Burdekin River Authority		642,000
Tully Falls Hydro-Electric Project		1,749,000
Sundry Works and Advances for Development		203,666
Total		£30,425,734

The provision for Soldier Settlement, Rural Development and Irrigation, £3,281,125, approximates the expenditure of the previous year.

The Housing provision apart from £5,374,000 for Commonwealth-State Housing for rental purposes is £1,458,300, whilst the actual expenditure in 1951-52 was £1,527,528. The substantial sum of £6,791,633 is being made available for Loans and Subsidies to Local Bodies and Hospitals Boards, Port Development and Malarial Prevention Works. The allocation for Main Roads is £3,044,152 as against £3,819,163 in the previous year and for Railways £8,097,780 as compared with £5,210,051.

The Burdekin River Authority will require £642,000 and the Tully Falls Hydro-Electric Project £1,749,000. These are major developmental works which have reached the stage when construction is being accelerated and their combined provisions in the present year are in excess of the expenditures of the previous year by £1,709,743.

FINANCIAL RELATIONSHIPS BETWEEN THE COMMONWEALTH AND STATES.

State Governments find themselves faced with another upset in their financial relationships with the Commonwealth.

At the Premiers' Conference held in July last the Prime Minister stated that the Commonwealth Government was willing to discuss with the States the return of their power to tax incomes. Most Premiers approved of the principle that the States should levy their own taxation.

The Premier of Queensland stated that there was no ambiguity about his attitude in the matter. Queensland did not beg the question and his Government was prepared to accept the responsibility, but, at the same time, he emphasised that regard would have to be had to the basis upon which it was suggested the power should be restored.

Commonwealth and State Treasury officers are engaged considering ways and means of bringing about the change.

The present position is a further instance of the instability of Commonwealth-States financial relationships and the periodic crises that have arisen since Federation. There is apparently no permanency to be expected even in this latest contemplated change, for uniform taxation was originally introduced as a war emergency measure. If income taxation powers are restored will they remain with the States if another emergency arises? This is very doubtful and a permanent and stable solution of financial relationships should not be expected from this contemplated return to the States of income taxing powers.

Honourable Members may be interested in a short history of the principal changes in Commonwealth-States relations since Federation.

From the beginning of Federation to 1910 the "Braddon Clause" was in operation. During this period the Commonwealth was entitled to retain not more than one-fourth

of the net revenue of the Commonwealth from Customs and Excise duties. The balance was to be paid to the several States or applied towards payment of interest on the debts of the several States taken over by the Commonwealth.

From 1911 to 1927 the Surplus Revenue Acts provided for a per capita grant to the States of 25s. per head of the population. In addition all surplus revenue was required to be paid to the States on a per capita basis.

From 1927 the Financial Agreement has governed these relationships and provided for the taking over of the debts of the several States by the Commonwealth, the payment by the Commonwealth of an annual sum in respect of interest and sinking fund contributions on loans, the borrowing of money for the States and the management, consolidation, renewal, conversion and redemption of such debts.

The Constitution also provides for the granting of special financial assistance to the States on recommendations by the Commonwealth Grants Commission. Queensland has not participated in these grants, which have been paid to South Australia, Western Australia and Tasmania.

In 1942 a major change in Commonwealth-States financial relationships was brought about by the introduction of Uniform Taxation under which the taxation of incomes became solely the right of the Commonwealth.

The States were made grants to reimburse them for the loss of revenue through not imposing income tax. The original grants were based on the average receipts from income tax of the several States for the years 1939-40 and 1940-41.

The first aggregate grant was £34,254,787, of which Queensland received £5,821,000 or 17 per cent. of the total. This operated for four years. From the year 1946-47 onwards there have been several changes in the amounts distributed, the principal cause being the adoption of a Formula which took into account increases in wages paid in industry and increases in population; it created a distribution basis which was partly related to population by making allowance for such factors as sparsity of population and the numbers of children aged five to fifteen years.

In the past financial year the grant to the States on the basis of this Formula was £86,423,046. This was supplemented by £33,576,954, which made a total amount of £120m. for distribution.

In the current financial year the amount due under the Formula is £108.8m., which will be supplemented by £27.1m. to make a total grant of £135.9m.

It will be noted that the special grant by the Commonwealth is lower by approximately £6.5m. compared with the previous year. The additional sum received under the Formula does not compensate, since, as I have shown, it is accounted for by increased wages and variations in population.

Queensland's share will be £21,700,000, compared with £19,000,000 received in 1951-52. Queensland's requirements were £4m. more than was received in 1951-52, but the Commonwealth decision means that the State must endeavour to carry on with only £2.7m. extra. The distribution of the total grant for 1952-53 was made strictly in accordance with the Formula, with the exception of £900,000, specially allocated to Victoria and Tasmania. In the previous two years the special supplementary grants were allocated among the States on an arbitrary basis arranged by the Commonwealth and very strong exception had been taken to this by Queensland.

The States have found it increasingly difficult to maintain balanced Budgets because of mounting costs and it is their vigorous efforts to obtain a reasonable share of the considerable income taxation revenues coming to the Commonwealth through the operation of the uniform taxation system that have finally induced the Prime Minister to move for the return of income taxing powers to the States.

As already stated the Premier has made it plain that Queensland is not averse to the change but the disquieting question is, on what basis will the Commonwealth be willing to transfer the power back?

The position today is quite the reverse of pre-war times when the Commonwealth received from income taxation a comparatively small sum. In 1938-39 out of a total collection of £29,113,000 the Commonwealth received £11,833,000, or 40.65 per cent. In 1951-52 the Commonwealth's share was £431,143,000 out of £551,143,000 or 78.23 per cent. The Commonwealth is now not only receiving the much greater share of income taxation but its prior right to such taxation has been confirmed by the Courts.

The States will therefore be entirely in the hands of the Commonwealth as to (1) the extent of the field of taxation available to them and (2) whether their assessments will rank equally in the collection of the taxation. This power, if not exercised equitably and with a just appreciation of the rights of States, can become an instrument for effectively destroying their sovereignty.

The Commonwealth should not find it a difficult matter to deal fairly with the States regarding the extent to which it will permit them to tax incomes when one considers the colossal revenues now at its disposal.

These swelling revenues are evidence of the financial overlordship of the Commonwealth and at the same time indicate the opportunity there is for allowing the States to obtain their full income tax revenue requirements, run their own financial affairs and retain their sovereign rights in a practical way.

In the year 1951-52 Commonwealth taxation, including indirect taxation such as Customs and Excise, Sales Tax, &c., realised £919m. compared with £255m. in the first year of operation of uniform taxation.

Again in the past three years to 30 June, 1952, £2,142m. was collected compared with £1,259m. in the previous three years 1946-47 to 1948-49.

Turning more particularly to a consideration of income tax revenues which have been at the command of our own State we find that the per capita value of grants from the Commonwealth is considerably lower than that of the States of South Australia, Western Australia and Tasmania when allowance is made for grants resulting from recommendations of the Commonwealth Grants Commission. New South Wales and Victoria are lower but in these States concentrated populations do not provide quite the same problems of development met with in a State of the size of Queensland with its high proportion of decentralised population.

The following figures in respect of the year 1951-52 disclose the position:—

	Amount. £	Per capita. £ s. d.
Queensland (Tax Reimbursement only)	19,000,000	15 10 5
South Australia (Tax Reimbursement and Commonwealth Grants Commission payments)	14,758,000	20 4 9
Western Australia (Tax Reimbursement and Commonwealth Grants Commission payments)	14,488,000	24 13 9
Tasmania (Tax Reimbursement and Commonwealth Grants Commission payments)	4,876,000	16 10 6

It is plain that the attitude to be adopted by the Commonwealth towards the States if income taxing powers are returned to them will be a vital factor in the future of Queensland, and may very well spell a retardation of development and reduced prosperity generally if States' interests are not given full consideration.

The withdrawal by the Commonwealth of a contribution under a mutually approved agreement towards the cost of public ward patients in the public hospitals of the State was another instance of the instability of the Commonwealth-States relationships. The amount received under that heading in 1951-52 was £643,000.

In 1946, the State agreed, at the request of the Commonwealth, to make Public Hospitals absolutely free provided the Commonwealth paid 6s. per day per bed, the then average revenue being received. In 1943 this payment was increased to 8s. per day per bed.

The present Commonwealth Government has now made clear its opposition to free public hospitalisation and has withdrawn the payment of 8s. per day per bed because the State Government will not agree to allow the Commonwealth to force it to charge patients in public hospitals.

INDUSTRIES OF THE STATE.

The population of the State is expected to reach 1,250,000 at the close of 1952, the increase since 1st January, 1950, being estimated at about 60,000. This is very gratifying. An increasing population, of course, brings extra responsibilities on the Government and local authorities and the rate of public development therefore cannot be measured by past standards. Land settlement and industry, too, must expand to absorb population increases in gainful occupations.

Primary industries received a severe setback in the prolonged and severe drought of 1951. Recovery, however, has been rapid and the State will play a very important role in the increase in primary production which will add substantially to our export surpluses.

The latest figures available show that in 1950-51 gross production was valued at £198m. compared with £146m. in the previous year.

The economic position of the sterling area, and its adverse balances with the non-sterling countries, provide Australia with an opportunity for the successful marketing of all surplus production, and in Queensland wheat and sugar will play a greater part in the exports of 1952-53 than in the previous year. Continuance of good export prices generally may, therefore, be expected. Wool prices have dropped but a stabilising of values is confidently expected.

Production by secondary industry has been satisfactory and shows substantial increases on previous years.

The number of factories in 1950-51 was 4,776, having increased by approximately 300 in the year, whilst the value of factory output increased to £216m. or £41m. over the previous year's value.

Workers engaged in factories in 1950-51 totalled 94,579 or an increase of 5,616 for the year.

Assistance to secondary industries under the Industries Assistance Act during 1951-52 amounted to £412,000. A number of industries new to Queensland have been established whilst preliminary work required for the establishment of other new factories has been commenced.

A Co-operative Advisory Council is operating and is obtaining and providing information on the advantages of the various forms of co-operatives.

The Budget contains provisions which should assist production, both rural and secondary, and this is amply borne out by the short review which I now propose to make.

RURAL DEVELOPMENT.

The Government continues to give close attention to land settlement and aids thereto such as irrigation, improvement of stock routes and rural lands protection.

In 1951-52 the total expenditure amounted to £5,178,332 whilst for the present year the provision is £5,097,690.

During the year ended 30th June, 1952, 17 blocks of sheep country, totalling 558,314 acres, were opened up for new settlers under Grazing Selection tenures whilst in the current financial year it is proposed to subdivide 11 expired Pastoral Holdings, comprising about 2m. acres of sheep country, from which it is anticipated 52 new grazing blocks will be opened for public competition.

In addition, a total area of 132,259 acres was acquired in the Taroom, Monto, Ingham, Innisfail, Cairns and Brisbane Districts to provide farms for ex-servicemen in the mixed farming and sugar industries.

Ninety-four farms have been allotted by ballot and most of the settlers are in occupation and many farms are now in production.

The activities of 1952-53 in regard to soldiers' settlements will centre around the implementation of the decision to proceed with settlement in the Wandoan-Taroom District. Unfortunately the rate of progress here will probably be influenced by lack of finance to carry out the whole scheme as originally envisaged.

It is also proposed to establish 25 sugar farms at Abergowie in the Ingham District and 18 in the Bundaberg District whilst it is anticipated that 30 tobacco farms will be available at Millaroo on the Burdekin River.

The Agricultural Bank continues to play a valuable part in land settlement, including war service land settlement and improvement of existing farms.

The amount of advances approved in 1951-52 totalled £2,405,217 which was an increase of £192,912 on the previous year's record figure.

Of the total advances £1,533,582 was approved under the Agricultural Bank Acts, £551,408 under the War Service Land Settlement Acts and £314,301 under the Drought Relief to Primary Producers Act.

In addition to the advances made under the War Service Land Settlement Acts, £663,682 was advanced to eligible ex-servicemen under the Agricultural Bank Acts, and the total advances approved to ex-servicemen in the year, £1,219,292, comprised more than one-half of the total advances approved by the Bank for all purposes.

The loans to eligible ex-servicemen under the Agricultural Bank Acts carry the attractive concession of a three years' interest and redemption free repayment term, the value of which, in remission of interest alone, since the inception of the scheme has totalled £321,083.

The total cost to the State of Soldier Settlement to 30th June, 1952, including Lands Department expenditure, exceeds £3m., the funds for which were found by the State. The Commonwealth up to date has borne a relatively small part of the commitment made up of interest losses, capital losses, rent remissions, share of road construction, and living allowances, which in total does not exceed one-tenth of the State's outlays.

Advances of £46,000 were approved by the Bank during the year to the North Queensland Tobacco Growers' Co-operative Association for the erection of display and leaf stores at Mareeba and a grading floor at Townsville. The total of advances to this Association is now £64,300.

Co-operative Associations were assisted by advances during the year to the extent of £60,770.

The Bank also rendered very valuable assistance to dairy and sugar farmers who suffered during the recent prolonged drought. Advances, totalling £291,869, which carried an interest free period of two years, were approved to dairy farmers and £22,432 to cane growers.

An analysis of the purposes of the advances through the Bank shows that £124,226 was advanced for clearing, £155,774 for buildings, £20,061 for fencing, £56,658 for water supply, £23,018 for stock and £321,514 for machinery.

Present estimate for the sugar crop in 1952 is a production of 825,000 tons of bagged sugar which is approximately 140,000 tons above that of the previous season. The value of raw sugar in 1951 was £24,193,000.

The provision of watering facilities on stock routes from Loan Fund in 1951-52 cost £75,677, half of which was provided by the Government as subsidy, the balance being repayable by the stock owners of the areas concerned under advantageous terms.

For 1952-53 the Stock Routes Co-ordinating Board proposes a programme which will require £113,175.

The practice of providing Hormone Weedicides at cost price and free of railage charges to land holders and Local Authorities to clear holdings of noxious weeds was continued during the year.

Valuable technical assistance was rendered by the Department of Agriculture and Stock in spite of drought conditions in 1951-52. The cost of the services rendered was £644,313 and a provision of £769,937 for the current financial year has been made on the Estimates.

The Department is vigorously pursuing projects associated with irrigation, particularly that connected with the Burdekin River scheme and attention is being given to investigation of the wallum country extending from the southern border to Rockhampton.

The Department has given very valuable aid to land industries by advice and experimentation.

IRRIGATION AND WATER SUPPLY.

The Government is alive to the important part that irrigation plays in rural production.

In the past year a total of £1,360,760 was spent, including £75,677 on watering facilities on main stock routes. Apart from £361,243 expended on administration generally, £472,002 was spent on investigation and

construction of weirs and water supply projects, £233,107 on development works in the Clare irrigation area, £41,170 on the Dumaresq-Barwon Border Rivers Commission, £55,508 on development in the Dawson Valley irrigation area and £21,566 on water facilities on Channel Country stock routes.

The provision for 1952-53 includes £487,747 for the Mareeba-Dimbulah irrigation project, £50,000 for Clare irrigation area, £95,350 Dawson Valley irrigation works, £44,175 stock watering facilities in the Channel country, £31,728 for the Border Rivers Commission and £189,000 for investigation and construction of weirs and water supply projects.

It will be noted that in spite of difficulties in obtaining funds for necessary development a very reasonable provision is being made on account of irrigation and water supply facilities generally. This is regarded as sound and the benefits to rural production will extend throughout the years to come.

A further 15 ex-servicemen were settled in the Clare irrigation area bringing the total number of farms now in occupation to 68.

During 1951-52 three weirs were completed, one each on the Walsh and Pioneer Rivers and Macintyre Brook, whilst seven are at present under construction and provision has been made in the 1952-53 programme for the commencement of the construction of a further four weirs.

Good progress has been made with the first stage of the Burdekin River Irrigation Hydro-Electric and Flood Mitigation project which aims at providing irrigation for 200 farms, apart from its other purposes. It is planned that further farms be established in the Millaroo area in 1952-53.

The Bureau of Investigation during the past year carried out wide researches into land and water resources of Queensland for which £19,068 was made available. In 1952-53 a sum of £23,556 has been provided for a similar purpose.

The principal investigations were land utilisation surveys of the Darling Downs and sections of the Burdekin, Brisbane, Burnett and Mary Valleys, whilst experiments with permanent pasture and other crops grown under irrigation were continued at the Bureau's Research Stations at Gatton and Theodore.

Pastoral investigations at Gatton and Theodore will be further advanced in the current year. A detailed land utilisation survey, including a probe of the potentialities of the underground water resources in the Callide Valley, will be undertaken.

For the first time the annual expenditure under all headings of Forestry activity exceeded £3m., the figure in 1950-51 being £2,182,986. Spending on re-forestation was approximately half of the year's expenditure.

Liberal provisions for re-forestation have also been made in 1952-53, the sum placed on the Estimates being £1,318,000.

TRANSPORT.

Recent years have seen substantial additions to the rolling stock of the Railways which have increased the capacity of that transport system very considerably.

These additions have been largely rendered necessary because of expanding rural production and in anticipation of a big expansion of the export trade in coal from Central Queensland.

During 1951-52 there were added to the Department's rolling stock 51 new locomotives, 16 brake vans and 596 waggons whilst orders were placed for the supply of 12 Diesel electric locomotives, 2 Diesel mechanical locomotives for the Innisfail 2 foot gauge tramway and a Diesel locomotive for the Etheridge Railway.

A contract was entered into for the construction of 1,000 "V.J.M." four-wheeled steel coal hopper waggons.

These orders combined with those which were current on 1st July, 1952, for 87 locomotives, 9 air conditioned trains, 31 brake vans, 5,810 waggons and 6 Diesel motor trains foreshadow the improvement which will result in the standard of the Railway service when the various units are delivered.

The cost is, of course, placing a strain on available cash resources now that curtailment of loan moneys is being experienced.

Capital additions in 1951-52 cost £5,210,051 of which £3,243,538 was on account of rolling stock and £1,791,028 in respect of various works on open lines, &c., including Ipswich Railway Workshops £66,248, Callide Coal Fields branch line £173,110, Cottages for employees £64,289, Deviation between Kabra and Moongan to eliminate the rack section on the Mount Morgan line £105,992, new Station Buildings, Cairns, £75,006, Rockhampton workshops, machinery and buildings £39,521, and Townsville workshops, machinery and buildings £9,564, as well as reconditioning and improving the Almaden-Mount Surprise section, £29,918.

In 1952-53 the State Works programme includes a total of £8,097,780 for the Department for new rolling stock and the carrying out of essential works.

The construction and maintenance of main roads is an increasingly important function associated with transport throughout the State.

The Department of Main Roads spent £8,951,458 during the past year, inclusive of £901,601 advanced to Local Authorities under the provisions of "The Commonwealth Aid Roads and Works Act of 1947," and "The Commonwealth Aid Roads Act of 1950," for works on roads not proclaimed under the Main Roads Acts.

The total expenditure on permanent works was £3,969,512 or £1,577,564 in excess of the figure for the previous year, while £1,421,305 was expended on the maintenance of roads. New plant costing £396,238 was obtained.

The revenue of the Department included £2,573,971 from motor vehicle registration fees, £1,313,000 loans from the Treasury and £1,979,994 on account of "The Commonwealth Aid Roads Act of 1950."

This Department, in common with other Departments and industry, is experiencing the effect of rising costs and this necessitated an increase in the rates of motor vehicle registration fees. These additional rates are expected to realise £1,200,000 in the current year. The total mileage of roads declared under the Main Roads Act is 20,890. The anticipated expenditure for all purposes from the Main Roads Fund in 1952-53 requires a provision of £7,194,162, and under the Commonwealth Aid Roads Acts £837,602.

A large programme of work for the maintenance and improvement of harbours throughout the State has been drawn up but a check to the rate of progress has been brought about by the existing difficult loan finance position.

Approvals for new works and plant in the current year amount to £340,870 allocated among the Ports as follows:—

	£
Brisbane	157,500
Gladstone	97,250
Rockhampton	17,000
Bowen	16,500
Cairns	15,950
Townsville	36,670

These provisions include generally a subsidy of 20 per cent. of the capital cost in accordance with the Government's policy of subsidising all capital works of Harbour Boards to this extent.

At Gladstone Harbour the installations of coal handling, storage and loading facilities are expected to be completed this financial year and extensions to the jetty and reclamation of foreshores will be commenced.

The expected trade in the export of coal and pyrites in Central Queensland, one of the most fascinating prospects of the State's future, renders the improvements of Central Queensland's Harbours an urgent necessity, and this has been fully recognised by the Boards concerned.

The work at Cairns includes dredging of the Port channel and reclamation, whilst at Townsville developmental dredging for a new pier and reclamation are the principal works to be undertaken. Certain of the works in the Port of Townsville will be carried out from the Board's own revenues and will not involve borrowing. A new suction dredge for this port will be in commission shortly.

Tenders have been accepted for a new pilot vessel for the port of Brisbane and a large bucket dredge for which £125,000 will be required in 1952-1953.

In Brisbane deepening and widening of channels, improvements to the Railway Wharf at Pinkenba which will be used for the bulk handling of wheat, training walls and further new wharf construction at "E" Berth, Hamilton, are the principal improvements.

As stated, the financial stringency is placing a limit on the amount of expansion to be undertaken and for this reason a proposal to call tenders for the deepening of the Brisbane River has been deferred.

MINING.

Continued high prices ruling for minerals and metals contributed largely to the substantial increase in total value of the State's mineral production for the year 1951. The figure was £20,372,671 compared with £16,453,060 in the previous year. Production of gold, copper, lead, and zinc was below the previous year's figures but the financial loss on this account was more than met by higher market prices.

All previous coal production records were eclipsed when 2,473,755 tons were produced, valued at £4,490,154. The previous year's record production was 2,320,799 tons, and the value £3,562,541.

Drilling for oil will be commenced at Roma on a site selected by Commonwealth and State geologists.

HOUSING.

In the post-war years the provision of homes has presented a major problem and shortages of materials constituted the main factor of limitation in meeting the pressing demands.

This drawback has now been overcome but in its place limited finance will have the effect of reducing the number of dwellings to be erected by the State Housing Commission, while limitation of credit will also adversely affect new construction by other builders.

The number of houses built by the Government, by contractors and by private construction in 1951-52 was approximately 12,000 compared with 10,239 in the previous year. These figures indicate the progress that is being made in overcoming the housing shortage in spite of the difficulties.

The Commission completed 2,062 dwellings and at 30 June last, 2,119 were under construction whilst approval had been obtained for the erection of 2,506 houses.

These figures are a considerable advance on the corresponding figures of the previous year when 1,219 dwellings were completed and there were 1,178 houses under construction.

The Housing Commission expended during the year £1,622,707 from State Funds for advances to borrowers and purchasers of homes and £5,718,599 in connection with the building of houses for rental under the Commonwealth-State agreement.

The activities of the Queensland Housing Commission in 1952-53 require £1,437,800 for advances whilst £5,374,000 is available for houses under the Commonwealth-State Rental Housing Agreement.

The provision for the Commission for home building under the State Acts is approximately £200,000 less than the actual

expenditure in the previous year, but, as already indicated, this is due to the reduction in loan finance available.

The expenditure of moneys by the Housing Commission is a large factor in maintaining the prosperity of the building industry and associated trades in sustaining their levels of employment, and in getting thousands of our deserving families out of temporary housing centres, and into their own homes. The State must, and the Government will continue to, regard this as a top-line social objective.

Government expenditure through the Public Works Department, the Railway Department and other Government departments also contributes very substantially towards the provision of finance for the building trade and it is of interest to note that of advances made by the Agricultural Bank in 1951-52 a total of £155,774 was for buildings.

The expenditure on construction and maintenance of buildings by the Department of Public Works in the year was £2,083,197 and by the Railway Department was approximately £200,000.

The free life insurance scheme for borrowers under the State Housing Acts continues to be availed of and in 1951-52 a sum of £86,077 was paid as premiums on policies taken out by borrowers. This insurance will ensure the liquidation of the indebtedness of a borrower so covered in the event of his death prior to final redemption of his loan.

LOANS AND SUBSIDIES TO LOCAL AUTHORITIES AND OTHER BODIES.

The Loan Council in May of this year approved of borrowings totalling £15,364,000 by semi-Governmental authorities in Queensland raising £100,000 or more, and £3,100,000 by sundry Local Authorities.

The Brisbane City Council has been allocated £6,955,000, State Electricity Commission, on behalf of Regional Electricity Boards, £4,709,000, Brisbane and South Coast Hospitals Board £1,114,000 and other Hospitals Boards £362,000, whilst provincial Cities and Towns have been allocated £2,084,000.

The gross approval is approximately £2m. in excess of the figure for 1951-52 which in respect of semi-Governmental Bodies however, was subjected to a reduction of 25 per cent. where possible.

Local Bodies, during 1952 particularly, have been experiencing considerable difficulty in obtaining the necessary finance for their capital works. In many cases substantial commitments were justifiably entered into to obtain materials for the carrying out of major works and now the difficulty is to obtain adequate finance for the proper utilisation of these materials. This has superseded previous manpower and material shortages as the major problem of local authority works.

The State has assisted to the maximum of its ability. In the past year a total of £6,156,854 was advanced under the State's

programme for loans and subsidies to Local Authorities and semi-Governmental Bodies generally, of which £2,372,095 was subsidy without any obligation for repayment.

In the Estimates for the current year a very liberal provision has also been made amounting to £6,269,520.

When consideration is given to the reduced borrowing programme of the State, the Government's policy of liberally subsidising capital works of Local Governing Authorities is an effective answer to those who claim that the Government has done nothing for the financial assistance of these Authorities.

Without such subsidy many of the larger works carried out, such as sewerage and water supply and electricity supplies in western areas, would have proved uneconomic for the Authorities concerned and financially inoperable. The Government's finely conceived policy in this matter has made possible the acquirement of many essential services and desirable amenities by various communities, city and country, which could not otherwise have had them, and the Government will continue to pursue this policy of making living for its people as comfortable as our economic circumstances allow.

For the benefit of Honourable Members I give the rates of some of the more important subsidies granted—

Sewerage.. .. .	50 per cent.
Water	20 to 50 per cent.
General works	15 to 33½ per cent.
Cottages for old age and invalid pensioners	50 per cent.
Hostels for waiting mothers at approved C.W.A. Centres ..	50 per cent.
Library facilities	50 per cent.
Aerodromes in country centres	50 per cent.
Electrification	33½ per cent. generally with 50 to 65 per cent. in western areas.

The subsidy scheme, since it was introduced in 1932, has been subjected to certain variations, most of which have been directed towards increasing the rates of subsidy, and the Government has naturally become committed for considerable payments each year.

The subsidies approved to the 30th June, 1952, totalled £18,759,383 and the following statement shows the purposes for which Local Authorities have taken advantage of the scheme.

Classification.	Amounts.
	£
Sewerage	6,285,317
Water	2,864,660
Electricity	3,064,399
Roads, Streets (including Kerbing and Channelling), and Bridges	3,546,541
Drainage	951,093
Buildings	246,420
Miscellaneous	1,142,359
Harbour Boards and Brisbane Harbour ..	653,594
	£ 18,759,383

It is quite evident, therefore, that there has been a full appreciation by local authorities of the need for amenities such as water supply, sewerage and electricity.

There are 69 water supply and 22 sewerage schemes under construction at an estimated cost of £5,930,000 whilst 67 water supply and 17 sewerage schemes have been fully planned but not yet commenced. The estimated cost of these is £4m.

There are under investigation a further 149 water supply works and 53 sewerage works which will require approximately £12m. to complete.

When considering the extent to which Local Authorities are assisted financially by the Government full value must be given to the favourable apportionment of the cost of construction of main roads and maintenance as between the Main Roads Department and the Local Authorities.

In the past year of a total expenditure of £4,519,053 for permanent works only £226,279 has been made the responsibility of the local authorities whilst of a total maintenance expenditure of £1,521,916 only £336,575 is repayable. From these particulars it can be seen that for the year 1951-52, of the total expenditure on Permanent Works and Maintenance, £6,040,969, a sum of £5,478,115 was free of any liability to Local Authorities. The City of Brisbane benefited to the extent of £152,870. Other Cities £113,739, Towns £155,027 and Shires £5,056,479.

Grouping these apportionments over the past twelve years we get the following results:—

	Total Cost.	Apportionment to Local Authorities.	Percentage of Total.
Construction	£ 22,038,694	£ 1,166,299	5.29
Maintenance	10,469,053	2,484,407	23.73
Total	£32,507,747	£3,650,706	11.23%

In view of the difficulties Local Authorities are experiencing in obtaining funds through the ordinary channels facilities have been provided to enable them to make direct approaches to the residents of their respective areas. This will provide a means for the cultivation of a local public spirit and give people the opportunity to make direct contributions towards the advancement of their own particular Local Authority districts.

Local Government law provides that borrowings by Local Authorities, other than through the Treasurer, are guaranteed by the Government. This Government backing, which makes the investments gilt-edged, has been a factor operating to make possible Local Authorities borrowing on reasonable terms and conditions.

The relief to Local Authorities through the abolition in the year 1945 of precepts for the maintenance of Public Hospitals now amounts to £4,710,447.

ELECTRICAL DEVELOPMENT.

Good progress has been recorded with the schemes of electrical development which are designed to distribute electricity throughout as much of the State as possible.

The State Electricity Commission has taken full advantage of the opportunity afforded it under legislation enacted by Parliament in March last to raise public loans for regional electricity development.

The two public loans raised by the Commission since April last have been oversubscribed, indicating that the citizens of Queensland are fully alive to the need for the provision of loan funds for this important aspect of State development, and have complete confidence that the policy is wise and the spending careful and judicious.

The extent of the overall programme for Regional Electricity Boards and Local Authority Electricity Undertakings, representing the estimated cost of work in progress and anticipated to commence, is as follows:—

	£
Wide Bay-Burnett Regional Electricity Board	4,708,000
Capricornia Regional Electricity Board	4,842,000
Townsville Regional Electricity Board	5,589,000
Cairns Regional Electricity Board	2,200,000
Total Regional Electricity Boards	17,339,000
Local Authorities	3,290,000
	£20,629,000

Of the foregoing, an amount of £11,900,000 has already been expended. For the current financial year, expenditure by these authorities, amounting to £5,800,000 has been authorised, but actual expenditure will depend upon the capacity of the loan market.

STATE GOVERNMENT INSURANCE OFFICE.

The past year has been marked by further all-round progress by the State Government Insurance Office. The departments competitive with other Offices continue to show gratifying results and substantial profit distributions are being made. The Office still maintains its profit distribution of 33½ per cent. on account of fire policies and this, combined with minimum premiums, has had the effect, in a highly competitive branch of insurance, of influencing premiums throughout the State to the considerable advantage of insurers generally.

New life business written, 9,316 policies for sums assured totalling £6,931,626, was an all-time record for the Office. The Life Department Fund now stands at £9,619,443 having increased by £864,402 in the year.

During the past year substantial increases in benefits payable under the Workers' Compensation Acts were granted. This will result in higher claims expenditure, but it should not be necessary to increase present premium rates. The Government will continue to administer this law to the fullest possible benefit of the injured worker and his dependants without excessive premiums.

The Office again provided a substantial part of the borrowings of the semi-governmental bodies and local authorities of the State. The amount made available in 1951-52 was £2,009,421 compared with £1,759,962 in the previous year. It is anticipated that £2,000,000 will be provided in the current year. The total lendings to these authorities since the inception of the Office is £8,614,145 and £9,555,060 has been invested in Commonwealth Government Loans, which has also assisted in national development.

EDUCATION.

A greatly increased financial provision has been made necessary by the growing demands of Education throughout the State. All branches of Education, primary, secondary, technical and university, have been extended, so much so that the provision for 1952-53 is £7,360,076 compared with an expenditure of £6,060,811 in 1951-52. In addition to salaries, which absorb 84 per cent. of the appropriation for primary education, increased provision for school transport services, subsidies on libraries, projectors, radio-grams and school ground improvements, and a more liberal issue of school requisites is necessary. There will of course be no cavil by thoughtful persons at this heavy investment in the future citizens of the State, and its greatest potential asset, its children.

The growing demand for secondary education, with a widening of the courses of instruction, has led to the establishment of facilities for secondary training in many country areas and the instruction in the technical field, with its improved accommodation and equipment, now requires a greatly increased appropriation. The provision for secondary education has been increased to £610,932, and for technical education to £762,620.

In the wider field of Education, the Government is called upon to make increased provision for adult education and public libraries and is assisting in the maintenance of the Queensland Symphony Orchestra and in the encouragement of opera. These amenities and cultural benefits are made available in the country as well as in the metropolitan area.

CONCLUSION.

In the course of this Financial Statement I have directed the Committee's attention to the current difficulties in securing moneys necessary to carry on Government, including the provision of Social Services and the development generally of the State.

The Commonwealth's action in terminating Hospital benefits has made the position more difficult and as a consequence Departments generally have been required to carry on with smaller provisions than are necessary.

It is true that the total financial provisions in the Consolidated Revenue, Trust and Special Funds and the Loan Fund are for greater sums than those in any previous year. These increases are, however, ephemeral, and only reflections of the decreased value of money because increasing costs have reduced the effectiveness of all budget expenditures.

The extent of cost inflation throughout Australia is a question disturbing the minds of all thinking people and the problem is far from being solved or even alleviated.

The Central Government, which controls economic policy, and has clear and unchallenged power to take measures to cure our economic ills, does not appear to have a clear policy to deal with present difficulties.

The absence of a constructive policy is tragic in a National Government at a time of crisis. Instead of confidence and self-assurance, we have drift and indecision; instead of leadership, we have an attitude to serious problems which leaves major industry, and the very defence and future of the whole country, to utter and complete chance.

All this is adversely affecting both public and private investment. Here, as local loan raisings have illustrated, there is, happily, confidence in the State and the State Government. However, we do not and cannot live alone, and the impact on Queensland of depressive influences induced by the Commonwealth Government's failure to carry on Federal administration in a statesmanlike way, will inevitably affect the prosperity of this State.

Rising interest rates and the increase in unemployment are signs of dwindling confidence which, unchecked, could produce serious economic consequences.

Major developmental works, urgently required, have been shelved and national development, so essential for the effective defence of the country, has been further retarded.

Our title to hold this Commonwealth, as a member of the British Commonwealth of Nations, will be judged and determined by other nations on the manner in which we occupy and develop it, and if we choose to ignore our responsibilities we will assuredly forfeit our right to hold it. Developmental works are the very soul and spirit and body of successful occupation.

But this current lag in developmental works in Australia will continue, unless a common-sense fiscal policy is formulated and vigorously pursued by the Commonwealth Government.

The history of the inflationary spiral is very effectively reflected in the basic wage rises since September, 1939, which are set out hereunder—

BASIC WAGE—BRISBANE INCREASES.

	Commonwealth Court.		State Court.	
	Wage.	Increase for Period.	Wage.	Increase for Period.
At September, 1939	£ s. d. 3 16 0		£ s. d. 4 4 0	
„ May, 1943	4 12 0	0 16 0	4 15 0	0 11 0
„ May, 1946	4 14 0	0 2 0	4 17 0	0 2 0
„ May, 1949	5 19 0	1 5 0	6 3 0	1 6 0
„ May, 1951	8 6 0	2 7 0	8 6 0	2 3 0
„ May, 1952	10 7 0	2 1 0	10 7 0	2 1 0
„ August, 1952	10 13 0	0 6 0	10 13 0	0 6 0

Whilst £2 3s. was added to the Commonwealth weekly wage in the ten years between September, 1939, and May, 1949, the addition in the remaining three years was £4 14s.

The additions since May, 1949, mean that the Budgets of the State Government have had to provide approximately £9m. extra in salaries and wages in respect of all Funds, apart from the indirect extra cost in materials and services.

What is true of the State Government in this regard is also true of semi-Governmental Authorities and industry and, of course, its effect is also felt in the cost of living for the basic wage earner himself and for everybody.

I would point out to the Committee that, assuming three further quarterly basic wage rises of 6s. per week are allowed in the current financial year, the State Government will be obliged to find an additional sum of £750,000, at least, during the course of the year.

No provision can be made for this contingency which, it is quite apparent, could present a difficult problem.

Since the abandonment of Commonwealth Prices Control there has been a rapid increase in costs in Industry resulting in regular rises in wages to meet increasing costs rather than an improved standard of living.

Whilst I have dealt extensively with the effects of increasing costs on the Budgets and unsatisfactory Commonwealth-States financial relationships, the information which has been given to the Committee in the course of this Budget Statement, nevertheless, indicates that Budget policies and expenditure will play their customary parts in developing the State.

As already indicated the failure of the Commonwealth to provide moneys that should have been made available from Commonwealth resources is to a large extent being made up by withdrawals from the State's own carefully built-up funds.

I would particularly feature the following:—

The financial provisions of this Budget are adequate to ensure a large volume of employment and this will offset in the State the present unfortunate trend to unemployment.

This trend can be well argued to be avoidable, and has been produced by a policy which took account of financial factors and neglected human ones.

A sum of £30,425,734 is being made available for major developmental works.

The provision of further substantial additions to the rolling stock of the railways and the carrying out of essential works estimated at £8,097,780 has been made.

The provision for loans and subsidies to Local Bodies totals £5,845,220.

Main Roads will absorb £7,194,162.

Housing is being allotted £1,437,800 for houses to be constructed by the Queensland Housing Commission and £5,374,000 for homes for renting under the Commonwealth-State Housing Agreement.

There is again a very considerable provision in other Government Departments, such as Public Works and Railways, for building construction and maintenance.

Electrical development is being catered for and expenditure amounting to £5,800,000 has been authorised.

Land Settlement is being developed on a scale approximating that of previous years.

The Agricultural Bank will be in a position to continue loans for the development of farms in 1952-53, the financial provision being £1,649,000.

Irrigation and water supply are making considerable headway and in 1952-53 the Mareeba-Dimbulah Irrigation project will be greatly advanced.

The settlement of ex-servicemen is being carried out to the maximum extent within the financial resources available.

Economic conditions in 1952-53 are expected to be, on the whole, very much more favourable than those of the past year in as far as they are affected and created by the bounty of the year's seasons.

Brighter prospects in 1952-53 give much encouragement, and indications are that the State will once again assume a foremost place in the production and export of much rural and other production.

The economic rescue of Queensland which the Government successfully undertook in 1932, and the guardianship of the people's well-being which the State's Governments since have so notably effected, are part of a continuous line of administration in the public interest which, I feel sure, is properly and propitiously carried on by the proposals of this Budget.

I am confident that the Budget Statement which I have placed before you sets out a record of past achievement and future proposals from which much public comfort and satisfaction can be gained, and provides an assurance of continuing advancement and prosperity generally throughout the State.

Mr. Farrell: I move—

“That there be granted to Her Majesty for the service of the year 1952-53 a sum not exceeding £868 to defray the salary of the Aide-de-Camp to His Excellency the Governor.”

Honourable Members: Hear, hear!

Progress reported.

ADDRESS IN REPLY.

PRESENTATION.

Mr. SPEAKER: I have to inform the House that I propose to present to His Excellency the Governor, at Government House, on Tuesday morning at 10 o'clock, the Address in Reply to His Excellency's Speech agreed to on 11 September, and I shall be glad to be accompanied by the mover and the seconder, and such other hon. members as care to be present.

The House adjourned at 3.43 p.m.