

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**THURSDAY, 13 SEPTEMBER 1928**

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**THURSDAY, 13 SEPTEMBER, 1928.**

The SPEAKER (Hon. W. Bertram, *Maree*) took the chair at 10.30 a.m.

**QUESTIONS.**

**CORRESPONDENCE IN RE INDUSTRIAL TROUBLE ON WATERFRONT.**

Mr. SWAYNE (*Mirani*) asked the Premier—

"1. Referring to the present dislocation on the waterfront, has he received from the Prime Minister the telegram quoted in to-day's press?"

"2. Has he replied? And, if so, will he lay upon the table of the House a copy of his reply?"

The PREMIER (Hon. W. McCormack, *Cairns*) replied—

"1. Yes.

"2. No. The telegram did not ask for a reply. The industrial crisis demands the co-operation of the States with the Commonwealth, but I regret the publication of the telegram before it was received by the State Governments, because it is made to appear that the Prime Minister was more concerned with the electioneering aspect of the dispute than he was with the State Governments' co-operation. The Commonwealth Government are aware that the State Governments are bound to enforce the law, and so far as the Queensland Government is concerned it will see that the law is carried out without fear or favour to any section of the people."

**TENDERS FOR WATER CRANES FOR SOUTH BRISBANE-KYOGLE RAILWAY.**

Mr. SWAYNE (*Mirani*) asked the Secretary for Railways—

"1. In reference to his answer to my question of 30th August, is he in a position to supply information regarding the transaction of the Railway Council, on which the Queensland Government is represented and for which the Queensland Commissioner for Railways acts as agent?"

"2. If so, will he give the particulars connected with the purchase of four water cranes, for use on the Kyogle Railway, I asked for on 30th August last?"

The SECRETARY FOR RAILWAYS (Hon. J. Larcombe, *Keppel*) replied—

"1 and 2. The Commissioner for Railways (Mr. J. W. Davidson), who is the Queensland representative on the Railway Council, informs me that the tenders will be considered at the next meeting of the Railway Council."

**ESTIMATED LAND REVENUE, 1928-29.**

Mr. W. A. RUSSELL (*Dalby*) asked the Treasurer—

"Will he furnish the areas in the land district analysis of the land from which he estimates to receive revenue according to his Estimates for the financial year 1928-29, as follows, viz.:—

(1) Land tax—(a) Country, (b) other, £550,000; (2) auction perpetual leases, £10,000; (3) rents of selections,

£675,000; (4) timber royalties, £220,000; (5) special leases, £12,000; (6) rents of holdings and runs (pastoral), £360,000; (7) pastoral occupation licenses, £75,000; (8) perpetual leases, N.E.I.—

in order that some constructive suggestions may be made for the more equitable distribution of the burdens of taxation, and the adjustment of the State's finances generally?"

The TREASURER (Hon. W. McCormack, *Cairns*) replied—

"An endeavour will be made to obtain the information."

**PURCHASE OF CATTLE AND SHEEP BY STATE BUTCHERIES.**

Mr. DEACON (*Cunningham*) asked the Secretary for Labour and Industry—

"1. How many sheep were bought by the State butcheries during the year ended 30th June, 1928?"

"2. How many head of cattle were bought during the same year?"

"3. The number of fat sheep bought; the number of store sheep bought; the number of fat cattle bought; the number of store cattle bought?"

"4. How many sheep were sold in Brisbane saleyards during the year—(a) Fats; (b) stores?"

"5. How many cattle were sold in Brisbane saleyards during the year—(a) Fats; (b) stores?"

"6. What is the profit or loss on sheep and cattle sold in Brisbane saleyards?"

The SECRETARY FOR LABOUR AND INDUSTRY (Hon. D. A. Gledson, *Ipswich*) replied—

"1 to 6. Full information regarding the operations of the State butcheries during the last financial year will be shown in the report of the Commissioner for Trade, to be presented to Parliament shortly after accounts have been certified to."

**REMOVAL OF ATTENDANTS FROM RAILWAY GATES OR SIDINGS, 1927-28.**

Mr. EDWARDS (*Nanango*) asked the Secretary for Railways—

"1. During last financial year, in how many cases was the attendant removed from gates or sidings?"

"2. What has been the saving to the department by such action?"

The SECRETARY FOR RAILWAYS (Hon. J. Larcombe, *Keppel*) replied—

"The information is being prepared."

**DECREASE IN SAVINGS BANK BALANCE, MARCH QUARTER, 1927.**

Mr. MAXWELL (*Toowong*) asked the Treasurer—

"1. In reference to the decrease of £523,209 in the Savings Bank balance in the March quarter of last year, necessitating the payment to the Commonwealth Bank of 70 per cent. of this amount, has this payment yet been made?"

"2. If not, what instalments have been paid, and the total to date?"

The TREASURER (Hon. W. McCormack, *Cairns*) replied—

"1 and 2. Early last year I arranged with the Commonwealth Bank to accept a fixed quarterly instalment of £60,000, and a final instalment of £29,000, in repayment of the balance of the deposit mentioned in clauses 5 and 12 of the Savings Bank Transfer Agreement. The first instalment was paid on the 1st April, 1927, and the total repayments by this method, and sums repaid prior to the 1st April, 1927, amount, in the aggregate, to £2,080,534."

ELECTRIC GENERATING PLANT, MOUNT MULLIGAN COALMINE.

Mr. MORGAN (*Murilla*), for Mr. WALKER (*Cooroora*), asked the Secretary for Mines—

"Referring to the Belliss and Morcom electric generating plant purchased in November, 1924, for the Mount Mulligan coalmine, has this plant yet been put into use or disposed of? If so, the date and, if disposed of, the amount realised?"

The SECRETARY for MINES (Hon. A. J. Jones, *Puddington*) replied—

"The plant is still in possession of the department, which is at present negotiating for sale thereof."

STORAGE CAPACITY AND OPERATIONS OF HAMILTON COLD STORES, 1927-28.

Mr. MORGAN (*Murilla*), for Mr. WALKER (*Cooroora*), asked the Secretary for Labour and Industry—

"1. What is the storage capacity for butter, fruit, and cheese of the Hamilton cold stores?"

"What quantity of each product was stored during last financial year?"

"3. What was the average quantity stored throughout the year?"

"4. What was the financial result of the operations of this enterprise after allowing for interest and depreciation?"

The SECRETARY FOR LABOUR AND INDUSTRY (Hon. D. A. Gledson, *Ipswich*) replied—

"1. The storage capacity is as set out in the last annual report—Butter, 150,000 boxes; cheese, 38,400 crates; fruit and sundries, 27,300 cases.

"2. Butter, 585,734 boxes; fruit, 31,894 cases. No cheese was stored during that period with the exception of a small quantity for the Toowoomba Show, and cheese stored free for the factory manager's annual exhibit.

"3. In certain periods of the year there is very little butter stored. The monthly figures will be given in the annual report.

"4. This will be given in the report when accounts have been certified to."

AMOUNTS PAID FROM TRUST FUNDS FOR POLICE PENSIONS.

Mr. MOORE (*Aubigny*) asked the Home Secretary—

"1. What amount of the Trust Funds of the Police Investment Board have been used for payment of pensions under the 1863-1911 Acts?"

"2. To what extent has consolidated revenue expenditure been lessened by the utilisation of such funds for this purpose?"

"3. What was the amount so used during last financial year?"

The HOME SECRETARY (Hon. J. Stopford, *Mount Morgan*) replied—

1, 2, and 3. The information is being obtained, and will be laid on the table as soon as possible."

ROLLING-STOCK SUPPLIED TO RAILWAY DEPARTMENT, 1927-28.

Mr. MORGAN (*Murilla*): I desire to ask the Secretary for Railways if he can answer the following questions which I addressed to him on the 5th instant:—

"1. What number of each type of locomotive, carriage, wagon, and other vehicle was supplied to the Railway Department during last financial year?"

"2. By whom were such supplied, showing the number, type, and average cost in each case?"

The SECRETARY FOR RAILWAYS (Hon. J. Lacombe, *Koppell*) replied—

"1. No order for rolling-stock was placed outside the Railway Department during the year 1927-28. In July, 1927, twenty-five locomotives were received from Great Britain as a result of a contract placed in July, 1926; these should have been received at the end of the financial year 1926-27, but the engines were delivered two weeks late. Two locomotives were received from Evans, Anderson, and Phelan early in the financial year 1927-28, being balance of an order placed in July, 1925.

"2. During the year 1927-28, the following rolling-stock was supplied by the Railway Workshops:—Locomotives, 5; carriages, 36; wagons, 332; other vehicles, 29."

#### PAPERS.

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

Report of the Marine Department for the year ended 30th June, 1928.

The following papers were laid on the table:—

Return to an Order of the House made on 11th September, being the report on the Anakie gem industry.

Regulation under the Firearms License Act of 1927, dated the 9th August, 1928.

Ordinance under the City of Brisbane Act of 1924, dated the 26th July, 1928.

Ordinance under the City of Brisbane Act of 1924, dated the 23rd August, 1928.

#### QUESTION OF PRIVILEGE.

##### REPORTING IN "HANSARD."

Mr. POLLOCK (*Gregory*): I rise to a question of privilege. I do so because I have been perusing "Hansard" very carefully lately, and I notice that a considerable amount of what hon. members have said has been cut out of their speeches. The matter is not my business. It is your business, Mr. Speaker, and I ask that you

*Mr. Pollock.]*

will keep a sharp eye on what is being done in this regard. Yesterday I had one instance—I shall not refer to it now—where “Hansard” incorrectly reported what was being done while I was in the chair. On a previous day the hon. member for East Toowoomba made some remarks which were intended at the moment, no doubt, to reflect on the hon. member for Queenton. I remember the remarks very correctly. The hon. member for East Toowoomba said that no hon. member on this side of the Chamber had given employment to anybody in their lives. The hon. member for Queenton retorted, “That is not true.” The hon. member for East Toowoomba then said, “I do not mean keeping a boarding-house or a ‘pub.’” None of that appears in “Hansard,” and I rise merely to ask just how far this is to go, and how much an hon. member can say in this Chamber without its being recorded in “Hansard.” I merely raise the question to ask you to keep a sharp lookout in connection with the proceedings in the future.

The SPEAKER: This is the first occasion upon which my attention has been drawn to this matter. I think it is generally admitted that “Hansard” as a rule, faithfully records the utterances of hon. members. However, I shall take the matter up with the Chief of the “Hansard” staff in an endeavour to see that there is no cause for complaint in the future.

#### PROPOSED COMPETITION BETWEEN CONTRACT AND DAY-LABOUR SYSTEMS ON PUBLIC WORKS.

Mr. MORGAN (*Murilla*): I beg to move—

“That to bring about a more economical expenditure of public money and to assist in making possible a reduction in the present exorbitant taxation imposed by the Queensland Government, it is desirable that in the case of all public works estimated to cost £500 or over controlled by the Government, open competition between the contract and day-labour systems be at once instituted.”

I desire to open up a debate upon what I consider to be one of the most important matters affecting the future welfare and prosperity of this State. That is in regard to the expenditure of public moneys. I am one who believes that, when men have placed upon their shoulders the responsibility of expending money obtained from the people by way of taxation, it is their duty to endeavour to secure not only the very best work possible, but to obtain as much work as it is possible to get from those entrusted with the construction of public works. It has been stated on more than one occasion, and I am heartily in accord with the statement, that the State should be looked upon as a model employer; but I am also of the opinion that persons who are engaged by and working under control of the State should likewise be model employees. Provided a good day's pay has been paid, one would naturally expect to receive a good day's work from the men employed. One of the difficulties in respect to works undertaken by the Department of Public Works is the fact that the cost is enormous as compared with similar works undertaken by private individuals either by contract or under the day-labour system.

[*Mr. Pollock.*

I have definite illustrations in regard to money that has been expended in different parts of the State under the control of the Works Department. I feel sure that hon. members opposite, without exception, will agree with me that public work, even in their electorates, has been carried out by the Department of Public Works, and that the costs have been startling. It is needless for me to assert that, when the cost of schools constructed in various localities is eventually made known, one and all express surprise at the amount of their cost when the amount of work performed is taken into consideration.

In reply to questions in this House, we had information which goes to show that the cost of constructing State schools at Bell's Bridge, Kia Ora, and Muana Creek was £649, £642, and £609 respectively. The last-named school is not yet completed. That is the expenditure to date. The dimensions of each of those schools are 21 feet by 18 feet, and the work was undertaken by the Department of Public Works. When those figures were made public I think they astounded every hon. member; yet, notwithstanding that fact, we still find that the Department of Public Works is constructing schools and other buildings in different parts of the State at an expenditure which is enormous, having regard to the value of the work performed. On the other hand, the State Advances Corporation, which is another branch of Government activity, calls tenders for any work which it requires.

The SECRETARY FOR PUBLIC WORKS: Do you not know the difference between the State Advances Corporation and the Department of Public Works?

Mr. MORGAN: I do.

The SECRETARY FOR PUBLIC WORKS: Why don't you state it?

Mr. MORGAN: I know the difference is in favour of the State Advances Corporation. People who borrow money from that body insist on getting the very best work possible at the cheapest rates. That is not so with regard to the public works of this State.

As an illustration of the difference in cost between buildings erected by the Department of Public Works and under the State Advances Corporation system, I propose to cite one case. A home for a worker was built under the State Advances Corporation system at a total cost of £631, the dimensions of the dwelling being—

	Ft.	In.	Ft.	In.
Kitchen	12	9	10	0
Bedroom	14	0	11	0
Bedroom	14	0	13	0
Breakfast-room	12	6	6	0
Living-room	14	0	14	0
Vestibule	10	0	5	7
Veranda	10	6	9	0

The outside dimensions of the dwelling were 38 feet by 29 feet, as against the dimensions of 21 feet by 18 feet in respect of the State schools that I have already mentioned. There is a concrete case where a building smaller in dimensions cost more to build by the Department of Public Works; in the case of the dwelling-house the total cost was £631, whereas the cost of the State school was £649.

I claim that work performed by the Department of Public Works under the system obtaining to-day is not satisfactory from the point of view of expenditure. I do not infer

that the quality of the work performed by that department is not up to expectation; I admit that, so far as the work performed by the department is concerned, generally speaking, it is good. Unfortunately, it is too costly and expensive. In my opinion, the Department of Public Works should prepare plans and specifications of the works that are to be erected, and the department should tender for the job along with any other persons who desire to do so. Let the Department of Public Works put in a tender, and, if its tender is the lowest, then it should get the work, and it should be carried out in accordance with the plans and specification. I have no doubt that the hon. gentleman in charge of the department will quote figures this morning to show that the department has made a saving in the construction of works done by day labour. The point I want to make is this, and I want to make it definitely: Plans and specifications are prepared by the Department of Public Works, and the department carries out the work. The department likewise makes an estimate of the cost of the work to be performed, and naturally is imbued with the desire to make the estimate such that it will be enabled to perform the work within the estimate quoted. Supposing the department estimates that the building will cost £10,000, and it afterwards carries out the work at a cost of £9,000, it claims that it has effected a saving of £1,000 owing to the fact that the work has been completed for £1,000 less than the amount estimated. The thing is ridiculous. There is no check over the estimates of the department in any shape or form. The department says that it can perform work equally as efficiently and equally as cheaply as it can be done under the contract system. If that is so, then it should not be afraid to enter into competition with the private contractor. I claim that it cannot do so. Not only do I claim that, but many other important bodies which undertake large works have come to the conclusion that it is necessary for public tenders to be called in order to get public works constructed in as cheap a manner as possible. The Brisbane and South Coast Hospitals Board—a body of men who are out to get the very best work possible at the cheapest rate—have found it necessary to call tenders for any work it wishes to have carried out. Day labour, according to this board, has been weighed in the balance and found wanting, with the result that construction work hitherto carried out by the Department of Public Works will in future be subject to public tender. In other words, the work will be done by contract, though there will be nothing to prevent the Department of Public Works submitting tenders in competition with these contractors. If the department has the ability to perform the work, why does it not submit a tender for this class of work in competition with the private contractors, and endeavour to demonstrate to the people of this State that it is able to perform the work equally as efficiently and at a cost similar to that charged by the private contractor? I have another statement to show that, even in connection with construction work for the Maryborough Hospital—

The SECRETARY FOR PUBLIC WORKS: Why don't you quote the Toowoomba nurses' quarters?

The SPEAKER: Order! Order!

Mr. MORGAN: I will quote it, if I have time. The hon. member may quote any case

he has in his favour. I am going to quote instances that will make my case as good as it is possible to make it.

With regard to the Maryborough Hospital a full and complete admission of the utter inability of day labour to compete against the contract system was made by the Hon. W. H. Demaine, a prominent Socialist of Maryborough. Even Mr. Demaine, who we all know has stood practically all his life for day labour against the contract system, when he was entrusted with the expenditure of public money, was man enough to stand up and say that it was a proper thing to call for tenders when they could have the work done at a considerable saving on the estimate of the Department of Public Works.

I will read this report of a meeting of the Maryborough City Council as I wish it to appear in "Hansard"—

"At a meeting of the city council on Friday, Alderman W. H. Demaine (president of the Queensland Central Executive of the Labour Party) made a reply to some recent criticism of the fact that he, as chairman of the Hospitals Board, had allowed the new hospital buildings—work costing over £30,000—to go by contract instead of day labour, under the direction of the Works Department. Alderman Demaine outlined the position, saying that under the original specification the Works Department's estimate was £49,000. He took the plans to a local contractor, who put in a tender for £37,000, thus making a margin of £12,000 in the contractor's favour. 'How could we go and face the people who have to pay for this if we went on with it under the Works Department?' asked Alderman Demaine, who, in referring to day labour, stated: 'The people to whom I belong are pledged to it. I am pledged to it, and practise it, but the difference was too great.' He stated that a Brisbane architect was asked to prepare plans involving less expenditure, and under those plans the Works Department, when approached, reduced its estimate accordingly by £5,000. Still, the local man (W. E. Ferguson) tendered under the new plans for £30,000, which was £13,000 in favour of the local man. 'What other course was there to adopt?' the speaker asked. He said he had asked the Works Department to tender when tenders were called, but they refused, and also refused to carry out the work for their own estimate. It was an unfortunate set of circumstances.

"Alderman Barker, another Labour councillor, said that the facts were a condemnation of the heads of the department, and not of the men who did the work."

Even in regard to that particular work it was found that a saving of £13,000 could be effected on the tenders which were submitted. Why were the officials of the Department of Public Works not game to tender for the work and to enter into competition with private people so as to demonstrate that their estimates were fair and reasonable?

I wish to quote from the Premier's remarks at the Labour Convention. The official report of the convention appeared in the "Daily Standard" of Monday, 21st May last. The remarks made by the Premier at the convention will convince hon. members on both sides

*Mr. Morgan.]*

that the people who are responsible for providing the money for the construction of public works are not receiving a "fair go" for the money expended. The report states—

"Premier McCormack said Labour's objective and practically the main plank in its platform was the nationalisation of industry. There was nothing wrong with that plank if they got social service. They had been absolutely compelled to close down the State instrumentalities because they could not get the service necessary to render them sufficiently profitable to justify carrying them on. There was no question in the case of the sugar-mills of the boss having ruined State enterprise. Take Babinda sugar-mill. The conditions there were excellent. The men were paid good wages, while the conditions and accommodation provided were also excellent, yet the Government could not carry that enterprise on without incessant and constant trouble. Men who did not give any trouble to the Colonial Sugar Refining Company gave constant trouble to the State mills. Babinda mill had been handed over to the farmers, and the efficiency was 30 per cent. higher, while there was no sign of trouble. It made one think and hesitate."

He admitted that the moment that mill was handed over to the control of the farmers the efficiency of the workers was 30 per cent. better, and no trouble had occurred. Again, he said—

"That was one of the reasons why he had turned from nationalisation towards ownership by the people in the industry."

He has evidently changed his views, and rightly so, too—

"He believed that the responsibility of ownership would compel them to give that service. The service they got at Chil-lagoe was bad. He knew that, because he had worked in those mines."

[11 a.m.]

He is speaking from experience!

"Yet the Government had paid the men engaged there three times more than the company had paid."

Notwithstanding the fact that the men were getting exceptionally high wages—three times more than they were paid by the proprietary concern—yet, according to the Premier, the State could not get the work it ought to have got. He went on—

"They could not keep nationalised enterprises going at a loss which had to be made up from taxation, as increased taxation meant increased cost of living."

There is the Premier admitting that increased taxation means increased cost of living, therefore it affects the standard of living of the workers. He proceeded—

"In spite of all the talk against piece-working in industries"——

The PREMIER: Are you not mixing up piece-work with contract?

Mr. MORGAN: I am endeavouring to show—and I will show—that the Premier admitted that the workers gave better results under the farmers.

The PREMIER: You find out the place where I mentioned contract instead of piecework.

[*Mr. Morgan.*]

Mr. MORGAN: The hon. gentleman admitted that the moment the Babinda mill was taken away from the control of the Government and placed under the control of the farmers the workers gave better results. He also said—

"In spite of all the talk against piece-working in industries, if they could establish a proper organisation which would prevent the employer exploiting the worker as he did in other countries, and prevent the employe from exploiting himself, thus injuring himself physically, such a system would solve many of their problems. The feeling that no unemployment would be created if they went slow on the job was a bad and rotten one. If they could get service from the people, the party could go to the country and tell the people that they could make £120,000,000 worth of goods which were now imported into Australia, and thus build up a great nation. There was no need to abandon their policy of nationalisation of industry if they could only get good social service."

That is the Premier's view in regard to the men employed by the Government to do work paid for by public funds. No doubt the Minister and other hon. members opposite will say in reply to my case that one of the reasons why the Department of Public Works prefers day labour to contract is that better material is put into the work and better work is performed by the worker. That is their stock argument.

The PREMIER: It is true.

Mr. MORGAN: It may or it may not be true.

The PREMIER: Is it not always true?

Mr. MORGAN: No, it is not always true. I do not intend to condemn the work performed by the Department of Public Works generally, because I admit that it is good work, and the material used in the construction of buildings is good as well; but, unfortunately, the price is excessive. The point I want to make is this, if tenders are called by the department—which has, of course, prepared plans and specifications and estimates—and a contract is let, then, if the work is slummed or good material is not put into the building, the inspectors of the department are to blame. The very moment hon. members opposite use the argument that a contractor has slummed his work or used inferior material they make a reflection on the inspectors of the department, whose duty it is to see that the plans and specifications are adhered to. If they perform that duty, there can be no slumming of work, and no bad material can be put into a job. These things cannot happen unless the inspector is getting something out of the contractor—unless graft is going on. If that is so, the sooner we get rid of those individuals the better. If we cannot trust our inspectors to carry out their duty faithfully, then it is in the public interests to make an alteration in the present system.

Mr. O'KEEFE: There is a lot of slummed work in connection with private contracts.

Mr. MORGAN: The Government must follow the plans and specifications prepared, and, if there is any slummed work, then the fault is entirely with the inspectors.

Mr. LLEWELYN: Can you give any instance of where a Government inspector has accepted a bribe?

Mr. MORGAN: Under the present system it is quite possible for an inspector to accept a bribe in connection with the timber required on a job.

The SECRETARY FOR MINES: You always see a "nigger in the wood pile."

Mr. MORGAN: There is always the opportunity to bribe. My experience, and matters generally, prove that a bribe is not always taken by the man receiving a low rate of wages. It has been proved in Australia and in other parts of the world that persons receiving £2,000, £5,000, and £10,000 per annum are liable to be corrupted in the exercise of their public duty by the acceptance of bribes. Money does not make a man honest. Experience proves that the man receiving £5,000 per annum is just as susceptible to bribery as a man receiving £200 per annum. Bribery and corruption are equally possible, whether the system be the day labour or the contract system. We secure loan funds for the purpose of constructing the necessary buildings for the development of the State, and if, under the contract system, we can secure the construction of five buildings, constructed by faithful service and material up to the standard, at the cost of four buildings under the day-labour system, then it is our duty as public men to cast aside our political ideals and stand for the construction by the method that gives the better value. We should emulate the example of Mr. Demaine, of Maryborough, who, when entrusted with the expenditure of public money, was prepared to set aside the political views that he had cherished all his life in connection with day labour, and insist that, as the work could be carried out under the contract system for £13,000 less than the estimate prepared by the Department of Public Works, tenders should be called.

The SECRETARY FOR PUBLIC WORKS: You have not stated all the facts.

Mr. MORGAN: A man courageous enough to take that stand must inevitably rise high in public esteem, because his sole object was to see that the public secured full value for the money expended. Prior to the war, when the cost of building construction was considerably lower than it is to-day, a school building was constructed in my electorate at a cost of £375. Recently the building was removed and re-erected on another site at a cost of £380—more than the original cost of constructing the building. I am not going to say that there is any graft or any such malpractices in connection with that work; but I do say that every person in the locality, even those people who wanted a school, was surprised when the cost of the removal of the building was made known. Why was the cost so high? Because the system under which the work was carried out was wrong. Had tenders been called for the removal of that school, I am confident that the cost of its removal would not have exceeded £200. A similar occurrence happened in regard to the construction of a hospital in my electorate. I have no fault to find with the workmanship or the building itself. It is a beautiful hospital, the materials used were good, and the workmanship gave every satisfaction. A contractor in the locality told me that he had gone into the details of its construction very fully and carefully, and he

declared that he could have erected the institution at a saving of £2,000 on the cost to the Department of Public Works.

The SECRETARY FOR PUBLIC WORKS: A contractor started constructing the hospital at Toowoomba, and had to throw the job in.

Mr. MORGAN: We all admit that some contractors take on contracts at prices at which they lose money. Usually something happens. Either the cost of materials goes up, a strike occurs, or the conditions of an award are altered, which causes that loss of money.

The SECRETARY FOR PUBLIC WORKS: Nothing like that happened in this case.

Mr. MORGAN: We quite admit that many contractors sign contracts at a price which does not pay them for the work, and that some of them, because they are not strong financially, have to throw the contract in because it is impossible for them to proceed without finance. I am sure that the Minister can quote cases like that. Why do contractors go insolvent? It is because they accept contracts which do not pay them, or circumstances over which they have no control arise which do not enable them to complete the work. What does the Department of Public Works do in such cases? It might estimate the cost of a building at £10,000, and after the work has proceeded for some time something occurs which causes the cost of material to increase. The original estimate of the department is thus increased; but the practice usually adopted by the department in such cases is to alter the plan and specifications in order that it can complete the work within the estimated cost.

The SECRETARY FOR PUBLIC WORKS: You do not know the department, or you would not talk like that.

Mr. MORGAN: It is a well-known fact. If the hon. gentleman—I do not want to be personal—or any other hon. member connected with his party were about to construct a house or have some other work done, they would consult an architect, instruct him to prepare plans and specifications, call tenders for the work, and let it by contract.

The SECRETARY FOR PUBLIC WORKS: If I invoked the assistance of the Department of Public Works to carry out some work on my behalf, you would be one of the first to suggest graft.

Mr. PETERSON: But you could get your labour from the Trades Hall.

Mr. MORGAN: I would not expect the hon. gentleman, as the Minister in charge of that department, to employ men engaged by the department on private work. He would have more sense than to do that sort of thing. If he adopted such a practice, it would be open to suggestion that somebody was getting something out of it. No one would expect the Minister to adopt that course. Generally speaking, we, as public men, without exception, all call for tenders if we have work to be performed. That is because we naturally come to the conclusion that by so doing we can have the work carried out at a cheaper rate than by day labour and at less trouble to ourselves. If it is a good thing on our part to carry out our own private work by contract, we, as custodians of public money, should be just as careful in its expenditure as we are of our own. Personally, I expend public money more mainly

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than I do my own. When I was connected with a local authority, I was extremely careful to get value for any money that I expended. Generally speaking, that is the policy adopted by public men.

Unfortunately we have public men—I do not wish to name anyone—in local authorities and in Parliament who are prepared to give the workers a higher rate of wages than the award provides, and to make good fellows of themselves when they have public money to spend; but the same men, when called upon to spend money of their own, are exceptionally mean, and want to get the most they can for that money. Yet, in order to get right with the worker, as they term it, when there is public money to be spent they do not care whether they get value for the money or not. Men of that description are a disgrace to public life. Any man who would waste the public money with a view to keeping good with the electors is a disgrace to public life; he should not be in public life or be entrusted with the expenditure of public funds. That is my view. The people of Queensland put us here because they trust us; and I say that, when we have money to expend, we are charged with the responsibility of getting the best value possible for that money. We must be just to the worker and see that he gets a good day's pay for a good day's work; but we must see that he gives a good day's work for a good day's pay.

On our public works if an inspector goes round and finds fault with the work performed by any employees on the job, he becomes unpopular. Not only that; but he becomes a marked man, and some move is made by the union concerned or some other body to prevent that man from doing his duty. If an inspector insists on the men giving a fair day's work for a fair day's pay, he is immediately black-listed, and eventually finds himself out of the department. What is the result? The men who are charged with the expenditure of public funds pursue the course of least resistance.

The SECRETARY FOR PUBLIC WORKS: You cannot quote a case of that in the Department of Public Works.

Mr. MORGAN: They pursue the course of least resistance in this way. They naturally come to the conclusion that their bread and butter is dependent upon their job. They do not want to lose those jobs, and, if they can keep all right with the union without causing any trouble, whether the workers on the job are giving service for the wages they are receiving or not, generally speaking, they do not care a rap. But if the inspector is a conscientious man, a man prepared to fight for the rights of the department, he will eventually find himself on the streets, out of work, owing to the fact that the unionists have disagreed with him. That is the unfortunate position so far as Government work is concerned. The same position would not apply in the case of a private contractor, because the foreman employed by the private contractor who insisted on a fair day's work being performed by the workers on the job would be backed up and appreciated by the employer. The trouble is that, unfortunately, the Government do not appreciate the conscientious man. When men know that, how can we expect proper supervision, and how can we expect work to be carried out properly? It is perfectly clear in regard to many big works that the moment the contract

system comes into competition with the day-labour system of the Department of Public Works, the latter cannot compete.

Mr. MAXWELL: It is gone to the pack.

Mr. MORGAN: As the hon. member for Toowong says, it is gone to the pack and cannot compete. The department does good work, and can do good work; but the cost is tremendous.

The SECRETARY FOR PUBLIC WORKS: They did work in connection with the sewerage of Brisbane that no contractor would do. The contractors threw the job in.

Mr. MAXWELL: That is wrong.

The SECRETARY FOR PUBLIC WORKS: I say that it is correct.

Mr. MORGAN: If we borrow £1,000,000 to spend on public works, and, after expending that amount, we find we have only £600,000 worth of assets for the expenditure, what is the result? We borrow £1,000,000, say, at 5 per cent., and, if we only get £600,000 worth of assets for it, it means we are paying interest at the rate of about 9 per cent. on the value of those assets.

The SPEAKER: Order! The hon. member has exhausted the time allowed him under the Standing Orders.

Mr. PETERSON (*Normanby*): I desire to second the motion. In the first place, I am pleased that this debate has taken place so early in the session, because, as the hon. member for Murilla has pointed out, it is a very important matter, seeing that such a large sum of public money is being expended in connection with public works. The function of Parliament is to see that that money is expended in the wisest possible manner compatible with the workers receiving decent pay and working reasonable hours. The Premier himself has demonstrated the failure of the day-labour policy, which he and his Government have supported for years past. He demonstrated that at Townsville when he said, "We have to make a new era—a new epoch in the history of Labour. We have to discard nationalisation because we do not get the social service." I was a great believer in the day-labour system, although I was a contractor for years.

Mr. FOLEY: You do not believe in it now?

Mr. PETERSON: I do not, for the same reasons that the hon. member's leader pointed out, and I have been told that the hon. member has turned round, too. The only difference is that the Premier is game enough to get up and make this statement, realising that he has been wrong. The whole point is this: If social service is fair on the part of those who are engaged in industry, not only workers—there are others besides carpenters, painters, and stonemasons engaged in Government work—there are inspectors, overseers, under secretaries, and other gentlemen, and there are Ministers—all must do their part if the day-labour system is to succeed. What has brought about the failure of the day-labour system? Why is it that the Government have had to ostracise their own principles and introduce the contract system? There must be some reason, and I shall deal with those reasons in a few moments. One reason why day labour has not been a success is because there is no incentive on the part of the worker concerned, on the part of the

[*Mr. Morgan.*]



inspectors, or on the part of the under secretaries to make it a success. I am not saying that offensively. I say it for this reason: If they are not pecuniarily interested in it, they cannot take the same interest in the job as if they were. The result is the same the world over. Where people have no practical financial interest in a concern, they do not care a button how it is going to end; so it is with our policy of day labour.

Let me take hon. members to some of the Brisbane jobs. I have gone through the mill, and I challenge contradiction on the point. I know the Minister will go along and get the opinions of gentlemen who have never been at the trade at all, and who, no doubt, will say that I am wrong. In the Brisbane district to-day, what do you find? A large number of men are mixing concrete—one of the hardest and most laborious work that it is possible for a human being to do. How are they doing it? With shovels, under the Government day-labour system. It is a most brutal form of work. That work should have been and could have been done at one-third what it will cost by day labour, for the reason that, if a contractor had that job, he would have had a concrete mixer there with a small portable engine to drive it. Evidently that is not possible under the day-labour system. That is one reason why all the jobs cost a long way more than they ought to cost. It is no use hon. members attempting to justify their case by stating that it is an inevitable process. We have to realise that the interests of the worker must be served; his wages and hours must be reasonable; but, on the other hand, the worker has in turn to be supplied with such appliances as will make his labour profitable to the fullest possible extent. Here, apparently, old, obsolete methods are being used, which not only result in harder work for the employees, but also mean that the people of Queensland are being called upon to pay double what they would have to pay for the work under the contract system. The reason why the day-labour system fails is because of the lack of incentive. It is nobody's job to see that these works pay. The officials of the Department of Public Works will make an estimate of what a job should cost. Suppose the estimate was £20,000, and the work cost £25,000. All the Minister does is to go to the Treasurer and get that extra £5,000 from him. The Treasurer obtains the £5,000 by taxing industry, and by that taxation he helps to throw other workers out of work. The Premier admitted in his statement at Townsville that, by encouraging a pernicious system like this, we are helping to bring about a large increase in the cost of living and to reduce the value of the wage. The hon. gentleman cannot get away from his own arguments in that respect.

The fairest test between the two systems would be for the Department of Public Works to call tenders on the basis of the same plans and specifications. If the contractor's price is the lower, then, all other things being equal, it is our duty, as trustees for the State, to see that public advantage is considered. That is our job, and if we refuse to be cognisant of the losses under a system like this, the electors will call us to account.

There is no reason in the world why the Minister should object to the two systems operating side by side. He may be able to point out that certain contractors have failed and gone down. That is quite true, and it

applies to private contracts. We know that numbers of contractors have taken jobs at too low a price and have fallen down on them, and the owner has had to come in and complete the job at his own expense. Those things are inevitable; but, taking it by and large, 90 per cent. of the cases would show that, all things being equal, on the same plans and specifications the contract system would reduce the cost to the people of Queensland considerably without interfering with the rights of the worker. Without interfering with the rights of the workers, we need to have the principle established that while we give every worker the return to which he is entitled for his services, he in turn shall give a fair return for the money which the people are called upon to find.

When the Premier went to England some months ago, he delivered an address at Perth, which was telegraphed to the people of Queensland. He distinctly said that the workers had to realise that there were only 20 cwt. of potatoes in a ton. By that he inferred that under the policy which he had been supporting—and he spoke of it at the Townsville Convention—the Government were not getting that service which was due to them from the workers.

Mr. C. J. RYAN: Are they going to get it under the contract system?

Mr. PETERSON: I will answer that question shortly, as it is a sensible question. The Premier said in Perth—and he has said it since—that he will demand proper service from those who are employed by the Government. I hope he will succeed, because no one will stand for slumming of work, whether on the part of the contractor, on the part of the worker, or on the part of the working classes.

The next question is this: The Government know perfectly well that they have a piebald system in operation. They have contract, semi-contract, and day-labour systems, while all the time they are advocating [11.30 a.m.] that the day-labour system should be paramount. If it is so good and beneficial, why do they go in for contract? We have a case in point in the Workers' Dwellings Branch. I know that the Department of Public Works has nothing to do with it. I only wish that the Workers' Dwellings Branch had charge of the Department of Public Works. Speaking as a tradesman, I say that, if the Workers' Dwellings Branch and its architects were allowed to take charge of the construction of small buildings, hundreds of thousands of pounds would be saved to the people. Why are hon. members opposite content to tolerate waste? There are thousands of their people out of work.

Mr. O'KEEFE: You get a better class of home than you do from the private contractor.

Mr. PETERSON: Do you? The workers' dwellings we have built are a credit to the men and the department which controls them. Seeing that the hon. member for Chillagoe has this opinion of the workers' dwellings, what is wrong with following up the principle in the Department of Public Works where small buildings are concerned? Take a school teacher's residence. To build a school-master's house of about six rooms costs from about £850 to £900—it all depends on the location.

On the other hand, take a workers' dwelling on the same plan, the same superficial

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area, with the same class of timber in every respect, and I guarantee that you will get that house built for £150 less. I am not saying this without being aware of my facts; I am prepared to prove it. In my own district a little school at Kunwarara, established a few years ago, cost in the vicinity of £300—just a single room. Contractors would make a fortune building schools of that class at about £500 each. Where is the money going to? Is it going to the workers? Is it going to help them to get more work? Is it helping us to get more school buildings? No. It is deliberate waste; and no system, whether socialistic, communistic, or capitalistic, can succeed on waste; and it is our duty as legislators to see at the earliest possible moment that the leakage is stopped in the interests of the people who are paying and the workers who are working.

Then take the Railway Department. That has nothing to do with the Department of Public Works; but take the cottages it builds for stationmasters. They cost about £300. A worker's dwelling on the same area and on the same specifications can be built for £750, and it will be a better house. Can hon. members in this Chamber stand for this sort of thing? How is it infringing the rights of the workers to ask that we should get value for the money we are called upon to vote? I know hon. members are aware from their own experience in their own homes how essential it is in these hard times to see that we get 20s. worth for every £1 spent. If the individual practises that principle, and if it is followed up by the local authorities and the State, the whole community benefits, and it is the better for humanity as a whole.

Let us go a little further. As a result of this extravagant cost under the day-labour system we have less work. Every year we have to put a vote through here of a certain amount. If you can only build a certain number of buildings under the policy persisted in by hon. members opposite; if, for instance, instead of having fifty buildings for the sum we vote, you can get only thirty-five, the loss of those extra fifteen buildings means so much less work distributed. Why persist in a policy of waste which restricts employment and hinders the man outside who is out of work in obtaining work?

No doubt hon. members opposite will follow the speakers on this side, and religiously point out what a wonderful system the day-labour system is; but I would ask hon. members on the other side this question: What is the policy of the biggest union behind hon. members opposite? What is the policy of the Australian Workers' Union? Are the shearers not on contract? Are the coalminers not on contract? Are the cane-cutters not on contract?

Mr. C. J. RYAN: The rates are fixed by the Board of Trade and Arbitration.

Mr. PETERSON: Twice in Mount Morgan a referendum was taken by the workers to decide between day labour and contract, and they voted for contract. Why? Simply because they were to be paid for the service rendered—not a penny more and not a penny less. I am not belittling the Australian Workers' Union for its attitude. Long before the present court came into existence the shearing rates were fixed by contract; and long before the court came into existence the hewing rates in coalmines were fixed by contract.

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Mr. C. J. RYAN: You know the difference between freedom of contract and piecework.

Mr. PETERSON: I am not discussing the principle of freedom of contract. I am criticising the policy of day labour supported by hon. members opposite, and pointing out that the Australian Workers' Union encourages the contract system amongst its members. Presumably the reason is that under that system men can earn better money and perform greater service to the community. In my district the Irrigation Department is letting out a lot of its work under the contract system. Why? Simply because under the other system it found it impossible to carry out that work in the irrigation area at the same cost. At the present time—possibly through the action of the Secretary for Public Lands, or the Cabinet—the engineer in the district is doing quite a lot of work by contract; and the workers who formerly were "wage plugs" are now contractors, earning very good money and giving greater service to the department and to the State. That indicates that the Government are gradually drifting from the policy of day labour. I do not wish to be sarcastic or to ridicule their action, because every movement has to make a start, and every movement is bound to make mistakes; but every movement should profit by its mistakes. If mistakes are being made, then it is due to us to rectify those mistakes at the earliest possible moment. The question of contract against day labour has been discussed over and over again in this Chamber.

The contract system simply means a transference of the responsibility to the contractor who accepts the contract when it is signed and sealed. Once he has accepted the contract, the responsibility of construction is entirely with him. He has to carry out the job in conformity with plans and specifications; and, if he does not do so, he can be dealt with under certain clauses in the contract. There are clauses in the contract providing for arbitration. The owner of the building in course of erection has the right to approach the court to have the contract forfeited. All sorts of conditions are set out operating against the contractor if he does not perform his part of the agreement.

Under the day-labour system the plans and specifications are not made hard and fast, because there is no incentive—I am not reflecting on anybody—on the part of the inspector or the officer in charge to see that the plans and specifications are carried out. What incentive is there?

THE SECRETARY FOR PUBLIC WORKS: The officer's reputation.

Mr. PETERSON: I am not endeavouring to impugn the reputation of any officer. The inspector knows as well as I that, if he goes to a job to inspect and makes certain remarks about the work not being carried out in accordance with the plans and specifications, the foreman on the job follows his instructions. If he does not do so and the building is not erected in accordance with the plans and specifications, who is to find fault afterwards?

Something has been said about shoddy work, but what about that very fine school at Virginia, where the whole superstructure sidled off its concrete blocks? Of course, no one would say that that was shoddy work.

THE SECRETARY FOR PUBLIC WORKS: No one ever dreamt that there would be a cyclone of that force in that district.

Mr. PETERSON: It is a remarkable thing that no other building in the district felt the cyclone.

The SECRETARY FOR PUBLIC WORKS: The buildings that best withstood the cyclones in North Queensland were the Government buildings.

Mr. PETERSON: I am not reflecting on the work of the department because of these accidents; yet the fact remains that during one cyclone the roof of the Babinda State hotel was blown off, while the humpies round about withstood the blow.

Mr. C. J. RYAN: That is not true.

The SECRETARY FOR PUBLIC WORKS: It was the only building that withstood the cyclone.

The SPEAKER: Order!

Mr. C. J. RYAN: The hotel was the only building that was not damaged by the cyclone.

The SPEAKER: Order! I would ask hon. members to permit the hon. member for Normanby to proceed without interruption.

Mr. PETERSON: Thank you, Mr. Speaker. It is a well-known fact that it cost £2,000 to replace the roof on the Babinda hotel. If it is properly anchored, it should not be possible for the roof of a building to blow off at all.

Mr. C. J. RYAN: Go on!

The SPEAKER: Order!

Mr. PETERSON: Again, take the case of the technical college buildings. The roof blew off in the storm, while the roofs of all the humpies on the other side of the river did not blow off at all. I am only quoting those instances to show that accidents can happen under the day-labour system just as easily as under the contract system. If a contractor had constructed these places—especially the Virginia school—hon. members opposite would say that he had slummed his job.

Mr. O'KEEFE: Wouldn't you?

Mr. PETERSON: I think so; but you would not say that day labour slummed that job.

The SPEAKER: Order! The hon. member must address the Chair.

Mr. FERRICKS: Don't you think there was a big difference in the catchment area of those buildings you are comparing?

Mr. PETERSON: Undoubtedly; but there were very big humpies and sheds in those localities also. My only desire in referring to those matters is to show that even under the best of systems, no matter how faithfully a job may be performed, it is possible that disaster may occur. The reason why the contract system is best is because it invariably happens that the contractor gives closer supervision to the job than is the case on the part of Government servants. Why? Because the contractor is financially interested if a loss occurs, while, if the estimate on a Government job is exceeded, the matter is simply referred by the department to the Treasury for a further appropriation. That is how losses are got over on Government work. It is not possible for the private contractor to do that.

Mr. HANLON: If a contractor saw he would lose, he would leave something out or slum something.

Mr. PETERSON: If that is so, that is the fault of the Government inspector.

The SPEAKER: Order!

Mr. HANLON: I would like to see the cement going into the Town Hall inspected.

Mr. PETERSON: I do not know about that; so much depends on the clerk of works in charge under any system, whether it be day labour or contract. Work can be slummed under any system. When the Government let contracts under supervision, it is their own fault if the work is slummed. No matter where you go, it is possible for errors to creep in. I was trying to get to the point that it is the incentive and the responsibility of the individual to make a job pay. He has the court awards to abide by, and it is his desire to save himself from financial trouble that provides the incentive to see to it that the job is carried out to the best advantage to himself.

The question of supplies is an important factor in making a success of a job. I know that private contractors can buy their timber more cheaply than the Department of Public Works. I could buy timber and have it delivered at my place much more cheaply than the Government can.

Mr. O'KEEFE: First-class timber?

Mr. PETERSON: I am not speaking of any other class, because that is the only class the Government deal in. Very often it is not the worker who is at fault when a job costs an amount in excess of the estimate. It is a matter of procuring the supplies. One of the faults of the day-labour system is its failure in keeping up supplies of material. I can give a remarkable instance where the time of working men was pooled because supplies were not kept up.

Mr. O'KEEFE: What reason do you ascribe to the Government paying more for their timber?

Mr. PETERSON: It is nobody's job to see that supplies to the fullest possible extent are carried to a job.

Mr. O'KEEFE: You don't buy timber by contract.

Mr. PETERSON: Yes, you can.

The SPEAKER: Order! Will the hon. member address the Chair?

Mr. PETERSON: Thank you, Mr. Speaker, I will do so. The hon. member asked if contractors can buy timber by contract? They can. You can go to a mill in the country and buy the whole mill supply if you choose. The result is a great saving. That saving goes to the contractor, and no one will blame him for that. The reason why it can be made more satisfactory to the State and save the State a huge sum of money is because of the incentive of the contractor to do the job in the quickest possible time in conformity with the specifications.

Mr. FOLEY: Do you say the Department of Public Works has not that incentive?

Mr. PETERSON: You cannot put words into my mouth.

The SPEAKER: Order! I again ask the hon. member to address the Chair.

Mr. PETERSON: I am sorry I transgressed, Mr. Speaker. It is so hard not to answer echoes heard in the distance. I am merely pointing out that there is not the same incentive to operate to the best advantage, because the Department of Public

*Mr. Peterson.]*

Works has not the same interest in a job as a man who is pecuniarily interested. That is the same the world over. To prove my case, suppose the hon. member for Leichhardt goes to a football match and pays 2s. to see that match. If the team he is backing does not play the game he thinks it should, what does he think of the 2s. he has paid? Does he not think it is wasted? So it is with industry. The people concerned are thinking of what it costs them; and on this occasion we are not asking for a reduction in the rates of pay or an increase in the hours of workers. We simply ask that the tender system be given a trial once again, and that the Department of Public Works should tender on equal terms. When the savings are computed at the end of the year it will be found that they are substantial, on account of the adoption of the contract system.

Mr. SWAYNE (*Mirani*): I rise to support the motion. The other day the Premier urged the importance of economy; and most certainly one of the biggest factors in economy is that we should get the utmost value in return for public money expended under fair conditions. All evidence on the question points to the fact that, quite irrespective of whether the conditions of the job lend themselves to the day-labour system or not, the day-labour system has been adopted since the present Government assumed office—in most cases with huge loss to the people of Queensland.

The SECRETARY FOR PUBLIC WORKS: That is absolutely wrong.

Mr. SWAYNE: I am prepared to admit that there are times when the day-labour system is most suitable; but, on the other hand, there is irrefutable proof that time after time, when the contract system would have been for the public good, it has been replaced by day-labour. This is a matter to which I have given some attention; and I can quote records relating to the construction of State schools by the Department of Public Works to show that the work could have been done much more cheaply by contract. I call to mind two schools that were built in my own electorate. The distance between these schools is not more than four or five miles, so the question of the increased cost of transport of materials does not arise. The floor space of the first-named school was 600 sup. ft.; that of the second 1,200 or 1,400 sup. ft. The first was built under the day-labour system at a cost of £900, the second, built under contract, cost between £600 and £700. That is proof from which we cannot get away. I know also from personal experience that a veranda, 47 ft. by 9 ft., with a room attached, cost me only £92; yet the estimate for the veranda of a school in my electorate was £90, although the dimensions were only 21 ft. by 3 ft. So high was the cost that the job has not yet been undertaken.

Again, in connection with the railways it would be interesting—it would also be depressing—to have a record—I am afraid it would be impossible—showing the losses that have occurred in connection with the building of our railways, the excessive capitalisation that has been brought about by this insane policy of sticking to day-work, irrespective of the merits of the case. Of course I know it has been urged that the day-labour system on the railways was not initiated by this Government. It was

initiated by a former Minister for Railways in the then Liberal Government; but at that time there was always a considerable amount of work done by piecework. Fencing was done by piecework, and sleepers and side cuttings were also done by piecework. When the Government were building the railway between Rockhampton and Mackay they were getting sleepers by contract at the rate of £16 per 100. Later on the Government substituted day labour for this work, and the cost was increased to £30 per 100. Again, fencing was done by day labour. That is certainly a job that lends itself to piecework. In one case, two men who were not fencers—they were cattlemen—were able to put up thirty posts a day, while railway workers only put up eleven or twelve, and in the case of a fence around a school, under the day-labour system, two men occupied two days in putting up twenty-four posts. I remember a case that was brought under my notice in the Fassifern district by a man who had been an inspector in the department, but who has now retired. He pointed out that it was estimated to cost £9 to board in underneath a school teacher's residence. The actual cost was over £40.

The SECRETARY FOR PUBLIC WORKS: I do not believe that.

Mr. SWAYNE: I can bring proof. There is no need to labour the matter. We have it on the best of authority that hon. members on the other side, when it is matter that concerns themselves, support the contract system. Take Mr. Theodore, ex-Premier, now a member of the Federal Parliament, and one of the directors of the campaign for the Labour Party in the coming Federal elections. The other day he had occasion to get some cancutters in the Tully area, and he was employing these cutters on piecework, although the cancutters' award contains a provision for day work as well. Evidently that gentleman, in opposition to the policy of the other side, favoured piecework when it came to his own affairs. What brought the matter to my mind is that he is a member of an employers' association. He is a member of the Australian Sugar Producers' Association, and he prosecuted his cancutters, and got a penalty of £1 each imposed on them. I might say that it was urged by some gentlemen on the other side that they were Italians who were prosecuted. That was not so. One of the men who was prosecuted by Mr. Theodore was a brother of Squadron-Leader Bert Hinkler.

We have also the testimony of a former leader of the Labour Party in New South Wales, Mr. Storey, who was reported in "Hansard" for 1923, page 1472, as having said—

"If the workers wanted to go on improving their position, they must strive for increased production at the present critical state of things nationally rather than commit the mistake of making production almost impossible by carrying out work very steadily. If piecework had to be adopted, the workers would find that the system was not dangerous, but that the evil lay in the wrongful application of it. If the workers were able to control it properly, he could say, as a tradesman, that their experience of piecework would incline them never to go back to the day work again."

[Mr. Peterson.]

During the war, when ships were being built in Sydney at Cockatoo Island, and the basic wage was £3 12s. per week, the riveters were giving very poor results. It was found essential that the building of these ships should be hurried up as much as possible, and Mr. Hughes, who was then Prime Minister, established the piecework system. He got the ships built infinitely quicker, and the men earned over £8 per week, instead of the basic wage of £3 12s. per week.

I have here an interesting book, entitled "The Secret of High Wages," giving the result of investigations into the industrial conditions in the United States by two gentlemen who, it will be conceded, are competent to deal with the matter. They point out that to attain greater prosperity in a country it is necessary that production should increase; and they lay great stress upon the fact that by payment by results the cost of living can be brought down. They show that under the system of payment by results—and that is really what this motion means—you can get higher wages and cheaper goods. The figures in this book bear out that statement. The figures were tabulated by the Secretary for Commerce in the United States in 1925. He takes the index of the movement of wages from 1920 to 1925, using the figures for 1913 as a basis, working on a unit of £1. I will not read out the whole table, but take, say, two years—the first and last quoted—

Wage rates.		Price of commodities.	
" 1920 ... ..	199 ... ..	226	"
1924 ... ..	228 ... ..	150	"

There is another set of figures giving totally different results in the case of Great Britain, where they have not got payment by results to the same extent as obtains in the United States. It is pointed out in this book that—

"Primarily, the wealth of a country depends on the productivity of its population. Therefore, the adoption of any means tending to increase the productivity per capita will increase the national wealth."

Nobody can gainsay that statement. It is obvious that, with payment by results, we get greater efficiency.

[12 noon.]

On the matter of efficiency, I am afraid that the position is not on the up grade, but rather the reverse. We hear so much about over-production and so much about the high cost of production having the effect of making us unable to sell many of our products in the markets of the world and so relieve the position that we ought to give the most serious attention we can to these problems, because a State with the natural resources of Queensland ought not to find itself in such a position that it cannot produce or manufacture at a cost which will enable it to compete with other countries.

In the United States of America, where we find that unemployment is pro rata far less than it is here, there is a population of 30.17 to the square mile, whereas in Australia it is only 2.07 to the square mile, and yet we are said to be over-producers; and I say that one of the means which ought to be taken to remove this very anomaly is payment by results.

It has been urged in this regard, and no doubt it will be quoted during this debate,

that the system of day labour was used by the previous Government in building railways. It has already been pointed out that the comparison is not a sound one, and I want to make a quotation to show that it is not correct. In "Hansard" for 1918, at page 2512, will be found this extract dealing with this question of contract versus day labour in the Railway Department—

"The only possible way to compare the two systems is by getting a schedule of quantities with costs of the different classes of work done, such as earth-works, bridge work.

"Is there any similarity in the lines compared? Most of the coastal lines were done by contract and these are heavy lines, whereas, is it not a fact that 75 per cent. of the day-labour lines are light ones? In the coastal lines, and also the line from Warwick to the border, very heavy bridge work was included. For instance, the Alexandra Bridge at Rockhampton, with only 2 miles of railway, cost £60,000—all charged to cost of construction.

"In a great number of the contract lines the muck to be removed amounted to nearly ten times as much (a proportion of, say, 5,000 to 500 cubic yards) compared with most of the day-labour lines.

"Under contract, inspectors see that the specification is strictly adhered to—can this be said to apply to day-labour work?"

"Under contract, every foot of timber and every yard of work is measured and checked by Government engineers. Is the department's work checked in this way? Apparently not, as under the contract system supervision averages £200 per mile, and under day-labour system head office charges are said to amount to only £11 per mile.

"Why were the Hughenden to Winton and Charleville to Cunnamulla lines (averaging about £1,600) left out of the contract system statement?"

"Labour-saving appliances.—The department are now making use of the very latest improvements, none of which were available when the majority of the contract lines were built, but which would have been procured had there been an opportunity given to contractors to tender.

"Cost of sleepers.—In the most of the contracts these had to be square, costing 4s. 6d. each; now half-round at less than half the cost are allowed."

That is the reply to the trump card that is played by hon. members opposite on this question. A case came under my notice which proves that the supervision under the day-labour system is not always adequate or efficient. In this instance the whole of one pier of a railway bridge between Rockhampton and Mackay slipped away from its pedestal. It had not been reinforced—it was pure concrete—and there had been a delay in completing the pier, with the result that the concrete on the lower part of the pier had been allowed to dry during a stoppage of work, and the upper part did not make a proper join with the lower portion, and so slipped right off.

Mr. Swayne.]

Through this delay the concrete failed to knit, and heavy expense was thrown upon the department, not to mention the inconvenience to railway passengers in having to be ferried across the creek from one train to another. It was some considerable time before the new pier was constructed, and this lack of supervision under the boosted day-labour system cost the department a huge sum of money. In view of occurrences of that kind, what have hon. members opposite to say now of the adequate supervision under the day-labour system as compared with the alleged inadequate supervision under the contract system?

All the evidence adduced points in the direction of the contract system being the more economical in the large majority of cases. The cases referred to by the hon. member for Normanby—I could quote many such cases—warrant us in saying that, if such buildings were constructed under the contract system, one-third more construction could be accomplished, or, in other words, three schools could be built where only two are now constructed. Hundreds of additional children could be provided with the means of education. No greater wrong could be inflicted upon children, and no greater grievance could exist on the part of parents, particularly in country districts, than to be deprived of the means of education. I am not in any way personally attacking the Secretary for Public Instruction. I realise that he does his very best; but the policy of the Works Department permits us to secure only two schools, when under another system three could be constructed for the same money. The case for the judicious use of the contract system in the erection of our public buildings is unanswerable. The adherents of the day-labour system have been responsible for a tremendous increase in our interest bill, added to our public debt, which is already a burden to the country. The burden has been considerably increased by the wastage under their pet theory of day labour.

Mr. FERRICKS (*South Brisbane*): In dealing with examples of abuses that creep in in connection with work carried out by the contract system, I intend to cite the case of the Brisbane City Council. Until recently the practice of the council was to have all spoil from repair jobs and otherwise, and all material required for work or required to be removed, removed by means of motor trucks. The truck owners engaged on this work came under the operation of an award of the court applying to the employees of the council. I think it was clause 8 of the award which guarantees to the motor-truck owners not only a minimum wage, but an additional 20 per cent. to cover the cost of purchasing their motor trucks and stock in trade, etc.

They were to be paid not less than the basic wage, plus 20 per cent. They were working on piecework rates or contract. It is also stipulated in the award that their engagement must be a weekly one at the shortest, that they were to be paid at so much per mile travelled, and so much a yard. Recently the town clerk, after his investigations that we heard so much about, started on his policy of reorganisation. We read in the press that the Brisbane City Council had decided to farm out all its work of carting to a firm known as the British Australian Motor Company. Their system

of operating has most glaringly brought home the system of breaking down awards. Many of these men had trucks for which they had paid £400. One man whom I know well was advised by the director of works of the council to put his motor truck, which cost £400, into a garage and purchase a 2-ton truck costing £600. He accepted this advice, and thereby incurred a much greater liability in the deduction payments for the purchase of this truck. But the agreement which the British Australian Motor Company placed before these men, whom they had agreed to keep in employment, contained most outrageous stipulations. One of the stipulations was that a person who desired to be so employed would first have to form himself, if you like to put it that way—into a firm. The truckowner asked how that could be done, as he had no friends or relatives to stand by him. The person acting for the company said, "Make your wife a partner under the contract, and you and your wife will thus be entitled to be registered under the Registration of Firms Act." He asked why that should be done. The reply was that it was in order to evade the award of the Board of Trade and Arbitration. Another very breaking-down stipulation in the agreement was that the person who desired employment had to sign an undertaking that out of his gross earnings the British Australian Motor Company was to be entitled to deduct 10 per cent. for nothing at all, just as a commission out of the gross earnings of each motor-truck owner. In addition, the prospective contractor had to sign an undertaking agreeing not to be subject to any award of the court respecting hours of labour or rates of wages. He was also compulsorily required to purchase all oil he used in his truck through the company. The company use Shell oil, and the truckowner could purchase that oil direct from the Shell Company at 1d. per gallon less than the rate he must purchase the oil for from the supervising body known as the contractors. The latter thus obtain 1d. commission on every gallon of oil that the truckowners use. The latter are thus compelled to contract themselves out of all the benefits of the arbitration system, and also to undertake that, if they employ any labour, they will agree to pay the basic wage, which the truckowner himself would not be receiving, or to which he would not be entitled or have any right.

He is also to provide compensation insurance for those whom he may employ, although he will not be entitled to compensation himself, and cannot, as I have said, claim the basic wage. There are other glaring instances of such impositions. The motor truck owner has to subscribe his agreement with a log of very low delivery rates; and the worst feature of it all is that the charges are based on radial miles—not on miles travelled; that is to say, if a driver had to deliver a load at Bulimba or in that direction to a point which might compel him to travel 4 or 5 miles each way, although as the crow flies it is only 1½ miles from the job under contract, he can only claim for the 3 miles as against the 8 or 10 miles which the truck has actually travelled. It brings home to us the conclusion that the company must expect these truck owners to get aeroplanes and fly with their materials in a direct route, because that is all they provide for.

Mr. WARREN: It may come to that.

[*Mr. Swayne.*]

Mr. FERRICKS: An hon. member interjects that it may come to that; but it is not here now, and these men have not aeroplanes. Aeroplanes in the carriage of construction materials may be a little later in coming than the hon. member has in his mind; but the people of whom I am speaking are striving to earn a living, and the low rates at which they are working do not enable them to make a fair thing in running receipts. The man who refuses to sign this agreement is taken off the job where he may be able to make something and is put on to a waiting job where, perhaps, he may not make anything for a whole day.

In addition to the 10 per cent. which is stopped by the motor company, truck owners are paid on the basis of radial miles. This glaring abuse and pernicious practice is being brought into operation against a body of men who are defenceless. They have no redress, because, having signed that agreement, they have contracted themselves out of all industrial protection with regard to hours, etc. They are at the mercy of their nominal employers, who can pay them just when they like, although the agreement may provide for a fortnightly payment. In the case that was brought under my notice the man had not been paid for three weeks.

This appears to be the continuation of a war which has been declared on the workers, and which has been in existence for the past eighteen months or two years and is now being brought to a head. It may be intended to bring about the breaking down of those artificial conditions which hon. members opposite are really desirous of seeing.

Mr. MAXWELL: Not at all. What is the Board of Trade and Arbitration for?

Mr. FERRICKS: No action is being taken by the city council. The motor company is placing these men in such a position that they will be practically ruined so far as their possession of the motor trucks goes. Trouble may also be experienced with the Main Roads Commission, because in an endeavour to make the business pay these drivers are putting 2 tons 2 cwt. on a 1-ton truck, and 3 tons 5 cwt. on a 2-ton truck—trucks which they have not paid for, and which they are striving to redeem by instalment payments; and the contract will probably not outlast a period in which it will be possible for them to complete the purchase. What do hon. members opposite think of that in their laudation of the contract system? I could go further, but there will be another opportunity later on, I hope, to discuss this matter. I was very desirous of putting this case before the House this morning.

The PREMIER (Hon. W. McCormack, Cairns): I do not know whether this motion is a hardy annual, or whether it is a perennial; but, as least, it opens up a very widely-discussed subject—that is, the efficiency of contract versus day-labour work. At the outset it might be well for the House to be quite clear as to what contract and day labour really are. The hon. member for Murilla associates contract with piecework. It has nothing whatever to do with piecework as I understand the word "contract," and as I understand the controversy in regard to contract versus day labour. The discussion, I take it, centres around the carrying-out of jobs under paid-wages supervision and under contract—some individual or

other undertaking to do the work for a certain sum of money. Every contractor in this country does his job by day labour. Some of them include piecework with day labour, but, generally speaking, the term "contract" means that the work will be done by the contractor by paying wages men to do the work. Consequently, this idea that day labour does not apply to contractors' work is a fiction. It does apply, and I say that 90 per cent. of the work carried out by contractors is done by the individual worker in the form of day labour; the only difference is in the supervision. The hon. gentleman, apparently, was only concerned about Government jobs, and he made a long speech about the cost of doing work by the Department of Public Works. I do not want to deal with that aspect, because it has nothing to do with the great principle embodied in this motion. No one faults the actual work that is done by the Department of Public Works. It is a splendid job, but some think it costs too much. I had an experience of day labour under the Department of Public Works versus contract, in the cyclone area of North Queensland in 1918. I was there when the great cyclone occurred, and I saw every building in every town in the cyclone area blown down excepting Works Department buildings. Not one public building—school, police station, or any other building—built by the Department of Public Works was blown over during that cyclone, and in nearly all the towns every other building was blown hundreds of yards.

Mr. PETERSON: What about the Babinda Hotel?

The PREMIER: The Babinda hotel was only damaged; but what about the private contract hotel down the road from it? Well, I do not think they have collected it yet. That was an eye-opener to people in the district. It certainly was mentioned, even by those hostile to day labour, that it was a commentary upon the work done by the Department of Public Works that not one of their buildings in the cyclone area was blown down. Had those buildings been blown over, it would have cost the State from £80,000 to £100,000 to rebuild them. I ask the hon. member for Normanby, who is a builder himself, if the ability of the building to stand up to its job is not an essential factor in building. There is no question that the buildings of the Department of Public Works do stand up to their jobs. I cannot understand why the carpenters working in the department cannot give Mr. Quinn as good service as carpenters give the hon. member for Normanby, who is building by contract. It is an unanswerable question. Why should not the carpenters working for one boss give the same service as those working for another boss, when they all get the wages set out in the award? This talk about the contractor doing efficient work, and that the Department of Public Works does the cheap work, requires some investigation. As a matter of fact, a contractor is erecting a building to make money out of it. Anything he can cut out of that building—any omission he makes—will be of benefit to himself, and not to the man who is getting the building erected. It is well known that on contract jobs bribery and corruption are rife in regard to people who are paid to supervise that work. In all countries in the world the great problem facing builders is to get

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the right quantity of cement into the mixture. We have had the sad experience of the Cairns Range tunnel. If ever there was disgraceful work done by a contractor it is there. We have had the experience in railway bridge construction where the hollow in a girder was plugged and passed by an inspector.

Mr. TAYLOR: Who plugged it—one of the workmen?

The PREMIER: The contractor. What interest would the workman on day wages have in putting in a hollow transom?

Mr. TAYLOR: The responsibility is on the worker under the contract system.

The PREMIER: The hon. member for Murilla pointed out that this is one of the disabilities under contract, and it could not exist unless that disability was profit to somebody; and it is profit to the contractor. If the workman is doing it, and is putting in bad material merely for the love of his employer, then I would like to meet that gentleman—I have never met him yet. I am not saying that all contractors do these things—they do not. There are some very efficient and capable men doing contract work, who value their reputation as contractors, but that is one of the arguments against contract work, and one of the reasons why men who have control of great undertakings favour day labour. I am just going to quote two authorities who do not belong to the Labour Party, and who are carrying out big undertakings—Sir John H. Butters and Mr. W. E. Potts, both high Commonwealth officials, carrying out millions of pounds worth of work. Sir John H. Butters says—

“Judging by every check which we have put upon our work, we find we are able to carry out sewer construction by day labour cheaper than by contract. We are satisfied that we are getting better results from the day-labour system. On the whole, day labour has proved more satisfactory than the contract system for sewerage construction.”

Sir John H. Butters is at present in charge of the great construction work at Canberra, where they have spent several millions. He also carried out big hydraulic schemes in Tasmania prior to going to Canberra, and his opinion is worth having. He is charged with the responsibility of carrying out these great works, and he certainly is not employed by a Labour Government.

[12.30 p.m.]

Mr. Potts said—

“As to the relative merits of the two systems, personally I prefer the day-labour method for work of this kind. As a responsible officer, all I look for is a good job.

“The estimated cost of the main intercepting sewer, Canberra, was £11 10s. per foot, but the actual cost under the day-labour system worked out at £11 per foot. The lowest tender was £145,000 and the actual cost of the work was £116,000.

“We have called for tenders for road work on a large scale, and the departmental estimates and costs have been considerably cheaper than the lowest tender price received.”

We cannot ignore the opinions of two men who are engaged upon one of the biggest jobs in Australia at the present moment.

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I would refer hon. members also to a report made in the Railway Department many years ago by the Chief Engineer on the question of contract work versus day labour. It was made before Labour ever entered into power and had a day-labour policy. That report was made public by Mr. Paget when he was Secretary for Railways, and, as a result of those investigations over long years, a Liberal Government, of which one hon. member opposite was a member, made no attempt to put into operation the policy which hon. members opposite are advocating to-day. That fact speaks for itself. A number of other members who are now sitting over there then sat behind the Kidston or Denham Governments—and all other Governments that were in power here for years and years were supported by men of similar opinions—but for many years after that investigation not one job was let by the Railway Department under the old bad system of contract, and not one word came from the hon. member for Murilla when he had the opportunity of putting his policy into operation.

It might be a good thing to investigate some of the contract and day-labour jobs in our own city, such as those done by local authorities, in order to get an idea as to how the figures work out. If the hon. member's theory is correct, how is it that on these jobs the day-labour system has invariably been more satisfactory than the contract system? The point I want to make is that, if day labour can show an equal cost with the contract system, then it is much preferable. There is no desire or incentive to anybody on a day-labour job to scamp the work. Nobody there has any interest in putting in a hollow transom or using less cement than ought to be used; consequently, when day labour costs compare favourably with contract costs, everything is in favour of day labour.

I will take some of the Brisbane sewerage contracts for the purpose of illustration, comparing the estimate of the Engineer for Water and Sewerage under the Metropolitan Water Supply and Sewerage Board with the contract price, as represented by the lowest tender—

Contract No.	Engineer's Estimate.			Lowest Tender.		
	£	s.	d.	£	s.	d.
14/1922	66,326	1	8	66,777	0	8
15/1922	34,095	16	1	34,353	10	4
23/1922	54,500	0	0	57,722	4	10
29/1922	45,909	7	6	51,739	15	10
1/1923	41,431	15	7	45,072	12	7
31/1922	92,051	6	8	98,570	13	0
9/1923	55,151	5	3	58,074	0	6
16/1922	31,476	15	0	32,822	4	3

All those jobs—most of them carried out by day labour—were carried out under the estimate, and the board was thousands of pounds in pocket because of the day-labour system.

Quite recently the Melbourne Board of Works called tenders for the construction of the O'Shannessy dam. From the report of the Board of Works I have extracted the following:—

“For the construction of this dam the tenderer offered to reduce his tender of £215,912 by £28,202.”



Mark those words! The report continues—

“The board’s estimate for the work by day labour, said the engineer, was lower than that of any tenderers, and up to date the board’s calculations have been justified. The expenditure so far outlined is £177,930, which is £27,362, or about 13 per cent., less than what would have been paid had the work been done by contract. Extra payments to contractors owing to alterations in original designs were also saved.”

The Melbourne Board of Works is not a Labour body. The Brisbane “Telegraph,” in reporting the remarks of Mr. Hill, Minister for Works and Railways in the Commonwealth National-Country Party Government, in connection with the construction of the South Brisbane-Kyogle railway under day labour, had this to say:—

“Speaking of day labour, Mr. Hill paid a tribute to the work which had been carried out on the Kyogle line. He had examined that work very carefully and closely, and was well satisfied with the day-labour work that was carried out.”

Finally, I wish to quote the experience of the Main Roads Commission, under whom the contract system which hon. members opposite advocate is in full operation. It will be interesting for us to investigate the result of the contract system under the commission. The number of jobs completed by day labour under the Federal aid roads agreement was 62. The total cost as estimated by the department was £118,667; the amount of the lowest tender for these same jobs was £120,977. The work was carried out and completed under the day-labour system for £103,742, or for over £17,000 less than would have had to be paid to contractors if tenders had been accepted. In other words, the work was completed at a cost 14.8 per cent. below the lowest tender. It is impossible to ignore such figures, particularly as this is a branch of activity where the Commission and the Federal Government insist upon calling for tenders.

After a thorough investigation, it, therefore, seems to me that this question boils down to one as to whether an engineer in charge of a Government job can get as efficient service from his workman as another engineer in charge of a job on behalf of a contractor. That is the whole controversy. It is all a question of the man in charge of the job doing it for me as a private individual, for the Government, or for another authority. It makes no difference whatever. An engineering job has to be done by one of those persons or authorities under the supervision of an engineer. It is all day-labour work, the difference being that in the one case a contractor intervenes between the parties and pays for the job. If we admit that, we except the day labour-contract controversy altogether from private undertakings, because private undertakings do these jobs both ways, whichever is suitable.

We now get down to Government control. Is the hon. member’s charge then, and is it the only charge, that everyone excepting the Government can get success out of day-labour control. It seems to me that the whole question revolves around that one point, although the hon. member dragged in the argument about South Johnstone or somewhere else. There may be something

in the case stated by the hon. member, but it has nothing to do with the question of contract versus day labour. It is as wide as the poles from that question. It raises another question—that is, as to whether the State can get the same service from an individual that a private employer can. That question does not arise under day labour versus contract at all. I have successfully proved that day labour, even under private control, frequently shows advantages over the contract system. As a matter of fact, very few big engineering firms would think of allowing a contractor to intervene between them and their job. They may be contractors for somebody else; but, for example, Dorman, Long, and Company would not think of subletting the job of constructing the bridge over Sydney Harbour to someone else. They are doing the job themselves, and are doing it by day labour. It seems to me that the controversy is one as to whether the individual gives the same service to the State as to a private contractor, and not as to whether day labour or contract is the better method of carrying out work. I have proved—not on the mere word of So and So, but by stating authoritative opinions—that all things being equal, a contractor is not and can never be as efficient as day labour because he is out to make a profit out of the job. I repeat that, if a contract job costs £100,000 and it can be carried out by day labour for £100,000, then no employer, Government or otherwise, would think of risking all the disabilities that apply to employing a contractor as against getting the job done by groups of men, and running the risk, in the former case, of getting the job done cheaply and, perhaps, scamped. I think that proves that work under the day-labour system is more efficient than under the contract system.

I do not propose to answer the other case submitted by the hon. member. I admit freely that there is a tendency on Government jobs for employees not to give the same service as is given to private contractors. I admit that, and have said it.

The hon. gentleman is quite correct when he quotes me as stating that the Babinda mill gave better efficiency under private control than under Government control. It is a tragedy that that should be so. It is a tragedy to have to admit that the average man—not only the workman, but the average person in the community—regards the State as something to be taken down. That feeling applies not only to the workman but to the whole community. It is a tragedy that that state of mind should exist; nevertheless, it does exist; but it has nothing to do with the question of contract versus day labour. It could apply just as well to any other particular occupation. Whilst we admit and deplore that there is not that service given to the State that should be given, it is no argument against day labour, and it can find no foundation for urging that the wily contractor should be given an opportunity to come into the field and do what he has done in the past. The good contractor admittedly is all right; but all contractors—and I say this not by way of criticism of contractors—are in business to make money; and in a cement job the slightest difference in the make-up of the cement mixture may mean thousands of pounds to him. Will anyone deny that? Under such conditions, when a bridge is built, it runs the risk of toppling over the

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first time a strain is put upon it. The hon. gentleman knows that those risks are bound up in the contract system.

In the Department of Public Works the risks are that in the cyclone areas buildings will be blown over. But the buildings constructed by the Department of Public Works are not blown over. They are certainly costly buildings, but they are not blown over. In many of the cases that are superficially investigated, when we get down to "tin tacks," we find, as we did in the Maryborough Hospital case, that the estimates and specifications of the Department of Public Works were for a building altogether different from what the contractor and the local hospital committee wanted to build. If you specify costly material for a good job, you cannot have cheap work; but, if you allow the contractor to get in his useful work, he gets it in. I do not know whether the hon. gentleman ever worked for one or not; but, if he did, he would learn something about contract versus day labour. The contractor's interest is in getting the job done as cheaply as possible, and with more profit to himself.

On the broad general question of contract versus day labour, a good case is made out by all authorities in favour of the day-labour system for big Government works. I specify Government works, because I know there is more danger in Government works than in private works. There is a danger—not of the workmen not doing enough—but of men employed on these jobs "listening to reason." Who was the original cause of all graft and corruption in connection with the Sydney City Council? Was it not the contractor? To have a man bribed there must be a briber. The initiative must be with the briber, although two are concerned. This very system of contract has led to more corruption—I say it advisedly—than any other system operating on Government works. Under day labour the same opportunities are not available. For that reason alone, allowing that some of the disabilities exist that the hon. gentleman stated in regard to service on the job, in the final analysis the Government, a local authority, a body like the Metropolitan Water Supply and Sewerage Board, a Commission like Canberra, or a Main Roads Commission are safer to stick to the day-labour system.

GOVERNMENT MEMBERS: Hear, hear!

**THE SECRETARY FOR PUBLIC WORKS** (Hon. M. J. Kirwan, *Brisbane*): The hon. member for Murilla, in support of his case, put forward two or three isolated instances, and stated that several school buildings had cost more than they would have cost if tenders had been called for the construction of those buildings. The hon. gentleman ought to be fair in stating his case, because, in every instance, the estimates in connection with public schools and public offices include the necessary furnishing. The same applies to his remarks about the Maryborough Hospital. If the hon. member had deducted from the cost of the Maryborough hospital building £7,000 for furnishing and other incidentals, his case would not have been the case he presented to this House.

Mr. Moore: Did Mr. Demaine deceive the public?

**THE SECRETARY FOR PUBLIC WORKS:** I am not concerned with what Mr. Demaine said. The hon. gentleman is not so free in

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quoting Labour authorities when they are against him.

The hon. member for Murilla mentioned that in one instance the cost of shifting a school building was more than it had originally cost to erect the building. Possibly that building was erected twenty or twenty-five years ago, when timber was much cheaper than it is to-day, and when the cost of labour—carpenters, painters, and others who might be employed—was a great deal less than it is to-day. Why not be fair?

I shall quote one or two illustrations to demonstrate that the Department of Public Works is exceptionally competent to carry out certain jobs. Take as an illustration the work done by the department in the erection of a public hospital and maternity home at Cunnamulla. Anyone who has seen the hospital at Cunnamulla—I think the Leader of the Opposition and the hon. member for Enoggera have been there—must be prepared to admit that for a town of the size of Cunnamulla the hospital is something to be proud of, and the public spirit displayed by the citizens of Cunnamulla in the matter of their hospital is also something of which they can be proud. At the time that that hospital was being erected, the Paroo Shire Council called for tenders for the erection of a shire office and hall. A contract was let for something in the proximity of £5,000, including certain extras. When the contractor got the roof on, a cyclone occurred. There are cyclones in other parts of the State than at Virginia and in North Queensland. This cyclone badly wrecked the whole structure, and the contractor was faced with ruin. Evidently he was not a strong man financially, and he threw in the job. The Paroo Shire Council, which consisted of a majority of anti-Labour councillors, realising the splendid job made by the Department of Public Works in connection with the local hospital, invited the department to complete the building of the shire hall, which it did, and, notwithstanding that it had to repair the damage, which cost something like £350 to £400, and the expenditure of an additional £200 for extras, that public office and hall was completed at a cost equal to the original estimate, the council providing all timber and material. That is a concrete case which disposes of the statement of the hon. member for Murilla that work of this character cannot be carried out as cheaply by the Department of Public Works as by private contractors.

Another illustration is the public hall and shire office at St. George. A contract was let by the council. The building had to be constructed with reinforced concrete; but the work was unsatisfactory, with the result that the wall cracked before he had got any distance with the building. The shire council having cancelled the contract applied to the Department of Public Works, and my predecessor in office got his officers to report on the matter, and the building was then completed under the supervision of officers of the Public Works Department. The two cases I have mentioned are instances where the department has had to finish jobs—one at St. George and another at Cunnamulla. The department has finished the jobs to the satisfaction of the parties concerned, and the residents of St. George and Cunnamulla are loud in their praises of the splendid work done by the department.

In connection with the nurses' quarters at Toowoomba, a contract was let to a builder,

whose tender was certainly below the estimate of the department. The contractor started on his job and then threw it in. The architect who had recommended the acceptance of the tender and who was supervising the work advised the Hospital Board that it should finish the job, and the board, acting on his advice, made an attempt to finish the job for the balance of the amount due to the contractor; but it could not be done, and more money had to be secured for the work. The board may have to get an increase in its loan from the Treasurer. Surely the contractor had every opportunity at Toowoomba, as he was not far from Brisbane, in regard to getting supplies! He could get local bricks, manufactured within a few miles of Toowoomba, which are equal to any ordinary building bricks manufactured in Brisbane—I am not going to say that with regard to face bricks, which are used for certain portions of a building.

It is to be remembered that the Department of Public Works does something like 9,000 jobs every year, of which number about 1,800 are jobs which do not run to the extent of even £25. We have a system of working in co-operation with the Department of Public Instruction, under which any job of the value of £25 is carried out by that department, under the supervision of the head teacher or some other officer. A great deal of small work is done in that way, and a considerable amount of money is thereby saved. The hon. member for Murilla wishes the Department of Public Works to carry out all jobs under £500 by day labour; and, to give an opportunity for the contractor to make something, he says that tenders should only be called for jobs which exceed £500. I do not say that the Department of Public Works is faultless—I do not know of any department or institution to which that term could be applied—but, generally speaking, the work done by day labour by the Department of Public Works, whether under myself or under previous Ministers, is far superior to the work done under contract.

At 2 p.m.,

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

## SUPPLY.

### FINANCIAL STATEMENT—RESUMPTION OF DEBATE.

(*Mr. Pollock, Gregory, in the chair.*)

Question stated—

“That there be granted to His Majesty, for the service of the year 1928-29, a sum not exceeding £300 to defray the salary of the Aide-de-Camp to His Excellency the Governor.”

HON. W. H. BARNES (*Wynnum*): In commencing a review of the finances of the State, one has to admit that he is placed at a considerable disadvantage is not having the report of the Auditor-General on the public accounts for the current year. That report is a very useful document, and I do not know that the finances of the State can be properly discussed if unable to avail oneself of what the Auditor-General has to say. It will be at once admitted that the Auditor-General is quite different even from any officer of the Treasury Department. I have no right, nor do I wish, to make any charge against any officer of the department; but

at the same time the Auditor-General takes a more impartial view when looking over figures and going into accounts, and, perhaps, realises more the duty he has to perform for the public.

I wish, first of all, to deal with the Financial Statement itself. No doubt hon. members on the other side have been flattering themselves upon the fact that for once in a while they have had a surplus.

MR. COLLINS: Hear, hear!

HON. W. H. BARNES: I suppose there is some cause for gratification, for it has been very slow in coming, and it is an achievement which is quite unusual in Labour finance. However, it has come, and it is especially welcome, no doubt, in comparison with the deficit of the previous year of £343,166.

It seems to me that it is only fair to have a resumé of what has taken place in the finances of Queensland under a Labour régime. From 1904-5 to 1915-16 the Liberal Government amassed credits amounting to £752,674, and I think it will be generally admitted that their financing was sane. True financing is really living within your means; and the fact remains that we certainly did live within our means.

But let us look at the other side of the picture. From 1916-17 to 1927-28 the Labour Government amassed debits amounting to £2,029,512. Their total debits were £2,106,356, and the whole of their credits—with a very much increased revenue, as I shall show later—were only £76,844. That was the best they could do. Imagine it! Wonderful financing, was it not, to be able to amass those big debits, and, on the other hand, to have such an amount to write on the credit side? It indicates that somehow or other their early protestations of what they were going to do in finance were never realised. You will remember, Mr. Pollock, how beautifully their protestations were written! Most telling, were they not?

MR. KELSO: Fiction.

HON. W. H. BARNES: It is worse than fiction, because fiction sometimes does come true.

THE SECRETARY FOR MINES: Abnormal conditions.

HON. W. H. BARNES: I am amazed at the hon. gentleman saying, “Abnormal conditions,” when the revenue has pretty well doubled. Why, the hon. gentleman should go to school and have a few lessons. I shall deal with the conditions. The hon. gentleman must know that the conditions that have prevailed, and which have brought about the circumstances I have indicated, have been the result of not knowing how to finance the affairs of the country.

THE SECRETARY FOR MINES: I refer to the first four years of our Government.

HON. W. H. BARNES: Unfortunately, the last four years have been worse than the first four years. What has happened during the past financial year? The income tax revenue exceeded the estimates by £82,552. Wherever the Government had an opportunity of putting their hands into the pockets of the people—I speak now in a political, and not in an offensive sense—then, Mr. Pollock, have you noticed how they have been put in? It is a most wonderful method of financing!

MR. COLLINS: Obtained from the rich people.

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HON. W. H. BARNES: The only thing that does please me in regard to that interjection is that a great number of the very rich are on the other side of the Chamber.

Mr. COLLINS: No.

HON. W. H. BARNES: Oh, yes. I know that a great number of hon. members on that side are very rich, and that being so, there is some compensation even in taxation.

During the past financial year, land taxation exceeded the estimates by £31,940. Wherever they had a chance of securing money the chance was availed of to its fullest extent. I think even the genial Minister for Mines would be a party to it so long as it was done in a legitimate way.

What other methods were adopted? The poor old stamp duty! An increase of £115,426 was secured largely from the pockets of the commercial community; and that is largely why—I wish to make this point to-day—industry is suffering to the extent that it is at the present time. There is no question that industry is suffering; and every time an opportunity presented itself the Government took the fullest opportunity of exploiting it and cutting into industry. That is what has made the position more and more difficult for the community.

Let us now examine the estimated revenue in connection with the railways. I shall show in connection with some of the figures which I am now about to quote, that it is very regrettable that the figures were not realised. Land revenue fell short of the estimate by £47,628. I shall be able to show later on that the tendency, as a result of the administration of this Government, has been to draw from the country to the city at the expense of soundness of finance in connection with the State.

The land revenue fell short of the estimate by £47,628, and in connection with the railways the revenue fell short by £186,048. What has brought about this position? The railway revenue was not affected by reduced railway charges. I know that the Treasurer will claim that concessions were granted in connection with the carriage of starving stock. In that his Government were only following in the track followed previously by Liberal Governments, who, in the hour of adversity, helped the man who was struggling. May I remind him again that that happened in regard to Mount Morgan? Where an industry was concerned, there it was found that the Liberal Government were out to help and try to assist in overcoming the difficulties cropping up in connection with it.

Mr. W. COOPER: Excepting co-operative companies.

HON. W. H. BARNES: What does the hon. member know about co-operative companies?

Mr. W. COOPER: I know as much about them as you do.

HON. W. H. BARNES: No Government had so much to do with extending co-operation as the previous Liberal Government.

OPPOSITION MEMBERS: Hear, hear!

HON. W. H. BARNES: At every turn they said to the co-operators, "Come along and help yourselves, and we will encourage and help you."

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The Treasurer estimates his receipts from the Commonwealth at £1,096,235.

The TREASURER: That is not an estimate; it is a fixed quantity.

HON. W. H. BARNES: It is fixed on a certain scale. The hon. gentleman will admit that his estimates last year were based on a fixed sum, but, somehow or other, through Western Australia not becoming a party to the agreement, that estimate was upset. These things can happen again.

The TREASURER: If the people do not agree to the alteration of the Constitution, we shall be upset again.

HON. W. H. BARNES: I admit that. The agreement has to be confirmed by the various States, and by the people as well. It is apparent that under the new arrangement, taking the Treasurer's own figures, this year we shall receive £34,000 less from the Commonwealth than was received last year.

The TREASURER: You know that will be an increasing amount.

HON. W. H. BARNES: It will be admitted that I was one of the members on this side of the Chamber—perhaps all of us stood up—who declared that the agreement was an excellent one for the Commonwealth.

The TREASURER: You said it all right; but you are very charitable to the rest of your colleagues.

HON. W. H. BARNES: My colleagues are very much more able to look after themselves on this subject than I am.

The Treasurer does not intend to do so much squeezing in regard to income taxation. Do you notice, Mr. Pollock, how last year at every possible turn he squeezed, squeezed, and squeezed?

The TREASURER: Did you feel "squozen"? (Laughter.)

HON. W. H. BARNES: That is not a parliamentary expression, and, that being so, I cannot answer it. (Laughter.) I leave it to the hon. gentleman to explain it himself.

I notice that the Treasurer expects to receive from income tax £287,000 less this year than last. Somehow or other, I think he must have been sitting down and repenting over the stamp duties. He has quite good moments, and he probably sits down then and says, "What have I been doing this and the other thing for?" Then he says, "I will only put down £1,100,000 for stamp duties this year—that is £15,000 less than the amount collected last year. Won't that be an attraction for the coming election, when the commercial community see that there will be a reduction of £15,000 in stamp duties this year?"

The TREASURER: The commercial community don't vote for us, do they?

HON. W. H. BARNES: I heard the hon. gentleman say the other day that a good number of them did. My point is: If they do not vote for him, is it the hon. gentleman's duty to squeeze them?

The TREASURER: I accept your assurance that they do not.

HON. W. H. BARNES: I want to deal also with the matter of mining receipts. In the first place, one has to think of the larger

interests of Queensland, and, as I have said before, it is our first duty to see how much we can help Queensland. It must be a matter of deep regret to every hon. member that the mining receipts are growing less and less. It is regrettable to find that, particularly when we recall—and I remember the time—when Gympie came along and saved Queensland. Every hon. member of the Committee, and of the Government in particular, ought to do everything in his power to encourage legitimate mining. I do not suggest that we should embark upon some of the wild undertakings that have been embarked upon.

Mr. KELSO: You do not refer to Chillagoe?

HON. W. H. BARNES: I might say Chillagoe or Mungana, but I am merely talking in a general way.

The TREASURER: You are talking all round them. You are in a good humour now.

HON. W. H. BARNES: I am always in a good humour, and, generally speaking, the Treasurer is in a good humour also. (Laughter.)

Dealing with another subject, the railway revenue is estimated to reach £7,700,000 this year, being £326,000 more than last year. I am sure that every member of this Committee will wish for a realisation of that estimate, because in this great State of ours no man worthy of his position will desire that calamity should prevail.

I propose to deal fully with taxation, and to quote in part from page 8 of the tables relating to the Treasurer's Financial Statement. Reviewing taxation receipts from the year 1914-15 onwards, we find that in that year the total was £954,457, that for thirteen years up to that period the total was £7,990,869, and that for thirteen years of Labour rule the total is £42,426,380. These are alarming figures.

Let us make another comparison: In 1926-27 the actual receipts from taxation amounted to £4,502,340, and last year to £4,978,083—an increase in one year of £475,743. I want to be fair to the Treasurer, who has stated that we have reached the highest point—I do not wish to put words into his mouth—that it is possible to go in the direction of taxing people.

The TREASURER: As far as it is possible to go.

HON. W. H. BARNES: Just as far as it is possible to go on the eve of an election.

Mr. H. J. RYAN: Now you are putting words into his mouth.

The TREASURER: So far as it was wise to go.

HON. W. H. BARNES: It is quite possible to go and go and go until they are all "snuffed" out, and there is no revenue at all. And we have got pretty well to that position now. As a result of what the Government have been doing, industries have all gone in the direction of being nearly snuffed out.

The TREASURER: How can they be in that position when we got more revenue last year?

HON. W. H. BARNES: Have you ever heard of the money-grinder? Have you ever heard of the man who uses the screw? Have you ever heard of a man being forced to go here, there, and everywhere in order to

collect money to pay his dues? That is where we have got to.

Let us look at what happened last year in connection with stamp duties. Stamp duties for 1926-27 amounted to £960,236; and for 1927-28 to £1,115,426.

The TREASURER: You know where the bulk of that came from.

HON. W. H. BARNES: I know where the bulk of it came from, and I know that some of it came from increased stamp duties.

The TREASURER: From succession duties. If a wealthy man dies, of course succession duties are greater.

HON. W. H. BARNES: I know—we would not like it to happen—that the Treasurer himself may die, and then, of course, we would get increased stamp duty.

The TREASURER: That is very ungenerous.

HON. W. H. BARNES: No one on this side wishes that to happen.

The TREASURER: You will have to be careful that it does not happen to you.

HON. W. H. BARNES: It happens to all of us; but some of us are poor, and some of us are rich—that is the difference. (Laughter.)

Then there is another side of the picture, and I want to draw the other side of the picture.

The TREASURER: Perhaps we shall meet on the same side.

HON. W. H. BARNES: Then I shall meet a very cheerful companion indeed.

Now I come to the question of greater settlement. The hon. gentleman will agree with me that it is essential in the interests of this great country that we should get more people to embark in industries which have to do with the land. It is absolutely vital that we should do all we possibly can to develop our land; and in that connection I do not know whether, scientifically, we have done sufficient in the direction of seeing what can be accomplished with land. Apart from the very good land, how much land adjacent to railway lines is lying idle, with all the facilities that there are to-day? I wonder sometimes whether, scientifically, we have done all we could to put those lands to certain uses, to the advantage of the community in general, and especially to advantage to the country. Let us look at things as they are. In 1926-27 the total amount received from selections was £618,294; in 1928 the amount received in this connection was £614,567—a reduction of nearly £4,000.

Let me draw another picture which I think very largely explains that position. From 1908 to 1914 the population increase in shires was 77,474; from 1920 to 1926 there was a decrease in the population of shires of 26,358. Where are the people going? It seems to me that the inducements on the land are becoming less and less, and people are gravitating towards the city. That cannot be a good thing, and it cannot be in the interests of the community. The leasehold system may have something to do with it.

The TREASURER: There are selections which are in process of alienation.

HON. W. H. BARNES: The hon. gentleman will always have a good story to tell—I suppose he would not be Leader of the Government if he had not. I know he will

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say that the drought had a good deal to do with it.

The TREASURER: No, I am not attributing it to the drought. The process of alienation is going on.

HON. W. H. BARNES: The drought has had something to do with it; and everyone will regret that the drought is still so bad in some parts of the country. We shall all be happy when copious rains fall, because it will be in the general interests of the country. One of the dangers in public life to-day is that we put on spectacles, and can see in only one direction, which we think is the be-all and end-all of the matter. The big thing we have to face to-day is the realisation that every industry and every section of the community, whether in the city or elsewhere, is part of the great whole helping to build up a great Empire. That is the very important lesson we have to learn.

Railways receipts were estimated to amount to £7,560,000 last year; the actual receipts were only £7,373,952—a difference of £186,048.

I would refer to the Treasurer's remarks in his Financial Statement with regard to land revenue. He said the position was largely due to bad seasons. Bad seasons, of course, account for it to some extent; but the hon. gentleman would have been right if he had said that it was due to bad government and want of sympathy. The hon. gentleman said, "I have always had full sympathy for the land. I have been Secretary for Public Lands, and no man can be in that position who has no sympathy for the man on the land."

The TREASURER: You were Secretary for Public Lands once.

HON. W. H. BARNES: I was for a short time and I straightened up some papers which needed straightening up.

The TREASURER: You left your photograph on the wall.

HON. W. H. BARNES: I am glad it is one of the adornments there.

The SECRETARY FOR PUBLIC WORKS: That is not the only wall on which it appears.

HON. W. H. BARNES: A report appears in the "Courier" in regard to the amendment in 1925 of the Land Act of 1910. I mention this to show that somehow or other the Treasurer could not have been too sympathetic with land development. The report states—

"Mr. Morgan said when the Bill came in that the Act was being amended every week.

"Mr. McCormack said, 'If a man hits you on the nose, don't you look after it.'"

My word you do! A man said to a man when crossing the bridge that he felt he would like to give me a "plug." My answer was, "If he gave me a 'plug,' I would have a try to see what I could do to him, though I know I should come off second best." The quotation continues—

"Mr. Clayton: You are hitting the man on the land."

Then the Treasurer is reported to have said that he deserved to be hit.

The TREASURER: That is not true.

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HON. W. H. BARNES: I must accept the hon. gentleman's statement.

The TREASURER: I got the shorthand notes of the "Hansard" reporter, and it was not there.

HON. W. H. BARNES: I must accept the hon. gentleman's statement; but it is quite safe, is it not, to take the report of a leading paper as correct?

The TREASURER: No.

[2.30 p.m.]

HON. W. H. BARNES: No? Well, we differ there. The hon. gentleman can take it from the "Standard," but not from the "Courier?"

The TREASURER: According to the speech of the Chairman of Committees this morning, it is not safe to take "Hansard."

HON. W. H. BARNES: If I am not correct in my facts, the hon. gentleman can straighten them out after me; but my opinion about "Hansard" is that nobody could report more faithfully than "Hansard."

The TREASURER: I say that to show that, if "Hansard" can make mistakes, newspapers can also make mistakes.

HON. W. H. BARNES: Yes, and members of Parliament can make mistakes. You had evidence of that ye-terday, did you not, Mr. Pollock?

Then I want to draw attention to the transfer of the money standing to the credit of the Stock Embargo Account to revenue. I can remember all about that account. A lot of the poor men on the land wanted to realise money in New South Wales and Victoria from their stock, and this Liberal Government—I mean this Labour Government—said, "No, you cannot. We must look after poor Queensland. Don't send any of your stock away, but, if you do send any out, you must pay us so much per head. Of course, it will be paid back when the stock return to the State." They have not come back, and the Government have not returned the money. The Treasurer—sensible Treasurer, I suppose—has been pocketing it.

The TREASURER interjected.

HON. W. H. BARNES: I do not mean that personally. I mean that he pocketed it for the good of the country.

Now, I want to deal with another matter which has been revealed very fully by an answer that was given to the hon. member for Toowoong this morning. I think hon. members will remember that ever since I have been in this Chamber I have taken the stand that the Queensland Government Savings Bank should have been retained by the State. When the proposal was originally made that the Commonwealth Government should take it over, I was one of the Treasurers who took every step possible to see that we kept our own business. No doubt we did that for a time. At any rate, at every turn we did everything possible to hold the important business connected with Government Savings Bank, because it was such a vital factor in helping us to develop Queensland. The fact now is revealed—and I have only a very rough summary through the courtesy of the Clerk of the Parliament—that there has been a decrease, and that, according to the Treasurer, the amount of the decrease—

The TREASURER: Make quite sure of that

HON. W. H. BARNES: I will come to the hon. gentleman when I find myself hazy about my facts.

The TREASURER: Don't you think it would be advisable to go to the Treasury officials?

HON. W. H. BARNES: At any rate, the Treasurer will not deny that on one occasion there was a decrease of £523,209.

The TREASURER: At one period.

HON. W. H. BARNES: I am only dealing with that one period, and 70 per cent. of it had to be repaid to the Commonwealth.

The TREASURER: Many times it has been the other way.

HON. W. H. BARNES: Will the hon. gentleman tell me how many times?

The TREASURER: You ask a question, and I will tell you.

HON. W. H. BARNES: No doubt I shall ask a question some day, but I shall deal now with the £523,209. While some of the other States are holding most tenaciously to their savings banks, it is pathetic to think that we allowed ourselves to get rid of ours, and are now paying a higher rate of interest to the Commonwealth Government than we were previously paying to the depositors of this State. Surely that is one of those factors which have materially injured us! I say that it was a crying shame, and it was only the needs of a Government who were hard up—I say that emphatically—that led to that most vital asset of this State going the way it did go. So long as I have the opportunity to get on my feet in this Chamber, so long will I denounce it as being unfair.

The TREASURER: Supposing we had kept the bank and were £500,000 short in that period, where would we have got it from?

HON. W. H. BARNES: The hon. gentleman is asking questions which he will have an opportunity of putting up and answering for himself.

The TREASURER: The Commonwealth Government consider that they got a bad deal.

HON. W. H. BARNES: I wish to deal with another matter to show that the action of the Government in their expenditure of money has not been in the direction of helping the worker of the community. Take the buildings constructed by the Department of Public Works. These figures show the amounts expended in that direction—

	£
1918-19 ... ..	101,410
1927-28 ... ..	105,009

In nine years there has been only a very small increase in the expenditure from revenue in that direction.

The TREASURER: Do you think that brick buildings fall down every ten years?

HON. W. H. BARNES: I know that big people sometimes fall down on their job.

The TREASURER: Answer my question! Could the Government continue to construct buildings that were not required?

HON. W. H. BARNES: No; but I do know that many a poor building has been crying out, "Oh, paint me." I do know that many school committees have pointed out how the school buildings have been neglected.

The TREASURER: I do know that during your term of office many school teachers came along saying, "Oh, pay me enough to get food." (Laughter.)

HON. W. H. BARNES: I shall deal with that phase later, if I have time; I hope that I shall be able to get to it. I shall show that the cost of living has increased so very much that, when an analysis is made, it will be found that there is very little difference between the conditions existing when I was a Minister and the conditions existing to-day. The saving of £10,000 in the appropriation for public buildings last year shows how very niggardly the Government have been in connection with their building programme. Truly economy at the wrong end, and one of the causes of unemployment!

I wish to draw attention to another phase of the land question. There is a diminution in the forestry figures, due, no doubt, as the Treasurer stated, to a general depression in the sawmilling business. That may be one reason. No one can get up on his feet and say that there is not a general depression. I want to be fair in my argument; but are there not other reasons which might far outweigh what has been said by the Treasurer? It has been the aim of the hon. gentleman—I say this in a political sense—to get at the pockets of the people. These figures show the timber royalties collected—

	£
1918 ... ..	79,206
1927-28 ... ..	236,725

Does that not show that the Forestry Department has created a difficulty—that buildings are costing too much and that the State has led the way? Take workers' dwellings and workers' homes. The State has led the way in increasing costs by the money they have exacted through the Forestry Department. We have a right to-day to look for the causes.

The TREASURER: It is all right for private enterprise to secure that money—Brett and Co. and other people.

HON. W. H. BARNES: I have no interest in Brett and Co., but I have a big interest in this State of Queensland, and this party has a big interest in this State of Queensland. We are not here to advocate the interests of Brett and Co. or the interests of any other company. We are here to advocate what is best for Queensland.

The TREASURER: They are getting it, just the same.

HON. W. H. BARNES: Let us be serious in this matter. This does not apply to Queensland alone. The other day, when we were discussing matters in this Chamber, a question arose in regard to coal coming from Wales to Adelaide. There is something wrong when coal can be imported all that distance across the water in successful competition against our local coal.

Mr. COLLINS: It was imported because your party are not patriotic Australians.

HON. W. H. BARNES: I thoroughly believe that every Australian is patriotic.

Mr. FERRICKS: You did not say that during the war.

HON. W. H. BARNES: But it must be remembered that the question of supply and demand comes into these things. That is a question that is facing us to-day. We have to wake up and try to find out what

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is the cause of these anomalies that exist to-day. Our first duty as public men is to the Commonwealth of Australia.

The TREASURER: One of your members sought to supply the reason, and you "biffed" him.

HON. W. H. BARNES: I did not "biff" him; but, if I had the power, I would "biff" the hon. gentleman and his party out of power to-day.

The receipts from the railways, about which we hear so much, amounted in 1918-19 to £3,983,077; in 1927-28 they were £7,373,952. The Government cannot plead that in these particular businesses which they have had in their hands they have not brought about the financial trouble in which they find themselves to-day. There has been no slipping so far as the receipts are concerned. They have been increasing and increasing as a result of increased taxation, largely on the producers; yet, notwithstanding that increase in those nine years of about £3,500,000, the working of the railways shows a loss. We have a right to endeavour to ascertain what is the cause. The Government have raised railway freights on the producers; they have increased the income tax; they have raised nearly everything it has been possible to raise.

Mr. BRUCE: They have also raised the standard of living.

HON. W. H. BARNES: I question very much whether the standard of living has been raised when everything is boiled down; but in a moment I will deal with the assertion that the Government have raised the standard of living. They certainly have raised the cost of living. They have raised the number of men who have been unable to get a job to an extent hitherto unknown in Queensland. The more's the pity of it!

Mr. FERRICKS: Yet you advocate immigration.

Mr. BRUCE: The Prime Minister raised the number of the unemployed.

HON. W. H. BARNES: Notwithstanding that the Government have had an increase of £1,407,247 in income tax receipts in nine years, we find ourselves in the position we are in to-day. In explaining the expenditure on main roads account, the Treasurer stated that wet weather was chiefly responsible for it. I am prepared to admit that, when it is raining, you cannot work on the roads; but I do not think it was raining for the whole twelve months. The expenditure on main roads for the last financial year was £372,105, while the receipts were £543,955. The Treasurer knows the needs of the people to-day, and he should hurry up and spend some of that money.

The TREASURER: You know how it is allocated.

HON. W. H. BARNES: I do.

The TREASURER: That is another fund, and we have not the power to use it.

HON. W. H. BARNES: I know that, but later on I will show that the expenditure has been very great indeed during certain periods in some years.

The TREASURER: You know all about that fund.

HON. W. H. BARNES: I understand all about it, and I am very glad that the Treasurer will be able to tell us about it.

[Hon. W. H. Barnes.]

The TREASURER: I am telling you so that you will not mislead yourself. (Laughter.)

HON. W. H. BARNES: Some people may try to mislead me, but I am very careful that I never mislead myself. (Renewed laughter.)

I want to point out where we are drifting from the point of view of unemployment, which is a very serious matter. In the year 1923-24 unemployment sustenance payments amounted to £165,243; in the year 1927-28 the amount had increased to £412,220, or an increase of £246,977. Of course, the employees contributed largely to those payments. My point, however, is that, if we go on increasing at that rate, five years hence the contributions will have to be £1,242,885.

The TREASURER: There will not be another five years of depression.

HON. W. H. BARNES: It has been a depression ever since the hon. gentleman assumed office, and, if he happens to retain power after the next election, there will be another five years of depression. I hope the hon. gentleman will not be successful. The genial Secretary for Public Works will smile and feel that his leader cannot make any mistake.

The SECRETARY FOR PUBLIC WORKS: You are better off under a Labour Government than you were under a Tory Government.

HON. W. H. BARNES: This is a matter which cannot be treated in any light manner. The trouble is that there are some people who do not even get a benefit under the unemployment insurance fund, because all people do not and cannot come under that scheme. I do not know that I have ever had an experience before of people suffering from want as they are suffering in Brisbane to-day. The position is really heart-rending in some cases. The reason is that taxation has increased to such an extent—

The TREASURER: Why are similar conditions existing in other States?

HON. W. H. BARNES: You will notice, Mr. Pollock, how very frequently the hon. gentleman wants to go and live for a time in New South Wales, Victoria, or South Australia.

The TREASURER: Why I ask is that I want to see you wriggle. (Laughter.)

HON. W. H. BARNES: At the present moment I am very much concerned about Queensland, and I want to show the hon. gentleman how taxation has increased.

The TREASURER: If you were honest and wanted to get to the truth of these things, you would investigate the causes.

HON. W. H. BARNES: In 1914-15 taxation amounted to £10 12s. 10d. per head.

The TREASURER: Was not that the year you were defeated?

HON. W. H. BARNES: It was the worst day that ever happened for Queensland. In 1927-28 the taxation was £18 11s. 10d. per head. Expenditure in 1914-15 was £10 12s. 9d. per head; in 1927-28 it was £18 11s. 7d. I would like to deal with the cost of living, and propose to quote from the "A B C of Queensland and Australian Statistics." According to the A B C, "what is the position? In 1914, with a weighted average of 20s. in six capital cities, the cost in Brisbane



was 17s. 4d. We were the lowest. We are the lowest still—

	s.	d.
Melbourne ... ..	18	8
Hobart ... ..	18	9
Sydney ... ..	21	0
Adelaide ... ..	21	5
Perth ... ..	23	3

What was the position in the third quarter in 1926—the latest figures that are given in the "A B C"?

The TREASURER: You are twelve months out of date.

HON. W. H. BARNES: The hon. gentleman is always out of date. In 1926 the weighted average for the six capital cities was 35s. 4d.—

	s.	d.
Brisbane ... ..	32	5
Melbourne ... ..	34	9
Adelaide ... ..	34	3
Perth ... ..	34	4
Hobart ... ..	35	6
Sydney ... ..	37	0

Surely there is food for thought there! Hon. members opposite say, "Look at the big difference, and see how big and kind we have been!" These figures do not reveal that they have been kind. It seems to me very largely that one side has got so much and the other side has got very little. They really have not been kind. It is the bunch of carrots held up again and again to try to induce people outside to believe that certain things have been done.

The TREASURER: When you were Treasurer you were the champion carrot farmer.

HON. W. H. BARNES: I am dealing with the present position.

Now take the question of factories. The figures show that there has been a considerable falling-off. Why? Factories last year, compared with the previous year, were twenty fewer; there were 2,363 fewer employees; and there was a decline of £4,573,101 in the value of the output. Surely that indicates that there is something wrong! Either we cannot compete with the outside world and the other States, or something is happening which is putting us right back so far as that is concerned. That is one of the things which we should look into and see if we cannot find some remedy.

The TREASURER: That is one of the problems facing Australia.

HON. W. H. BARNES: I admit that what Mr. W. T. Murphy said in the "Economic Record" of May, 1923, in connection with the Bureau of Census and Statistics, shows that in 1926-27 the severity of income tax per head of population was—

	s.	d.
New South Wales ...	60	0
Victoria ... ..	25	0
Queensland ... ..	87	0
South Australia ...	48	0

That shows where Queensland is getting, and that is one of the causes why we find ourselves in our present position.

The TREASURER: Is that why Victoria is the worst-governed State in Australia?

HON. W. H. BARNES: No; it is because there is a Labour Government in power in that State. The hon. gentleman is trying to sidetrack Queensland's dire needs by referring to Victoria. I am a Victorian, but

at present I am living in Queensland, and I put Queensland first every time.

The TREASURER: You pay no regard to facts.

HON. W. H. BARNES: I pay every regard to facts.

Look at the loan fund. When I asked a question yesterday on this matter, the Treasurer very kindly referred me to the Treasurer's Tables. I had already consulted them. On page 3 of the Auditor-General's report for 1927, this paragraph appears:—

"As the credit balance of the Loan Fund at 30th June, 1927, was £5,235,513, and the net bank credit of all funds at the same date was £1,863,644 only, it is obvious that the loan fund is carrying the accumulated deficits of the Consolidated Revenue and certain Trust Funds overdrafts to the extent of £3,371,869."

I would draw the attention of the Treasurer to his own table, to which he referred me yesterday. The amount of £1,863,644 11s. 9d. is a credit, which is revealed by the Auditor-General. This year it is £4,355,536. I would ask the Treasurer the reason for that. It has been very significant to see that on the eve of an election the credit balance has always been greater than at any other time. It may be that the cost of elections has become so very great that it is necessary to have a particularly big amount. I presume that the Treasurer is getting interest on it, and that it is not lying idle in the bank.

The TREASURER: Very little.

HON. W. H. BARNES: Yes; I will bet on the hon. gentleman every time when money is concerned. I am very glad to hear that it is. Is it not significant that that amount of money should be lying at credit, just as it is so conveniently as at present, in view of the coming elections?

The TREASURER: Just a loan flotation.

HON. W. H. BARNES: It is extraordinary that loan flotations have always come at the same time; the luck of the Government has been wonderful in that particular regard. If I had time I would be able to show how their luck was in.

The TREASURER: The Loan Fund is well managed.

HON. W. H. BARNES: The hon. gentleman says it is well managed. This is one of those things which indicates that the Treasurer and his colleagues were very careful to guard against the coming elections.

Putting everything else on one side, the aim of the Government should be to face the needs of Queensland, which are very great. Our legislation has been very largely of a pin-pricking character, and not calculated to assist in the settlement of the big questions which are paramount in the advancement of this great State. We are not "Little Britishers." Our first duty is to see what we can do to assist in the advancement of this great and glorious State. Are we doing it? Are the Government doing it? Looking at the Financial Statement, we see that at every turn our view has been as narrow as possible. Instead of taking a wide and comprehensive view, free from party politics, a narrow view has been taken; and to-day Queensland finds herself harassed and bothered; and the pity of it is that man after man cannot get a job to-day because, unfortunately, the government of the country has fallen into the hands

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of incapable men, who have not been able to do their job as they ought to do it. It is regrettable that such should be the case. Might I ask the Government to rise to something bigger and greater, and to feel that party interests should be thrown on one side in the general endeavour to advance the interests of Queensland? One of the pressing needs is to help to establish manufactories in the cities, where men are unemployed, and to give encouragement, instead of harassing and biting at employers at every turn. Biting has been going on, and the result to-day is that the depression in Queensland, particularly in Brisbane, is greater than it has ever been before. I hope the Government will consider this matter, and that the men on the land will find that their hard work is going to be followed by abundant returns. Every one of us will endorse that hope, and that the Government will at least have some greater incentive than they have to-day to lift this great and glorious country to the position she has the right to enjoy.

Mr. KERR (*Enoggera*): One of the first things that confront us in the Treasurer's Financial Statement is the surplus, which, to use the hon. gentleman's own words, has given him a great deal of satisfaction. [3 p.m.] I do not think that, under the circumstances, any cause for satisfaction can be claimed. There is one point alone that condemns the Government. One has only to turn to the railway figures to find that the Government are budgeting there for a shortage of £1,570,789. That is in one undertaking—the principal undertaking of the Government. That alone should condemn them; but there is the additional fact that in 1914 the previous Government had an income sufficient to meet the full working expenses and interest bill. A good deal of study is required to understand the financial position of the State; and, although the Financial Statement sets out to review the whole of the ramifications of the State, there is nothing in it other than the details of one year's transactions, so that we cannot say that it is a true reflex of the financial position of Queensland. We have to go a long way beyond the details of one year in order to find where we stand. It may be said that because the annual budget balances the financing of the State is on a sound basis, but that is not true. We have to look at the effect of the budget. We have to look to the future, and see what the result is going to be. In this case the future is disclosed to the tune of an expected deficit of over £170,000, which alone is an indication that the future does not hold a great deal of promise for us.

Sticking religiously to the finances of the State does not make for very interesting speechifying; nevertheless, they call for a great deal of examination in order to see how they have been mismanaged—one could honestly say mishandled—by this Government. In the first place, the public debt of this State makes a call on our revenue to the extent of £5,079,570 annually; so that it is the second largest item of expenditure the State has—the Railway Department being first. I venture to make the statement that the public debt of a young progressive State cannot be too great, provided, of course, that that debt is invested in such a way as to return an income sufficient to pay the interest and all other charges. At one time Queensland had the largest public debt per

head in all the States of Australia, with one exception.

To-day we are not in that position at all. Although the public debt per capita has decreased, we are faced with the impossible position of considerably increased taxation. When our public debt per capita was practically the lowest in Australia we were able to secure practically sufficient revenue for public works constructed from loan money to meet our interest charges; but now that the expenditure of loan money per capita is practically the lowest revenue is called upon to a greater extent to meet the interest on that expenditure. Before the advent of this Government revenue was required to produce 3½ per cent. of the money necessary to pay interest on loan expenditure; to-day 16½ per cent. of the present revenue is required to meet those charges. It is rather significant that the charge on revenue should be increased ten times, whereas the interest on the public debt has only trebled. There is need for some very hard thinking in connection with this matter. These figures show the public debt per capita in 1914-15—

	£	s.	d.
Queensland	...	82	9 6
New South Wales	...	68	7 2
Victoria	...	51	4 9
South Australia	...	80	1 6
Tasmania	...	66	3 9
Western Australia	...	114	15 9

It is significant that, with the exception of Western Australia, the expenditure per capita in Queensland was the highest, and, in addition, we were able to meet full interest charge from revenue, with a margin to spare. At that time taxation amounted to about £1,000,000; to-day it has increased to £4,000,000. There is something wrong. The position has been created by the drastic taxation methods of the Government; and in this connection it would be well to refer to the remarks of Mr. Demaine, an outstanding figure in the Labour movement. He mentions that money must be obtained, and it can only be obtained by taxation. In speaking at a Labour convention he said this—

“We must have money, and those who through the protection of the State have made large profits and fortunes must produce it. (Hear, hear!) Increased taxation and large increase in confiscatory death duties should be resorted to.”

“Labour Government has done something fairly substantial along those lines. The delegates of this convention industrially and politically are the representatives of this great Labour movement of ours. It is the hope of the world's regeneration. They should all sink their differences and work shoulder to shoulder to secure victory.”

“The capitalistic interests are threatened as never before by the Labour Administration, and will make their supreme effort. Let us make ours also.”

“I trust our deliberations during this the tenth Labour-in-politics Convention will be characterised by reasonableness and good-fellowship, and that the business to be dealt with will be put through with the utmost facility.”

GOVERNMENT MEMBERS: Hear, hear!

Mr. KERR: Hon. members opposite still say “Hear, hear!” We have to bear in

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mind the purposes for which taxation is imposed in this State. We have also to realise that capital coming to this country has not to be killed by "Hear, hears!" by hon. members opposite, but has to be given encouragement. No member of the Labour Party is game to say on a public platform at election time that capital is not to come into this country. They only say so on the floor of this Chamber or at Labour conventions, when the public are not listening to them. It is only on such occasions that the policy of the Government is to tax, tax, tax this capital out of existence. We and the people are entitled to know just how far we can proceed with this taxation. The people should understand the policy of the Labour Party in this connection. The Government to-day are borrowing money and spending it on non-reproductive works for the purpose of killing what is known as the capitalist, and the people are being taxed to enable the Government to continue that policy. Who is the capitalist? He is the person we have been looking for to come to this country; but he is to be killed by the "Hear, hears!" of hon. members opposite. Where are we drifting to? Capital is always a shy bird, and, if publicly denounced in this manner, it is not likely that we can induce it to come to this State. The time has arrived when some declaration on the subject should come from hon. members opposite. The policy of our party is to induce capital and labour to get together.

OPPOSITION MEMBERS: Hear, hear!

Mr. KERR: Labour cannot take out of capital more than is in it. We have on every occasion to stress that fact. That does not mean a reduction of wages. What we want is increased productivity—not by a reduction of wages, but by the introduction of capital, when it is more likely that wages will be higher and not lower. That is the difference between the policies of the Labour Party and the Opposition. While we are out to help the people, the policy of Labour is kill, kill, kill by taxation. I do not know how long this policy will go on.

Let me repeat that a large public debt in any country that can secure a sufficient return from it is not a bugbear. Under sound administration a public debt is the finest thing in the world. What is to a large extent the cause of unemployment to-day? The cause is to be found in the fact that the Government have been restricting loan money because, by their lack of initiative, they cannot find reproductive channels of investment. If you stop £1,000,000 from circulating in wages in a small country like this, the result is that the people who were formerly drawing wages to that amount are thrown out of employment. It is no use the Government coming down to this Chamber with a policy to restrict loan expenditure. My policy would be, not to have the smallest public debt but to find reproductive avenues for the expenditure of loan money. That would call for initiative, as the money would have to be spent to advantage, and not be a burden on the taxpayer. We say that the Government have lost their initiative, and have no courage at all in this matter. There are only ten members on the front Government bench, but they have lost their initiative, and the remaining members of the party are following them like sheep. Not one of them has raised his voice in protest in this respect.

To-day we had the spectacle of a discussion that affected the Department of Public Works. Was the Minister in charge of that department, who at the time was sitting on the front Government bench, prepared to answer to the best of his ability the questions that arose? No! We found the Treasurer coming forward and taking the matter out of the hands of the hon. gentleman. To-day the Treasurer is taking everything out of the hands of hon. members on that side of the Chamber, and they know it. They sit tight while thousands of persons are unable to get employment in Queensland to-day.

I repeat that the public debt, irrespective of its size, is not a handicap to a young country so long as it pays its way. We had the largest per capita public debt of any State in Australia, with the exception of Western Australia, in the year 1915, when the taxation per head was £1 8s. 4d. in Western Australia and £1 8s. 2d. in Queensland. That was less than the average for the rest of Australia. Apart from that, a healthy public debt means progress, and this question must be considered more than any other. It should not be left to private enterprise to take the initiative in every case, although I believe that, if the Government give a lead, private enterprise, not only in Queensland but in every other State, will follow. Our public debt is an outstanding disgrace in regard to its earning capacity. It is the worst of any in the Commonwealth, because it earns less in proportion than in any other State.

I propose to show the avenues through which this money is being lost, and where it is not even earning interest. Queensland should be in the best position of any State of the Commonwealth.

Mr. BRUCE: It is.

Mr. KERR: It is not. According to "Bulletin No. 13," issued by the Commonwealth Statistician, during the last ten years Queensland has spent less loan money per capita than any other State of the Commonwealth, with the exception of New South Wales. The statement that is frequently made that more loan money per head has been spent in Queensland is not true, as the following figures up to the 30th June, 1927, will show:—

	Expenditure per capita for ten years to 30th June, 1927.
	£ s. d.
Western Australia ...	84 2 7
South Australia ...	70 18 2
Victoria ...	49 10 0
Tasmania ...	48 11 0
Queensland ...	46 1 0
New South Wales ...	41 19 3

I quote these figures for this reason: If the per capita loan money spent in Queensland during the last ten years is lower than in any other State in the Commonwealth, is it not feasible to ask that that money should easily have given a sufficient return? Had we spent double the amount of loan money, I naturally would have argued that we were over-spending.

The Government say they are going to restrict loan expenditure. I quite agree that, if they cannot find an avenue of expenditure whereby a sufficient return will be received, by all means restrict it. I should say cut it

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right out, because the taxpayer cannot continue to make up the deficiency. When, in this young country, with our small population and vast area, in the last ten years the Government spent less loan money per capita than any other State in Australia with the exception of New South Wales, there is something desperately wrong. That should have been an advantage to the Government, but it was not. That requires a good deal of explaining. That is the position with regard to the last ten years of this Government; but, strange to say, in 1915 this State spent more loan money per capita than did Victoria and the other States, showing that under the previous Administration we were able to spend more loan money per capita and get a sufficient return to pay interest. When a lesser amount of loan money is being spent under a Labour Government, we are only able to get a return through the taxpayers' pockets. One cannot reconcile the position under any circumstances. To-day the position in regard to unemployment is intolerable, and I want to see placed on the Treasury benches as quickly as possible a Government that can find some employment for these people. I want to see some expenditure that is a good asset to this country, and not an everlasting drag on the taxpayer.

Another important matter is the interest rate paid on the public debt. It is very interesting to know that Queensland pays a lower average interest rate than any other State in Australia, with the exception of Western Australia. Here are the figures:—

Average rate of interest.	
Per cent.	
	£ s. d.
New South Wales ...	5 0 3
South Australia ...	5 0 6
Tasmania ...	4 18 2
Victoria ...	4 18 1
Queensland ...	4 16 0
Western Australia	4 11 6

Is it not an advantage to pay only £4 16s. per cent. interest on the public debt of Queensland as against £5 0s. 6d. paid by South Australia, and £5 0s. 3d. paid by New South Wales? We know what that means to the Treasury of this State. It means £200,000 less expenditure. Who is responsible for that low rate of interest? Not the present Government, because an examination of the figures discloses that the money borrowed by them has always been at a higher rate of interest, or, at least, the same rate of interest as that paid by the other States of Australia, New Zealand, and other countries. There has been no advantage secured in connection with borrowing by this Government. The confidence displayed, and the progressiveness of Queensland before this Government took charge permitted money being borrowed at a very low rate of interest. That is why we have the lowest average rate of interest to-day. Is that not an advantage? If we had to pay the same rate of interest as the other States of Australia, we would be paying £200,000 more in interest. What about the miserable £10,000 surplus? Where would it be? We are in a very happy position in that regard.

Let me emphasise these two points: We have the lowest average rate of interest in Australia with the exception of one State, and during the last ten years we have spent less loan money per capita than any other State. Those are two outstanding advantages; yet, because of the incapacity of the

Government, we have a large number of unemployed. The Government find it desperately hard to make their accounts balance, and they are budgeting for a deficit of £175,000, and a loss of £1,500,000 in the Railway Department. The position to-day demands a great deal more attention than the Government evidently are capable of giving it. I do not think they have the capacity. The hon. member for Wynnum deliberately made the statement that they were incompetent. Is that true? I think it must be true. I have personally examined a number of the accounts, and I intend to give the figures.

Another point I want to drive home is this: The Government have saved a great deal of revenue by charging to loans many things which previous Governments always paid out of revenue when the taxation revenue was less than £1,000,000. When the taxation amounts to £4,000,000 they say they cannot pay for the construction of public works out of that amount. Oh, no! They have to go into certain enterprises, and they borrow money to do work that at one time we were able to pay for out of revenue.

The figures show that for a period of three years before this Government came into power the loan money spent on buildings amounted to £193,870; during the last three years the amount has jumped up to £624,165. The Government, of course, say, "We are doing things. We are spending £400,000 more on buildings from loan than the previous Government." Taking the revenue for the three years mentioned, the previous Government spent £525,626, while this Government spent only £119,703.

The position is that, by constructing buildings from loan money instead of from revenue, the Government have increased the interest payable by the taxpayer to the extent of £75,000 a year, the loan money in question having been spent on unproductive work. Every penny spent on State schools to-day is financially unproductive. We know that we have to build the State schools which are required. Hon. members opposite may say that the expenditure is productive in regard to the educating of the children of the State. No one complains about being taxed for the purposes of education, but there is too much loan money being used to-day. It costs the State £75,000 a year more in the way of interest by building these works out of loan money, which at one time were built out of revenue and cost the taxpayer nothing at all.

The SECRETARY FOR AGRICULTURE: If they were built out of revenue, the taxpayer found the money. Your figures contradict each other. You said the taxpayer paid nothing.

Mr. KERR: He did not pay anything like the amount he does now. For instance, at that time we did not lose £2,000,000 on the railways. These are all factors in the case.

The Treasurer said that, if he could solve the railway problem, he could solve many of his difficulties; but I would point out that he could save tens of thousands of pounds without delving into railway matters at all. Take the loan money spent on the Chillagoe smelters, for instance—£435,498. That involves an interest payment of nearly £25,000 a year by the taxpayers of the State, with never a chance of getting the principal back.

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Then there are the Hamilton cold stores, which have absorbed £323,000 of loan money, and which were the subject of controversy at their commencement. It is still a question whether they will return the money spent on them.

I do not suppose many of us realise that during the last seven years the Government have spent £235,365 from revenue and £267,798 from loan funds on forestry—one

[3.30 p.m.] of government that we can deal with—a total of £503,163. Very few people know, too, that during the same period the revenue returned to the State by forestry was £1,263,759, so that the Government are spending practically nothing on one of the most important industries in Queensland and netting the Treasury in revenue £215,000 a year. The previous Government received only £66,000.

Mr. PETERSON: And the workers got cheaper timber then.

Mr. KERR: It is often asked how we can spend money on reproductive works to give employment. If we borrowed £2,000,000 sterling and spent it on forestry, the interest charge would easily be met by the royalties we received. That £2,000,000 would provide work for many hundreds of men in Queensland. At every turn the Government, however, have been increasing the flow of revenue into their coffers, and where money has had to be paid out they have raised loans to foot the bill. That cannot go on everlastingly. The Government have always been looking to revenue-raising without any regard for the progress of the State or the prosperity of the future. I believe that reforestation is absolutely a State matter. It will be undertaken by private enterprise to a very small extent only, because one's money is out far too long. Throughout the world it has been a matter for Governments rather than for private enterprise.

The SECRETARY FOR AGRICULTURE: Have you seen some of the private enterprise prospectuses?

Mr. KERR: I have, and I wish them all the success in life, because a man is a super-optimist who will put money into a thing from which he expects to get no return for twenty years. He must also have a great belief in his country. The Commonwealth Forestry Bureau has recently compiled some statistics in regard to this important matter, showing that the annual Australian imports of timber are worth £5,500,000, of paper £7,126,000, of pulp £227,000, and of turpentine £153,000, the gross annual value of forest products used in Australia being £31,000,000. The statement is definitely made in various reports that in twenty or thirty years the present stand of softwoods in Queensland will be consumed. Every year in Australia 83,000 acres of timber are required to be planted. The actual planting is less than 10,000 acres a year. Last year Queensland planted only about 1,000 acres. This problem must be faced in a statesmanlike way.

Last year in this State less than 1,000 acres were utilised for reforestation purposes, notwithstanding that within seven years a net profit of over £1,000,000 was secured. Can that be regarded as wise administration by any Government? We have collected sufficient revenue from this source to enable us to expend at least £1,000,000, and that would give us quite a handsome return. The

revenue derived from timber royalties should not be regarded as money to be expended in any official channel, but should be earmarked for reforestation, particularly of soft woods. The Financial Statement gives no indication that any efforts will be made in this direction. Year by year our soft woods are being gradually consumed, and we are told they will be exhausted in thirty years. Surely some of the money obtained from the royalties could be expended in a wiser way!

Let me deal now with another direction in which the Government have failed to realise their responsibilities. What has been done to develop the ports of Queensland, particularly the port of Brisbane? The revenue secured last year by the Harbours and Rivers Department amounted to £88,392—double the amount secured in 1914. The present Government have left it to private enterprise to develop the port—dig up the river, dig out the rocks, shift the mud, and do any other work required. The Government have not done anything substantial to provide better facilities in the river or to develop the port.

The TREASURER: You do not know what you are talking about.

Mr. KERR: Considering the tonnage in this port, the port is a disgrace to a capital city.

The SECRETARY FOR PUBLIC WORKS: Get away with you!

Mr. KERR: The hon. gentleman does not know. He has never studied this problem. The port of Brisbane is an outstanding disgrace as the port of a capital city. The Government are securing sufficient money to enable them to carry out wise expenditure in this port.

The TREASURER: You are making wild statements.

Mr. KERR: The hon. gentleman may say so, but I am doing nothing of the kind. I have the figures. If the hon. gentleman thinks that the port of Brisbane is a credit, then he is just as easily pleased with the port as he is with his Financial Statement. These figures show the revenue derived by the Harbours and Rivers Department—

£	
Last three years of Liberal Administration	... 141,723
Last three years of the present Administration	256,380

I believe the present Government have spent less than £150,000 loan money in the improvement of the Brisbane River.

I have already shown where the careless expenditure of loan money has imposed a heavy burden on the taxpayer; but very few people realise that the loan money invested in State enterprises amounts to £1,166,164. That amount of money is giving no return, and the position needs very close examination.

I now come to the Railway Department—a subject requiring a special chapter and very great attention. I quite realise that the present Commissioner is an efficient officer; but the time has arrived when someone with, perhaps, greater and more modern knowledge should transform the railways into a payable proposition. I advocate that that should be done, and, even if it costs the State £20,000 to secure a very good man, or, perhaps, two men, the money must be

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expended, and in the long run I believe it will give good results. I cannot see any reason why there should not be co-operation with the present Commissioner and investigating experts. There must be a cleaning up in the methods employed. I am not in a position to say what should be done; but I have studied what has been done with other railway systems that have been thoroughly overhauled with beneficial results. When we are returned to power the very first thing we shall do will be, as far as possible, to remove the railways from political interference. We want to have a thorough investigation there—not an investigation by one of ourselves—we are not authorities on the subject, like the Secretary for Public Works—but we have to go outside and get a recognised expert in railway matters.

The Treasurer has definitely stated that he is satisfied with our position, but I would ask him a few questions in regard to our financial outlook.

Will the State enterprises pay their way?

Will the Chillagoe undertaking, which is now closed down, and has cost many thousands of pounds, pay?

Will the railways, in regard to which an estimated deficit of £1,500,000 is anticipated, pay?

Are the accumulated deficits mentioned in the Financial Statement ever going to give a return in interest?

Does the Treasurer think that the Government have developed this State in the directions I have indicated?

Does he think that secondary industries are going to progress under his Government?

The SECRETARY FOR AGRICULTURE: Do you want the questions answered now? (Laughter.)

Mr. KERR: I will answer them myself before I complete my speech.

Our forests are being depleted. What are the Government doing to provide for our future timber supplies?

Is the area under cultivation being increased?

Is the Treasurer satisfied with all these matters?

Can he see any great future arising out of his administration? There are directions in which tens of thousands of pounds can be saved. There is no prospect of the undertakings I have mentioned paying. The interest bill on our public debt is getting higher and higher, although, as I pointed out earlier, the average per capita is lower than in any State in Australia except one. In the last ten years we have spent less loan money per capita than any other State in Australia. We have had every advantage it is possible to have, but the Government have never taken advantage of it. While money was rolling in, they expended any amount of money in "wild-cat" schemes. Look at the amount of money they have spent on irrigation schemes! Expenditure in regard to irrigation in one year alone jumped from £3,000 to £127,000, and it never stopped increasing until it reached its present figure of £1,394,842. If we add the expenditure on this account from revenue to-day, we find that over £1,500,000 has been spent on irrigation. Hon. members know what is happening. I am not going to say that, if settlement proceeds on correct lines, the

Dawson Valley scheme will not be a success; but irrigation is a difficult matter in any country, and, if success is desired, the Government must adopt more up-to-date and better methods. We cannot be everlastingly calling on the taxpayer to pay interest on unproductive loan money. Apart from expenditure on railway construction, over £2,000,000 has been expended on the Dawson Valley scheme. What does the future hold for that scheme? We have never had an explanation regarding the expenditure of such a large amount of money on irrigation. The time allotted to the Estimates usually expires before that vote is reached. It is true we get reports from the officer in charge; it is only to be expected that he should put a rosy complexion on his undertakings. My remarks are not to be construed as any reflection on the officer in charge. The human element enters into these undertakings. Our policy is to look at the future, and ask "What is the future in regard to irrigation?" The money spent will have to be met by increased taxation; yet the Treasurer says we have reached our limits in regard to taxation. I can see no other way of making it up. The Treasurer has stated that, if the deficit on the railways could be arrested, taxation could be reduced by 20 per cent.; but that cannot happen. We shall have to face the situation. I can show where millions of pounds of loan money have been expended, from which we are receiving no return. Surely the time has arrived when the Government should take stock of these facts.

Although figures and financial deductions may be very uninteresting, nevertheless, they demand the serious consideration of every member of this Committee—much more serious consideration than they have received so far. I venture the opinion that since I have been a member of this Chamber only one hon. member on the Government side in addition to the Treasurer has made a speech on financial matters. We have evidently reached the stage when the more important functions of state are treated as mere pleasantries by the Treasurer, who never seems to take things seriously.

The TREASURER: Do you want me to lose my sense of humour at some of the things you are saying?

Mr. KERR: I am giving the facts to the Committee. I am not playing the role of a Jeremiah; I think the potentialities of Queensland are wonderful. The trouble is that the Government are not playing their part by restricting the expenditure of money in productive ways.

Dealing with the position of several trust accounts, I notice that the Treasurer has helped to create his surplus by transferring an amount of approximately £67,000 from trust funds, so that, but for that transfer, his surplus would have been converted into a deficit of approximately £57,000. Quite recently the Treasurer, by executive minute amalgamated several trust accounts. These trust accounts, however, are not square yet. Why did not the hon. gentleman let that money stay in the trust accounts to square some of the losses that have been wiped off on the State stations, for example? These trust accounts are an absolute disgrace to this Government. We have a credit of £157,956 in the Real Property Act Assurance Fund, £662,445 in the Cash Deposits Account in connection with the Insurance

[Mr. Kerr.]

Act of 1923, £116,847 in the Main Roads Fund, and £750,054 in the Public Service Superannuation Fund. These funds have been created by contributions from public servants, insurance companies, etc. Let us consider how those funds have been dealt with.

The debit of the following trust accounts is as shown:—

	£
Chillagoe State Smelters Fund	631,213
Hamilton Cold Stores Fund ...	30,318
Inkerman Irrigation Area	
Working Account ...	55,150
Sapphire Trading Account ...	54,346

Mr. PETERSON: What about the Baralaba coalmine?

Mr. KERR: The hon. member refers to the Baralaba coalmine. Can he realise that £72,161 of these trust funds has been invested in State coalmines? Can he realise that State enterprises that are doing no good to this country—that are doing no good to one single person in the community—have taken £321,536 of trust money to keep them going? Can you understand that to keep the State sawmills going they have taken £31,565? Is this legitimate expenditure? I will not deny that it may be quite legal expenditure, otherwise the Auditor-General would have told us.

The TREASURER: You have financial diarrhoea.

Mr. KERR: I may have, but I am sticking to the point. I am not going all round the compass, like the hon. gentleman does. I am sticking to hard facts. How are these trust funds to be recouped? How is Chillagoe, which is closed down, going to pay back £631,213 to the trust account? There is only one way to do it. Loan money will be called upon to make good the shortage, as was done with the State cattle stations. It will be added to the public debt, and the poor old taxpayer will have to pay the interest. This goes on year after year with no hope in life of getting one penny of interest from it. That cannot go on for ever. Before this year the trust accounts admittedly showed a debit balance of £2,000,000; and, when I looked at the balance this year and saw a debit balance of only £440,000, I was astonished. But a slight examination disclosed exactly how the greater part of the debit was wiped out. I am not concerned about that; but I am concerned as to how these debits are going to be wiped out.

We have to tackle problems in Queensland from another point of view. We have to increase our revenue by providing better conditions on the land, for a start. The hon. member for Wynnum suggested that there should be some scientific examination of our inferior lands; and he specially mentioned land adjoining railway lines. He admitted that a good deal of it was not first-class land; but surely it demands some scientific investigation to see if it cannot be made productive! I have never forgotten the time our friend Mr. Hughes in the Federal Parliament went to Italy, and, when he came back to Australia, he said, "You people do not know the glorious land of your nativity. You have a wonderful country. In Italy they carry buckets of earth miles and put them into crevices in the rocks; but in Australia you have everything that Nature can provide." Our inferior land may be made productive

by scientific investigation. That may be the solution of the railway difficulty. The Government of Queensland are the last in the world to send one of their employees abroad to get more knowledge. They very rarely send anyone to the old country.

The TREASURER: We are sending one now.

Mr. KERR: Our inferior land has to be investigated, but the Government are lacking in initiative. The Treasurer does nothing but talk platitudes which mean nothing. The Labour Party in the Federal Parliament are trying to win an election on what they term the platitudes of the Prime Minister. The Prime Minister has nothing to learn from the Premier in that regard.

We want a greater and more thorough examination of the possibilities of this State. It is a pity to see the rank and file on the Government benches sitting like closed books behind the front bench. Surely they can rise to the occasion and help to solve the present difficulties!

If we can develop our primary industries, we can also expand our secondary industries; and the first thing to be done is to reduce taxation. Queensland requires immediate relief in this direction. The Government will have to adopt a more liberal and generous attitude towards industries in the State. Our financial progress hinges on that being done.

There is nothing satisfactory in the Financial Statement of the Treasurer. He may say that it discloses the financial position of Queensland; but it only gives details of the year's transactions—it does not give the proper financial position. We have to look forward to see what the future holds for us in improving the finances of the State. Opposition members will take the opportunity of giving their views as to what can be done in that regard.

Mr. PETERSON (*Normanby*): After listening to the speech delivered by the hon. member for Enoggera on the financial position, I propose to deal with another aspect of politics which affects very considerably the interests of workers generally; but before going into that phase, I propose for a moment to deal with the figures in the Treasurer's Financial Statement. I am inclined to think that the hon. gentleman himself was agreeably surprised when he obtained that small surplus, judging from the statement in his last Financial Statement, when he budgeted a deficit. We have a right to note how the hon. gentleman secures that surplus. It naturally looks all right for bookkeeping purposes; but, when we peruse the Financial Statement, we find several explanations for the surplus. If it had not been that certain things eventuated, the hon. gentleman would had a deficit considerably larger than he then forecast.

At 3.58 p.m.,

Mr. RIORDAN (*Burke*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

The TREASURER: I paid £266,000 out of revenue in reduction of the debit in connection with the flotation of loans. I might have shown that as a surplus.

Mr. PETERSON: I am prepared to say that a shortage of £67,000 with regard to cotton has been debited to revenue.

Mr. MOORE: It had to be.

*Mr. Peterson.]*

Mr. PETERSON: I know it had to be, but I want to be fair. If we look at the financial returns, we see that there has been a reduction in railway expenditure to the extent of £333,347, as compared with 1926-27. Is it not a fact that the hon. gentleman secured those figures by the workers in the workshops pooling their work and not making their full time?

The TREASURER: No. We had not the work, and they had either to pool the work or men who were not needed had to be knocked off, and they preferred to pool the work.

[4 p.m.]

Mr. PETERSON: That is so, and, if men work four days a week or four and a-half, or five, the Treasurer is able to save during the year a certain amount of money as a result of those men not working.

The TREASURER: No; if we worked them full time, it would mean knocking some off. Do you suggest that we should keep them on when they are not needed?

Mr. PETERSON: No; I am only trying to show how the Treasurer arrived at his surplus. On looking through the tables we find that there was a considerable saving in some of the departments.

The TREASURER: Do you not think that there should be some economy?

Mr. PETERSON: I do; I am only trying to show how the Treasurer has demonstrated that he is able to work the railways by working his men so many hours less a week, and paying them so much less for the services they give.

The TREASURER: No.

Mr. PETERSON: The hon. gentleman differs from me, but that is put forward by the Railway Department figures, and, on reading the Financial Statement, one can come to no other conclusion.

The TREASURER: The railwaymen wanted it when we could not keep them at full time. Is that not a business-like way of looking at it?

Mr. PETERSON: The Government did a fair thing in consulting the railwaymen, or rather, I think the railwaymen came and consulted the Government.

The TREASURER: Yes.

Mr. PETERSON: They looked upon the matter in a commonsense way, and decided that they would pool the work, and the Government agreed; and the Government were right, because it is far better to have a large number of men working four or four and a-half days a week, rather than see one-third of the number unemployed. But because they worked fewer hours the Government had to pay less wages, and the saving is reflected in the returns, because they show that the receipts were greater than ever.

The TREASURER: That was done because the work was not there.

Mr. PETERSON: The Treasurer has demonstrated that he is able to get a bigger return and a greater mileage, with less work done by the employees.

The TREASURER: It was not the running staff that was affected so much.

Mr. PETERSON: As the Secretary for Railways pointed out, there was more

[*Mr. Peterson.*]

mileage run last year, and more revenue; yet, despite these facts, the Treasurer was able to run the railways, although working the men short time, and, as a result, he was able to show a surplus.

The TREASURER: No; there was a deficit of £1,500,000 on the railways.

Mr. PETERSON: I am speaking of the charge on the consolidated revenue. Had it been called upon to pay a full week's wages to each man, the Treasurer would not have been able to show his surplus.

The TREASURER: Do you say that the revenue should be called upon to pay that?

Mr. PETERSON: I say that the Government should not be called upon to pay for work that has not been performed. I am not trying to mislead the hon. gentleman there. No Government and no private enterprise can afford to pay for work that is not performed. There is no reason why the Treasurer should get annoyed about it.

The TREASURER: I am not annoyed.

Mr. PETERSON: If he is able to demonstrate that he can run the railways, and bring in the results that were obtained last year, from his point of view as Treasurer he has an advantage.

The TREASURER: I would like to get the railway deficit down to £1,000,000.

Mr. PETERSON: So would we.

The TREASURER: You will not do it by keeping on men that you do not want.

Mr. PETERSON: I am not saying that that should be done. I am saying that by working the men fewer days per week and paying so much less in the aggregate, the Treasurer is able to show a surplus.

The TREASURER: No; they would have been knocked off if it had not been for the pooling.

Mr. PETERSON: If the hon. gentleman had knocked them off, the others would have worked full time.

The TREASURER: And we would have been in a better position, because full time is more efficient than part time.

Mr. PETERSON: No; the system of pooling the work has enabled him to secure an advantage. The railwaymen who pooled their work are not allowed under the Railway Act to go out and work for the day or day and a-half each week that they are off; therefore, the Government, in effect, are restricting their earnings in many cases to less than the basic wage.

The TREASURER: Are you sure that they are not allowed to do outside work?

Mr. PETERSON: They are not. I know for a positive fact that men have been hauled over the coals for it.

The TREASURER: When working full time.

Mr. PETERSON: I do not want to be unfair. Can it be taken for granted that the railway authorities have no objection to men who are working part time doing outside work?

The TREASURER: You have made an assertion for which there is no basis.

Mr. PETERSON: The hon. gentleman knows that there has always been a law prohibiting railway workers from engaging in outside work.

The TREASURER: That is true under normal conditions, when men are fully employed.



Mr. PETERSON: You interpret it that way.

The TREASURER: We can interpret it the other way, of course.

Mr. PETERSON: The next point I wish to deal with is the question of funding our debts. Surely the Treasurer will admit that it is rather remarkable that he should fund our interest indebtedness by charging it to loan fund!

The TREASURER: All States had to do that under the financial agreement.

Mr. PETERSON: If there had not been an accumulated deficit, there would have been no need to fund the interest indebtedness.

The TREASURER: All the Governments are doing that.

Mr. PETERSON: Not to the same extent as we are. The problem we are up against is to find a way out.

The TREASURER: One of the methods to be adopted to prevent a deficit is to do what I did in the Railway Department—action about which you are complaining.

Mr. PETERSON: I am not complaining about what the hon. gentleman has done in the Railway Department.

The TREASURER: You cannot have it both ways.

Mr. PETERSON: I am showing the hon. gentleman how he was able to secure a surplus. The hon. gentleman is not bound to employ men if there is no work for them. It is the duty of the Government to increase their resources; to restore confidence; and bring about such an amount of land settlement as to increase employment instead of men being placed on short time.

The TREASURER: If we can secure a greater train mileage and the haulage of increased tonnage with less expenditure, have we no right to do so?

Mr. PETERSON: I have already explained that I am not finding fault with that. Under present conditions the Treasurer cannot do anything else; but there are other ways out of the difficulty, if the hon. gentleman chooses to adopt them; but, unfortunately, he does not. He believes in a certain line of action, being unwilling to deviate from the right or from the left; and the result has been red lights ahead and disaster in the Railway Department and other avenues of employment. One way in which to overcome our financial difficulties is by the establishment of a sinking fund for the redemption of our debt by means of a bold policy of reforestation. I have not been reading the prospectuses in connection with Queensland and New Zealand forestry schemes.

The TREASURER: I hope you have not invested any money in them.

Mr. PETERSON: No.

The TREASURER: I warned the hon. member for Murilla about the New Zealand perpetual forest scheme.

Mr. PETERSON: As I have stated, a very fine way of meeting our commitments would be to encourage a bolder reforestation scheme than we have at the present time. I shall give some information in support of my idea. There is in the Rock-

hampton botanical gardens a bunya pine, the measurements of which are taken every year. I happened to be in the gardens when one of the forestry officers was there, and I took full particulars of the measurements. In twenty years this tree has grown to a height of 40 feet in the log, and is 48 inches in girth. If this tree had been planted in scrub country, it would have shown a more rapid growth.

The TREASURER: It is in the gardens, where it is watered.

Mr. PETERSON: No, it is not watered there. It is away out from the main garden in the avenue.

The TREASURER: It would catch the water there.

Mr. PETERSON: It does not do so. It is in a fairly dry area from a rainfall point of view. The point I want to convey is that, according to the reports of the Forestry Department, 400 trees can be planted to the acre. Allowing 10s. only per 100 super. feet as a return from that timber—and the Government are getting up to 35s. and £2 in the Forestry Department for logs, costs totalling about 10s., of course, to come out of that sum—in twenty years it would return the Government £960 per acre. I have based my calculations on the reports of the Forestry Department, which state that similar timber—that is, bunya pine—would reach maturity in twenty years.

The TREASURER: All forestry companies are paying dividends out of capital.

Mr. PETERSON: I agree with the hon. gentleman that that is quite possible.

The TREASURER: They collect from Peter and pay it to Paul.

Mr. PETERSON: The hon. gentleman must remember that reforestation from a profit aspect has not been proceeded with in Queensland to any great extent. The State has resources, and there is a vast field open to the Government to set about establishing a sinking fund to wipe off the national debt in years to come. The expenses of reforestation till the timber reaches maturity are only 4s per 100 super. feet, so there is a huge margin left to carry our liabilities over to that period. I marvel at the hon. gentleman absorbing all the revenue from forestry, placing it in consolidated revenue, and then calling it profit. It is like the man selling his furniture and telling his wife that he has made a profit of £100 during the year because he had sold his piano.

The TREASURER: It works out so well that it makes you wonder when you look at it.

Mr. PETERSON: The Forestry Department has shown what can be accomplished in that direction. We have not only the knowledge of what is happening in the botanic gardens at Rockhampton, but we have knowledge from the botanic gardens at Toowoomba also. In my own district—at Byfields—the Government have a small reforestation plot of pine. The Government are doing work in a small way there. It is sandy soil; but I would like to see hundreds of acres being reforested. The Treasurer would be quite safe in committing the State to various commitments so far as reproductive works are concerned, knowing full well that, when the loan matured, his timber assets would meet it. Instead of utilising all his funds on

*Mr. Peterson.]*

unreproductive works, he should utilise certain of them on reproductive works such as afforestation.

Mr. FOLEY: What were our predecessors doing for sixty years before we got into power?

Mr. PETERSON: I am not concerned with that. The hon. member belongs to a party which says it is going to blaze a track; but, instead of that, they are knocking down trees, and not putting any in their place.

I now intend to digress in a different direction and deal with a matter which is very important to the industrial workers. The Treasurer was good enough to inform us that the £1 in 1915 was only worth 12s. to-day. That shows that it has depreciated in that period by 8s. It also proves that, though working conditions for the industrialists may have improved, the effective value of his present wage is no better than in 1915. I can give a concrete illustration by referring to one of the trades with which I am acquainted. In 1916 carpenters received 12s. per day, or £3 12s. per week; in 1928 that wage was increased to £1 per day, plus 2s. 6d. per week for holidays, or £6 per week. According to the Treasurer, the £6 which they now receive is only equal to the £3 12s. they received in 1915.

It will be seen, therefore, that, so far as the effective value of the wage is concerned, there is something wrong somewhere. It is our duty in our discussions in this deliberative Assembly to try to evolve some scheme whereby we can make the wages of the worker more effective—not by stifling industry, but by bringing down the cost of production, thus increasing the effectiveness of the wage. The same proportionate decrease in wages is reflected in all the other trades, although a little difference occurs in regard to unskilled workers, whose wage in 1915 averaged £2 8s. per week, as compared with £4 5s. to-day, which, on the Treasurer's own basis, means that the unskilled worker is 5s. per week better off. The difficulty, however, arises that, as he continues demanding increased wages, it, unfortunately, brings about an increased cost of living. If he is a man with a family, he is rapidly brought back to the position from which he started. Our object should be to overcome that difficulty. I believe there is a solution, and it will be my object to explain it in a few minutes. The Treasurer's own basis shows that increased wages have raised the cost of living and depreciated the effective value of the wage; the depreciation in the value of money clearly proves that fact. But having brought about that condition—and it is not peculiar to Queensland alone; it is world-wide—should not deter us from trying to meet it in some way or other. The problem is how to increase the value of wages. It is not one of increasing the rates of wages. How can we achieve that? Under present conditions we have to be careful about an inflation of wages so that in inflating wages we do not deprive the workers of the work in which they are engaged. Our attention should be directed to increasing the effectiveness of the wage so far as its purchasing power is concerned.

The TREASURER: How are you going to do that?

Mr. PETERSON: I am singing this song, and I shall do so in my own little way. The hon. gentleman assists us very materially

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by interjections, and he is most courteous; but he is anticipating too much, and wants me to finish my speech.

The TREASURER: I think you are on a very interesting subject.

Mr. PETERSON: I do not pretend to know everything. Other hon. members, probably on both sides of the Committee, may have studied the matter more deeply. I am merely seeking to propound something that will be in the interests of the workers—increasing the effectiveness of wages.

The TREASURER: You learnt a great many things over here.

Mr. MAXWELL: He learnt so much that he came over here.

The TREASURER: The hon. member only went over there to keep his seat.

Mr. PETERSON: I feel that I have worthily held it both ways. I was told I was going to be sunk in the Dawson, but I am still swimming!

The question resolves itself into this: Governments and industry cannot pay more than work is worth. That brings me back to the railway problem I was discussing at the outset of my address. Any Government or any private contractor who sets out to pay more than is received for the commodity produced will end disastrously—the Government with a deficit, the individual in insolvency. Consequently, that is not solving the problem. There must be another way out. We have to recognise, first of all, that there is a close affinity between capital and labour. Capital depends upon labour just as labour depends upon capital. These two forces should be harnessed with the utmost despatch to see if we cannot bring about a better position.

The TREASURER: You upset the harness.

Mr. PETERSON: The harness was never fitted on properly at the start. Capital is a commodity, and naturally, capital is entitled to a fair return for its investment. When the workers or anyone else invest in industry, naturally, they believe in getting a return for their money, if it is possible. Every worker who deposits money in the savings bank is a potential capitalist. What does he put his money in the bank for? He puts it at fixed deposit because of the interest it will earn; and every person, no matter how humble he may be, who puts money out to earn interest is a potential capitalist, and he is entitled to a return on the money he has saved. He has saved money as a result of his energy. Perhaps he has displayed greater energy than other workers have displayed in the same industry.

The TREASURER: Generally it is the result of more self-denial.

Mr. PETERSON: It may be the result of self-denial, too. Unfortunately, we have evidence of people going to the extreme in regard to self-denial, and destroying their health in order to save money. I am not speaking of them. I am speaking of the thrifty people who are able to save a few pounds, and put it at fixed deposit in the bank for the specific purpose of earning interest. That interest is legitimately theirs. Taking that as a basis, we have to agree that capital invested in industry is entitled to a fair return. I shall come to the workers' aspect in a moment. The Government themselves pay interest. The hon. gentleman

knows perfectly well that he could not secure a loan if he did not pay interest. He also gets interest on the money that he lends to local authorities. He has to do that for good business. No Government could succeed for one day, if they did not meet their interest payments; and the same thing applies to private people.

The TREASURER: Surely you have not just found all this out?

Mr. PETERSON: It is a thing I have been worrying about for a long time to see if we cannot arrive at some remedy for the present position. Mr. Ben Turner, the president of the British Labour Federation, as reported in the "Daily Telegraph" of 2nd April, 1927, had this to say:—

"Everyone desires to see less friction in the industrial world, and everyone of good will is worrying how to attain it. Co-operation sounds easy, but it is difficult. It may be brought through sectional understandings. One essential factor is willingness to concede that the employee is not a mere machine or a labour expense, like running costs. The brains of the employers and employees should be pooled for the purpose of developing and expanding industry. Much can be done by establishing works councils, which should not be dominated by 'the office.' At the present time there is a desire among workpeople that a considerable number of trade disputes should be avoided."

The president of the British Labour Federation sees on the horizon that there is an absolute necessity for co-operation between capital and labour. He recognises that capital has an obligation to the worker; and he recognises, in addition, that the worker must work in concert with the employer in order to get greater benefit, and I propose to show how that greater benefit can be achieved, if he can secure the support of hon. members opposite.

Whilst I have been arguing that capital is a commodity and entitled to a fair return, so labour, on the other hand, is a commodity. The worker has a right to sell his labour for the best price he can get, in the same way that a man investing capital expects to get the best rate of interest possible for his money. The worker cannot obtain the full value of his commodity, which he is prepared to sell, unless he acts in concert with those who are the purchasers. The employers—manufacturers, or what you like to call them—are here, and we have to treat with them to the best advantage. The only way we can do it is on the lines laid down by Mr. Ben Turner, the president of the Labour Federation of Great Britain.

Let us go a little further. Has arbitration solved the worker's problem? Is there any hon. member in this Chamber who will argue that arbitration has solved the worker's problem? There is not. Have strikes solved the worker's problem? Time and again, as we saw in the recent shipping strike, they have had to go back on worse terms than they came out. That has happened again and again, because, if capital likes to fight to the last ditch, it has got the big stick, and the workers have to realise it. Consequently, instead of resisting the big stick, our aim should be to utilise the brains of the movement so that we can exact from capital the

fullest return for our labour, and we can only do it through co-operation. Arbitration has been a lamentable failure.

The SECRETARY FOR LABOUR AND INDUSTRY: No.

Mr. PETERSON: Judge Beeby's arbitration award for the waterside workers has been turned down; and award after award has been turned down before. In the great railway strike which occurred a few years ago, had not the Government to go to the court and get the case reheard?

Mr. FOLEY: That does not say that it has failed absolutely.

Mr. PETERSON: I have all along admitted that things have improved so far as the conditions of work are concerned; but what I am concerned about is as to how the worker can make his £4 5s. per week go further than it does.

The TREASURER: You are on more dangerous ground than the hon. member for Enoggera.

Mr. PETERSON: I am setting out the arguments—and I support them in their entirety—laid down by Mr. Ben Turner, to which I referred previously.

Mr. HANLON: You are saying that arbitration is a failure.

Mr. PETERSON: I ask if arbitration has succeeded in improving the conditions of the workers?

The TREASURER: Of the weak worker, yes; of the great mass of female labour, yes.

Mr. PETERSON: The system of arbitration in force to-day has not given the workers more work; it has not given them a greater spending power. Why is the hon. gentleman not fair? His own statement was that the £1 in 1915 is only worth 12s. to-day. Then, how in the name of goodness has it benefited the worker? I am using the hon. gentleman's figures and basing my case on them. God knows how a worker earning £4 5s. a week, with a family of four or five children, is going to live on it!

The TREASURER: You are trying to get it reduced.

Mr. PETERSON: I am not. I know the hon. gentleman would like to fasten upon hon. members on this side any statements of that kind which are made.

The TREASURER: You are not as honest as the hon. member for Oxley, who has tried to tackle the problem.

Mr. HANLON: You say arbitration has failed.

Mr. PETERSON. Arbitration has failed to make the condition of the worker better than it was before; rather the spending capacity of the average worker has been reduced.

Let us analyse a little further the position in regard to arbitration. Take the trade union movement. Have the leaders of the trade union movement taken full advantage of the opportunity of holding conferences with employers? I say they have failed to use the opportunity to the best advantage. They have been relying on pin-pricking industry—shutting industry up, as in the case of Mount Morgan and other things like that—rather than on the sensible method of meeting in conference round a table, as Mr. Ben Turner suggested.

*Mr. Peterson.]*

If they wish to succeed, the trade union leaders will have to exploit the capitalists to the fullest possible extent in round-table conferences and get the very best they can for their members. It is admitted by Mr. Turner that Socialism does not provide the remedy. The hon. gentleman himself knows that history shows that living is worst where Socialism is strongest. The hon. gentleman admitted at Townsville that nationalisation has been a failure. Nationalisation having been a failure, what is the remedy? It is the duty of the head of the Government and the Leader of this House to say what it is. He has said to the workers, "I have a remedy." What is it? We do not know. We on this side say that there is a remedy, and that that remedy is for the union

[4.30 p.m.] leaders to take fullest advantage of their numbers, and, instead of thwarting industry, to barter the strength of their unions to the best advantage with the employers, because, unless they do that, they will never get the best results. As I pointed out a long time ago, nationalisation of all the means of production and wealth—as it used to be—has failed. We nationalised State stations.

The TREASURER: You signed that platform.

Mr. PETERSON: Of course I did. But the hon. gentleman is unlike me. He continues making a mistake, whereas, when I discovered it, I got away from it. But this is too big a question for us to indulge in personalities. We do not want to worry about them. Take State stations and examine the reasons why they failed. Because you did not get service. The hon. gentleman made a great speech here this morning, and we listened to him, and he admitted—he damned his case at the last—by saying that he did not get service. Your butcher shops have been tried. Your smelters were tried. Your coalmines were tried. All have failed.

The TREASURER: That is not true.

Mr. PETERSON: Where they were able to command a monopolistic price they succeeded, but where they had to compete with private enterprise they failed.

The TREASURER: Do you want the private ownership of the railways?

Mr. PETERSON: No private enterprise would take them on. They are only worth so many shillings in the £1.

The TREASURER: Do you want it?

Mr. PETERSON: I do not know. I would have to consider that question. (Laughter.) The point I make is that to make the wage more effective we must repudiate the policy of restriction; we must abandon the folly of idleness, and make way for industrial order. Profit and incentive are essential to progress, and individualism is the only human agent that can preserve or care for property or capital. And individualism can come from the unions themselves. The unions in their might and right are deserving of all the consideration that can be shown to them; but they have not secured that consideration on the lines which I have pointed out, and which the hon. gentleman has supported—as I did some years ago. Therefore, we have to try some new method, and, if by that method we can bring about a better condition for the people, it is worth a trial. The hon. gentleman has tried a

good number of ideas. Some may have succeeded; others have failed. Therefore, I say that in this great issue where there is so much conflict and unrest—

The TREASURER: I tried to stop cattle stations being bought, but you supported them.

Mr. PETERSON: Are we going to expose caucus secrets? If we are, I could tell quite a lot. I give the hon. gentleman the credit for having opposed State stations in caucus; but he voted for them in the House. (Opposition laughter.)

The TREASURER: I was Speaker at the time.

Mr. MOORE: He spoke against the 44-hour week outside, and voted for it here.

Mr. PETERSON: Capital is essential, and the worker's labour is essential, too. It has to be used. I reiterate that, if the union leaders exploited these avenues in a business-like way, we would be farther ahead than we are to-day. First of all, have they established a bureau of research amongst themselves? In the different trades and callings of which they have a grasp have they used their superior knowledge in conferences and demanded better conditions as a result of the improved methods which they might devise at them?

Mr. FOLEY: To a certain extent.

Mr. PETERSON: I am glad to hear it.

The SECRETARY FOR LABOUR AND INDUSTRY: Capital always takes advantage of the better methods provided by the workers.

Mr. PETERSON: I am sorry the hon. gentleman takes up that attitude. My desire is to try to make the wage more effective. I think the difficulty can be overcome by adopting those principles; and, by the worker and employer co-operating under the protection of the court, I believe there can be secured an increase in wages and a decrease of hours. We should aim at bringing that about at the earliest possible moment. In the first place, I hold that every trade union should be a research department to discuss the possibility of securing the maximum wage from the maximum output. If the Treasurer were to take the railwaymen into his confidence and constitute a council at which the railway workers would be represented by their own elected representatives, the object being to assist to make the railways pay, I am sure he would secure better results.

The TREASURER: Then I would be criticised by you for knocking off someone whom you required to continue in employment.

Mr. PETERSON: The hon. gentleman is drawing a red herring across the track. Why should I criticise him for that, and, even if I did, he would have his own way, whether I liked it or not. In the past the workers have ignored vital principles and relied upon strikes; but any increased wages gained by this method or by arbitration have always increased the cost of living.

The TREASURER: Do you think that strikes have not done any good to social conditions throughout the world?

Mr. PETERSON: I think they have. In the past, when the workers were ground down, they were justified in resorting to the strike; but in these days of arbitration courts, with the right of approach by both sides, strikes are not justified.

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The TREASURER: Did you ever stop to think that there are causes to create these effects?

Mr. PETERSON: They should set aside the strike weapon, and use their brains to the best advantage through the unions. Unions have rights. Mr. J. P. Jack, in his splendid work, "Responsibility and Culture," says—

"The value of the rights in a fair democracy is strictly contingent on their subsequent development into duties. Unless this development takes place the rights which the citizen has won become a social danger, inasmuch that they are apt to become a menace by exercising a tyranny from which he has escaped himself."

That is the position we have reached to-day. If the worker is out of work and unable to purchase a union ticket, he cannot secure employment. The court protects him to a certain extent, but invariably he is unable to find employment. He is not able to secure enough money to buy the ticket, and must go to the wall so far as his comrades are concerned. We had a case in Brisbane only the other day. That is the tyranny to which Mr. Jack refers. Whilst the unions aim to do good, they should be very careful that in doing the good they do not create a tyrannical monster that will devour them.

The TREASURER: Do you not think that there is tyranny in capital?

Mr. PETERSON: Yes, and tyranny that must be curbed at times. I am not dealing with that part of capital, but with capital invested in legitimate industry—honest capital, and not dishonest capital.

The TREASURER: Do you not think that there is tyranny in capital invested in the banking world?

Mr. PETERSON: Yes; but by a proper understanding between capital and labour on a co-operative and profit-sharing basis, these difficulties would be overcome, and the worker would secure increased wages.

Mr. BRUCE: The wages of the workers are fixed; the cost of living is fixed; why not fix the return on capital?

Mr. PETERSON: I thought the hon. member was going to say that he believed that the earning capacity of capital in industry should be fixed.

Mr. BRUCE: Yes.

Mr. PETERSON: So do I. There should be a reasonable return.

The TREASURER: Do you think it is a reasonable thing that a company with £100,000 of watered capital should pay 10 per cent.?

Mr. PETERSON: No. Then follow the lead of the Commissioner for Taxes, who deals with those who try to dodge him.

At 4.40 p.m.,

The CHAIRMAN resumed the chair.

Mr. PETERSON: That could be overcome. It could be made a criminal offence.

The next matter I wish to touch on is that the neglect of those in charge of the administrative affairs of this State to bring about a better understanding between capital and labour in the past has resulted in a reign of terror. What has it brought about? The very menace which the hon. gentleman is out to fight. It has brought about Communism.

What brings about Communism and revolution? Unemployment.

The TREASURER: That is it; but what breeds it?

Mr. PETERSON: Disaster, troubles, tribulations, and trials breed revolution.

The TREASURER: Now you are getting at the causes.

Mr. PETERSON: The hon. gentleman and his Government are going the surest way to that end. To-day we have unions fighting unions. Brotherly love seems to have disappeared from their ranks. Take the case of the Australian Railways Union, which is bitterly fighting the Australian Workers' Union. We have other unions which will not give facilities to members of other unions to work in their sphere. All this squabbling is going on. All that has to disappear if the unions hope to gain their objective for their members—the fullest reward for their industry.

The TREASURER: Did you see where the banks were falling out with each other over transactions in connection with the Wheat Pool?

Mr. PETERSON: I do not care a fig what the banks are doing in that regard. I would have to read the subject before I could venture an opinion upon it.

Mr. RIORDAN: Your party fell out with the hon. member for Oxley.

Mr. PETERSON: I do not know that they did; but, whatever quarrels hon. members may have in this Chamber, it will not assist in solving the problems confronting the people. We are here as a deliberative Assembly to do the best we can for the people in this State. I have tried in my own way to put before this Committee what I consider to be essentials in these troublous times. Like the Treasurer, I do not want to see Communism prevail here in Australia, as I believe the results would be disastrous.

Mr. LLEWELYN: Do you think that we as a party want it?

Mr. PETERSON: According to you own leader, you do not; but you are going the best way about it if you do not assist in co-operation in industry. The Government are like a cleft stick. They have tried nationalisation and many other things, and have found that they are still as far from their millennium as ever. In the meantime the objective of Communism has come closer and closer; and unless the Government takes time by the forelock—and I use that term advisedly—they will find that the tide of revolution will overwhelm us. It behoves all who desire to secure the best possible results of industry for the workers to thwart that tide by supporting the co-operative movement between the workers and those by whom they are engaged.

I have spoken at considerable length.

Mr. HANLON: You have not explained your statement about wages being more effective.

Mr. PETERSON: Workers could make the present wage more effective by co-operating with the employers and becoming part and parcel of industry, and thus be able to secure greater results from industry. Instead of raising the cost of and reducing the number of articles available, they would be able to manufacture a greater number of

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articles, with the result that, when the distribution of profits takes place, they will, in addition to their wages, receive their just share of the profits.

The TREASURER: That is not what you said,

Mr. PETERSON: It is. The desire, firstly, is to make the wage more effective, and, secondly, to give the worker a greater share in that which he produces. What is the use of higher wages when they are followed up by a higher cost of living? The hon. gentleman advocates higher wages. It has been proved by his own statement that the higher the wages the higher the cost of living; but the workers everywhere are now beginning to realise that the higher their wages the more that is taken out of them in increased cost of living.

Mr. BRUCE: That is not the sole reason for the higher cost of living.

Mr. PETERSON: We find that under nationalisation the Government have increased freights and fares to meet the increased rates of wages. When you gave the railwaymen their increase, you had to raise the freights and fares. Anybody can run a business like that.

The CHAIRMAN: Order! I suggest that the hon. member, when making a speech, should address the Chair. It only embarrasses him when I have to call him to order so frequently.

Mr. PETERSON: I am sorry, Mr. Pollock. I had no intention of reflecting on the Treasurer.

The TREASURER: What you say is true. That is what you do also when running a business.

Mr. PETERSON: We have got to the stage where other ways must be considered because old ways have failed. To be effective, trade unionism must be a constructive force, designed to build up industry for the benefit of all the people. Socialism, in order to succeed, depends upon bad trade; unless trade is bad, the claim for that system fails. Communists have a vested interest in hunger, want, disease, and distress. Genuine trade unionism can cure this on the lines I have indicated. Its leaders should exploit the capitalists who are engaged in industry by entering into their partnership system. By following the methods I have stated, I believe the workers would be better off; yet the hon. gentleman still asks me to give my reasons. If, by following out the system I have outlined, it is shown at the end of the year that a worker has maintained his present wage and succeeded in lowering prices, then he is better off.

The TREASURER: If you want higher prices to be paid to the dairy farmers and wheat farmers, I do not know how you will do what you suggest.

Mr. PETERSON: The reason why the producers have asked for increased prices for their commodities is because of the economic conditions existing.

The TREASURER: The people of Australia make up the difference for the purchasers overseas.

Mr. PETERSON: Had the level been the same, there would have been no need to ask for increases; but, when they have to pay the tariff rates and the city industrial rates

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for what they want, apart altogether from increased freights and fares, have they not a right to an increased price?

The TREASURER: Quite right; but how are you going to reduce the cost of living?

Mr. PETERSON: I say it can be reduced by working co-operatively.

The TREASURER: That is very broad.

Mr. PETERSON: Take the co-operative butter industry. If the producers were receiving increases in proportion to what the city people have received as the result of wage increases, the price of butter would be in the vicinity of 2s. 6d. or 3s. per lb.

Mr. HANLON: Pure rubbish!

Mr. PETERSON: Let the hon. member take his mind back to 1915, when the price of butter was 2s. per lb. At that rate the producers should be receiving anything from 2s. 6d. to 3s. per lb. for butter to-day; therefore, they have only asked for a small portion of their rightful dues.

The TREASURER: I am not complaining of what they have asked for. You would have to cut them down in order to reach this objective of yours, because food is one of the principal items.

Mr. PETERSON: Compared with the 1915 level, food is a long way below the other items. The primary producer is the butt for all this sort of thing, and, unfortunately, he is not able to get the full result of his industry.

The TREASURER: We have been trying to help him co-operatively.

Mr. PETERSON: I admit you have given him the machinery.

The TREASURER: He does not vote for us; but we are trying to help him.

Mr. MORGAN: You want food for your people.

Mr. PETERSON: Wages are only worth what they will buy.

The TREASURER: When did you find that out?

Mr. PETERSON: Since I became a married man. (Laughter.) Wages are only worth what they will buy, especially to the worker on the bread line at £4 5s. per week. I do not know how he gets on. As I said previously, unionists should combine to exploit the employer.

The SECRETARY FOR AGRICULTURE: You have been reading some of Mencken's stuff.

Mr. PETERSON: I have not read the book, but I should like to get it. I have been reading Mr. Ben Turner, the British union leader, and I am pleased to see that he is making an attempt to find a way out of our difficulties. The hon. gentleman must admit that we are passing through difficult times, and we must find a way out. I believe in the process of co-operation, and I understand the hon. gentleman said at Townsville that it might be possible for co-operation to achieve what it was not possible to achieve through nationalisation.

The Secretary for Agriculture has brought forward Bills giving machinery to the farmers to organise themselves to get better conditions. Why not give the same machinery to the industrialists? In a nutshell, that it what the position amounts to. First of all, give

the industrialists the opportunity to co-operatively own the means of industry, and, secondly, to co-operate with those engaged in industry, and, when they get that condition, let them exploit the employer to the fullest possible extent.

The **TREASURER**: He is not able to do that, because the margin between the cost of his living and his earning power is not sufficiently great to enable him to accumulate capital.

Mr. **PETERSON**: I remember in the old days when railway lengthsmen with no money were able to take up land for selection, and to-day some of those men are graziers. They cannot do that to-day, because they cannot meet the charges they are called upon to meet. In the old days they were able to take up land on practically their boots and socks. To-day they cannot. There is no opportunity to-day for workers to accumulate capital to enable them to go on the land, like there was in olden times. The worker is realising that, if he is going to accumulate capital, he must be given an opportunity to earn more; and, if he is not given the opportunity to earn more, he must be given the opportunity to make his present wage more effective than it is to-day. The only way it can be made more effective, just as the primary producers made their wages more effective through the use of machinery, is through the channel of co-operation; and the hon. gentleman must admit that, even should that fail, it will be better to have tried it than to wait till the Communists take control.

The **TREASURER**: Private enterprise will get a bad time if that comes about.

Mr. **PETERSON**: I do not care about private enterprise.

The **SECRETARY FOR AGRICULTURE**: If you are not careful, you will give your party some ideas.

Mr. **PETERSON**: I have not a monopoly of ideas. Because of the letters hon. members on this side receive from people who are out of work—no doubt hon. members opposite are the same—it makes one wonder whither we are drifting, and how it is possible to overcome our present difficulty. I have endeavoured to outline what I believe to be one way out of our difficulty. All methods that have been tried in the past, particularly in regard to Communism, Socialism, and Nationalism, have failed, and I can do nothing better than quote what Samuel Gompers stated. I believe it has been quoted in this House before, but this is what he said of the Socialists—

“I have studied their philosophy, read their economics, studied their standard works and their doctrines for thirty years, and know how they think, and what they have up their sleeve.

“Economically you are unsound.

“Socially you are wrong.

“Industrially you are an impossibility.”

At one time I thought that could not be true; but, unfortunately, it has turned out to be true. Therefore, it devolves upon us more and more to unite to see if we cannot get away from the present condition of affairs. The labourer, if he likes to work extra—I do not advocate that—but if he likes to do it, he should have the

opportunity of becoming a potential capitalist. A capitalist can become a labourer through bad investments. We have seen that of late owing to the drought in the West. Our aim should be to bring about greater production at lower cost and with higher wages. We have to realise that we must stand for equality of opportunity. Co-operation is impossible unless there is a fair distribution of earnings.

I desire to express my thanks to the members of the Committee for listening so patiently to what I have said on this subject. I believe in all that I have said. My sole desire, like other hon. members, is to try to make conditions better for the workers, particularly those who are unemployed at the present time; and I believe that by carrying out the ideas I have mentioned and adopting co-operation where it is practicable—believing as I do in the principles and ideals of co-operation—we can make better conditions for the workers. After all, what higher, nobler, and grander ideal is there than to have a State free from unemployment, and where workers who desire to work may be employed under reasonable conditions?

The House resumed.

The **CHAIRMAN** reported progress.

Resumption of Committee made an Order of the Day for to-morrow.

The House adjourned at 4.58 p.m.