

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 26 SEPTEMBER 1944

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

QUESTIONS.

VOCATIONAL TRAINING, ARMED FORCES.

Mr. NICKLIN (Murrumba) asked the Secretary for Public Instruction—

“1. How many discharged and demobilised members of the naval, land, and air forces, showing males and females separately, are receiving vocational training through his department?”

“2. What is the total number of such trainees of the present war to date?”

Hon. J. LARCOMBE (Rockhampton) replied—

“1 and 2. The information is being prepared.”

STAFF, DEPARTMENT OF AGRICULTURE AND STOCK.

Mr. MACDONALD (Stanley) asked the Secretary for Agriculture and Stock—

“Can he yet supply the information relative to field officers and inside staff of his department asked for on 31 August last.”

Hon. T. L. WILLIAMS (Port Curtis) replied—

“1. (a) Number of field officers (excluding 25 dairy inspectors), 265. (b) Inside staff, 188, including 126 clerks, clerk-typists and sorters, and 46 analysts, laboratory officers, attendants, &c.

“2. (a) Agriculture, 65; (b) sugar, 21; (c) fruit, 29; (d) cotton, 18; (e) tobacco, 2; (f) dairying, 11; (g) grazing, 104 (includes stock and slaughtering inspectors).”

SCHOOL SWIMMING CLASSES, NORTH QUEENSLAND.

Mr. AIKENS (Mundingburra) asked the Secretary for Public Instruction—

“In view of a statement in the ‘Courier-Mail’ of 20 September by the Director-General of Education that the department hoped this summer to extend the school swimming-class scheme which had been so successful in the metropolitan area last year, would he recommended to the Government that a subsidy be granted to school or other interested committees who are prepared to erect swimming baths at schools in North Queensland where no swimming facilities exist?”

Hon. J. LARCOMBE (Rockhampton) replied—

“I am informed by the Director-General that, in view of the success of the Learn-to-Swim Campaign, which was held in the metropolitan area last swimming season, it has been decided to extend the

instruction to other towns, including those which have municipal swimming pools. The Department of Public Works makes contributions towards the erection of dressing sheds and pays the cost of the water used in school swimming pools. Similar assistance will be granted to other school committees who may make application."

POLICE PENSIONS.

Mr. NICKLIN (Murrumba) asked the Secretary for Health and Home Affairs—

"What were the numbers of (a) members of the Police Force, (b) sergeants, first class, (c) senior sergeants, and (d) widows receiving pensions under the provisions of the Police Act at 30 June last?"

Hon. T. A. FOLEY (Normanby) replied—

"There are no members of the Police Force receiving pensions. Assuming, however, that the hon. member is referring to ex-members of the force, the answers are as follows:—(a) 471; (b) 112; (c) 42; (d) 150."

QUEENSLAND COAL PRODUCTION.

Mr. KERR (Oxley) asked the Secretary for Mines—

"In view of the conflicting statements on coal production in Queensland, will he indicate which statement is correct, the one by Mr. A. A. Staines, chairman of the State Coal Committee, published in the 'Courier-Mail' of 14 September last, that 'annual coal production in Queensland had improved progressively during the last five years,' or that of Mr. Beasley, Supply Minister, published in the Brisbane 'Telegraph' of 20 September, that coal production in Queensland in the year ended 5 August last had decreased by 51,200 tons, such loss being 'based on production lost through absenteeism, industrial disputes, mechanical hold-ups, and other causes'?"

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

"Under National Security Regulations the publication of coal production figures has been prohibited, but recently advice was received from the Commonwealth authorities to the effect that censorship on coal figures was no longer necessary. It is difficult to answer the hon. member's question because it is wrongly based. If he will again read the Press statement by the Minister for Supply and Shipping, Hon. J. A. Beasley, on Queensland coal production, referred to by him, he will see that the Minister mentioned coal production in Queensland up to August, not in the year ended 5 August last, as stated in the question. However, the statement by Mr. A. A. Staines, chairman of the State Coal Committee, published in the 'Courier-Mail' of 14 September last, that the annual coal production in Queensland progressively improved during the past five years, was based on the production figures, which were 1,317,488 tons

in 1939, and 1,699,521 tons in 1943, while Mr. Beasley's figures are for a part only of 1944, compared with the corresponding part of 1943. Therefore, both published statements are correct."

Mr. NICKLIN (Murrumba), for **Mr. WALKER** (Cooroola), asked the Secretary for Mines—

"What tonnage of coal was produced in Queensland in the first eight months of 1943 and 1944, respectively?"

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

"Coal production in Queensland for the first eight months of 1943 was 1,145,001 tons, and the tonnage produced for the first eight months of 1944 was approximately 1,096,574 tons."

PRICES OF VEGETABLES.

Mr. KERR (Oxley) asked the Premier—

"1. In view of the fact that profiteering is still rampant in respect of the retailing of certain vegetables, such as lettuce, &c., will he take the appropriate steps to bring within the jurisdiction of the Prices Commissioner this and other vital vegetables?"

"2. Will he also make representations to the appropriate authorities to include vegetables at present not included in the regimen in arriving at the official cost-of-living figures?"

Hon. E. M. HANLON (Ithaca—Treasurer), for **Hon. F. A. COOPER** (Ipswich), replied—

"1. This is a matter purely affecting Commonwealth prices administration, and not the State. If the hon. member will furnish to me examples of the actual profiteering in certain vegetables the matter will be brought under the notice of the Commonwealth Prices Commissioner or the Deputy Prices Commissioner, Queensland, who is the representative of the Commonwealth.

"2. Inquiries will be made on this subject."

REPORT OF ROYAL COMMISSION ON FRUIT AND VEGETABLES.

Mr. MAHER (West Moreton), without notice, asked the Premier—

"As the final report of the Royal Commission on Fruit and Vegetables has been in the hands of the Government Printer for some time, will he arrange to have the printing of the report expedited so that its terms may be considered and debated in the current parliamentary session?"

Hon. E. M. HANLON (Ithaca—Treasurer), for **Hon. F. A. COOPER** (Ipswich), replied—

"The Premier is not present this morning; he is away at a civic reception to Marjorie Lawrence. I do not know how far the report has gone but the hon. member can be assured it will be available as soon as possible."

PAPERS.

The following papers were laid on the table and ordered to be printed—

Twenty-third Report on the Creation, Inscription, and Issue of Government Inscribed Stock.

Fifty-ninth Report on the Creation, Inscription, and Issue of Stock.

Report of the Comptroller-General of Prisons for the year 1943.

The following papers were laid on the table—

Orders in Council (2), dated 21 September, 1944, under the State Development and Public Works Organisation Acts, 1938 to 1940.

Order in Council, dated 14 September, 1944, under the Fruit Marketing Organisation Acts, 1923 to 1941.

Order in Council, dated 14 September, 1944, under the Primary Producers' Organisation and Marketing Acts, 1926 to 1941.

LIMITATION ON QUESTIONS.

MR. SPEAKER'S RULING.

Mr. AIKENS (Mundingburra) giving notice of questions—

Mr. SPEAKER: I remind the hon. member for Mundingburra of my ruling on 13 September: it is not permissible for more than three questions to be asked on any one day by the same member.

SUPPLY.

COMMITTEE—FINANCIAL STATEMENT—
RESUMPTION OF DEBATE.

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

Debate resumed from 14 September (see p. 561) on Mr. Hanlon's motion—

“That there be granted to His Majesty for the service of the year 1944-1945 a sum not exceeding £300 to defray the salary of the aide-de-camp to His Excellency the Governor.”

Mr. NICKLIN (Murrumba—Leader of the Opposition) (11.18 a.m.): At the outset I should like to extend my congratulations to the Treasurer upon the preparation and presentation of his first Budget. I notice that he has no more furrows in his brow as a result of the effort he has made on this occasion, and I am sure that he must count himself extremely fortunate in being able to take over the Treasury of the State at a time such as this, when the job of a Treasurer is not to estimate what his surplus will be but to see how he can keep it down to as low a figure as possible.

When we consider the effect the war has had not only on State finances but also on the community, I think we can say in all truth that it is an ill wind that blows nobody

good. The majority of the community have suffered to a considerable extent because of the war, but State finances have benefited. The war has enormously increased the revenues of State Governments throughout Australia and decreased their expenditure, because of lack of man-power and materials, with the result that Treasurers, those of Queensland and New South Wales in particular, have been burdened with embarrassing amounts of surplus revenue.

The main factors in bringing about this condition have been increased railway receipts; reduced expenditure on maintenance of capital assets—although we must remember that there has been a corresponding depreciation of those capital assets, which in later years will largely wipe out present surpluses—State development tax, which is bringing the Treasurer approximately £2,300,000 a year from the Commonwealth under the uniform tax scheme, now almost wholly net revenue—and reduced interest rates on the public debt. I think we can say that those are the main reasons for the present position of the State's finances.

To amplify those reasons, let us compare certain items of the year under consideration with those of the immediate pre-war year. For instance, railway receipts for 1939-40 amounted to £7,918,000, and in 1943-44 they had grown to £16,116,000, which means a gain to the Treasury of £8,198,000. State development tax showed a net surplus of £576,000 in 1939-40 as against £2,170,000 in 1943-44, making a further gain to the Treasury of £1,594,000. The interest and exchange on public debt was £6,139,000 in 1939-40 and only £5,693,000 in 1943-44, making a further gain of £446,000 to the Treasury. In those three items there was a total gain to the Treasury of £10,238,000 in the year under review.

The main increase, of course, has come from railway receipts, and when we are speaking of railway receipts we cannot help appreciating the marvellous job that the railways of this State have done. I remember a statement made by an American officer about the work done by our railways. He said that when he first saw them he wondered how these toy railways, as he called them, could ever do the job it was expected they should do. They have done that job.

At the same time we must bear in mind that the job was done at considerable expense to railway assets and that against the receipts we must offset increased expenditure and the cost of outstanding maintenance of capital assets running into millions of pounds, which will have to be met in the post-war period. The Treasurer has wisely made provision for this expenditure by creating a fund for the purpose now. It is, however, apparent from the increased expenditure by the department last year that some effort is being made at the present time to catch up with some of the deferred maintenance.

The receipts of the Railway Department have been so heavy in the last few years that even the Treasurer had considerable difficulty

in estimating what they were likely to be. In many instances he was very wide of the mark, as these figures will show:—

Year.	Estimated Receipts.	Actual Receipts.	Excess over Estimates.
	£	£	£
1940-41 ..	21,199,000	21,540,000	341,000
1941-42 ..	21,784,000	23,663,000	1,879,000
1942-43 ..	23,313,000	29,284,000	5,971,000
1943-44 ..	28,266,000	28,968,000	702,000
Four years	£8,893,000

Those figures show that there has been a tremendous increase in railway revenue.

Although this, the main trading department of State, has benefited to such a large extent because of the war, the war has had an opposite effect on most of the industries of the State, yet there is no provision in the Budget for the relief of industry. Admittedly, since the handing over to the Commonwealth of the right to collect income tax the State Treasurer has not been able to give relief from income tax or State development tax in this State, but he could give relief from land tax, probate and succession duties, insurance contributions, and workers' compensation premiums, and he could make reductions in railway fares and freights. Although the Budget discloses that the revenue of the State is at its very peak the Treasurer has not seen fit to give the taxpayers one iota of relief. When we consider the needs of industry, both primary and secondary, we must decide that the Treasurer should have been able to give some relief to the taxpayers to enable them to meet the heavy charges that will be incurred in the post-war period in restoring industry to its former standard of efficiency.

Mr. Hanlon: Those two cuts in railway fares and freights will be of tremendous value.

Mr. NICKLIN: There have been some railway cuts but they have only amounted to the giving back to the people of something, or part of something, that the Government have taken from them since they have occupied the Treasury benches.

The Government are only running true to form when they do not include in their Budget some relief to the taxpayers. Ever since 1931-32 when they became a Government their policy has been not to give relief to the taxpayers but to impose additional burdens upon them. Their record amply bears me out. What was one of the first actions of the present Government on assuming office in 1931-32? They immediately increased the income tax and thereby took an additional £1,000,000, approximately, from the taxpayers. They reimposed the super land tax. Then we find that since 1932 they have made three increases in railway fares and freights. The first increase was one of 7½ per cent., the second 5 per cent., and the third 5 per cent. So actually the two 5 per cent. reductions in rail fares and freights that the Government made in 1943 were only giving back to the people a part of what they had

taken from them. When we consider the buoyant railway revenue I think that in addition to giving back the 10 per cent. they should not so much have reviewed the amount of fares and freights as made some variations in rates and the schedules of the department in order to give greater relief to people living in distant parts of the State.

Mr. Walsh: That is a fairly general statement; why not give a few examples?

Mr. NICKLIN: I will give the Minister a few examples if he will only contain himself. The Government would also have been well advised to make a variation of fares and freights in favour of the ports of this State rather than give differential rates that result in dragging goods past some of the major ports down to Brisbane to the detriment of those ports. Yet we find a part of the Budget devoted to an economic survey of the State. One of its main features, and one with which I entirely agree and one the Country Party has been preaching for years, is that there should be a policy of decentralisation in this State. But what action have the Government taken to bring about that much needed decentralisation? They have done nothing whatsoever. On the contrary their policy has been aimed not at decentralisation but at centralisation. I hope the Treasurer's statement that the actions of the Government will tend towards decentralisation and the building up of cities in country districts, as they should be built up to be made worthy of those districts, will be put into effect and not remain merely a bald statement of policy. We have had these statements for a considerable time but the people do not want mere statements on such an important subject; they want action. I trust the Government will take that action by encouraging development in areas where it can be brought about by a much needed readjustment of railway freights and fares to concentrate business that is rightly theirs, in those areas instead of dragging it away down the coast for the benefit of the capital city. That is the effect of the present rates.

I quote as one example the freights on wool, which is brought from the central district right past the ports of Port Alma and Gladstone down to Brisbane, merely because the railway rates make it more advantageous for consignors to do so.

Mr. Walsh: That is not true. When no shipping is available it has to come to Brisbane.

Mr. NICKLIN: If that is not true, the Minister will have an opportunity to refute it later on. Why should we talk about decentralisation if we are not going to do something to bring about that decentralisation?

Mr. Hanlon: Why is the whole area round Brisbane full of stores loaded with wool? Because there are no ships to take it away.

Mr. NICKLIN: The Treasurer is talking about war-time conditions. The freight rates

I am speaking about existed before the war broke out.

Mr. Walsh: The wool was not railed to Brisbane before the war.

Mr. NICKLIN: It has been the policy of the Government to drag all wool to Brisbane rather than have it dealt with at the points where it should be dealt with.

Mr. Hanlon: You are misinformed on that.

Mr. NICKLIN: Does not the Treasurer realise that some years ago an effort was made to decentralise wool sales, and to have wool from the north-western areas railed to Townsville and from the Central areas to Rockhampton or Gladstone, and from the south-western areas to Brisbane, and shipped at those ports.

Mr. Hanlon: That concession rate was to the nearest port.

Mr. NICKLIN: There is now a concession rate that makes it profitable to bring the wool past these other ports to Brisbane. The result has been that instead of having wool sales and appraisements at those centres we get all the wool concentrated in Brisbane. If the Government did their duty in decentralisation of the activities of this State that wool would be sold at and shipped from those ports instead of being brought to Brisbane as at present and sold here only.

Dealing further with the Government's record in the imposition of taxes on the people of this State, we find that State transport fees were increased in 1932 and that although they could very well be decreased at the present time, are maintained at the increased rate. Motor registration fees also have been increased by the present Government, and no relief has been given at this period when their buoyant revenues makes it quite easy to give relief.

However, if the Government were really looking for some avenue in which they could give useful relief to the taxpayers of this State, they would find it in the abolition of the land tax. It has often been alleged that the land tax was imposed by the Government of this State for the purpose of breaking up large estates and opening up large areas of land for settlement, but when we examine the incidence of land taxation over the years we find that is not the real reason. Land tax was obviously imposed for revenue purposes, and when the Government have as much surplus revenue as at present they could give relief from land tax because the revenue received from it is not required by them.

Mr. Sparkes: You have to pay it whether you have a loss or not.

Mr. NICKLIN: Land tax certainly is a capital tax if ever there was a capital tax, and it is one of the first methods of taxation from which the taxpayer should receive some

relief. But no, the Government continue, notwithstanding the large amount of revenue they have, to impose this capital tax. I venture to say that the Government would have been doing a good service to the people if they had relieved the landholders of this tax, and so brought about what is desirable in land taxation—only one authority imposing land tax, and that authority the local authority.

Mr. Sparkes: They will not take the super tax off.

Mr. NICKLIN: They have reduced the super tax—I always like to give the Government credit for anything good they might do in these matters. I mentioned the two extra taxes the Government have imposed since they took office.

Let us look at the other side of the ledger and we find that the relief given to the taxpayers of Queensland is very meagre indeed. In fact, the only relief the taxpayer has had has been the suspension of the undeveloped land tax, which amounts to a paltry £12,000. That is a sum hardly worth mentioning when we consider the enormous revenue the State has received. In addition, the Government have made two cuts of 5 per cent. each in railway fares and freights. On normal railway business those cuts would amount to approximately £400,000 each or a total of £800,000. Although the Treasurer claims in his Budget that as a result of the 10-per-cent. reduction in railway fares and freights the users of the State railways have benefited by approximately £1,500,000, the biggest user of the State railways at the present time is the Commonwealth Government, through the war service that the Department is providing. Actually, the proper method of assessing the value of a cut in railway fares and freights is to take into account only the normal traffic on the railways, that is, the traffic provided by the normal users of the railways. On that basis, the cuts the Government have made benefit the normal users of the railways by only £800,000.

Mr. Hanlon: Supposing your figures are correct, a reduction of £800,000 in fares and freights is a big thing at a time when costs are going up. Nobody else is doing it.

Mr. NICKLIN: I am not complaining about the reduction. My only complaint is that the reduction was not large enough. I think the opportunity should have been taken by the Government to restore the further 7½-per-cent. increase in fares and freights that was made in 1932-33. Although the Government are making a big song about the 10-per-cent. cut in fares and freights, we must not forget that they were responsible for a 17½-per-cent. increase in railway fares and freights in this State.

Mr. Hanlon: There was more than a 17½-per-cent. increase in the price of primary products.

Mr. NICKLIN: Yes. I will deal with that aspect of the subject later. The point

taken by the Hon. the Treasurer is one with which he, as Treasurer of this State, is vitally concerned and with which the whole of the State is vitally concerned. We have to see that the increase in the price of primary products is not just a passing phase and that there shall be a permanent improvement in the returns to the producer. That is another thing in which I find this Budget lacking. The Government have not made adequate provision in that matter of vital concern to our primary industries—the maintenance of the prices of our primary products.

Let me now deal with the Post-war Reconstruction and Development Trust Fund. Everybody will agree that the Treasurer has adopted a wise policy in setting aside from the abundant revenue of this State sums of money to be used in the post-war period. All wise businessmen make reserves against a rainy day and undoubtedly, as I mentioned earlier, the buoyant revenue from the Railway Department will not continue. Further, the assets of our Railway Department and of the rest of the State have suffered through lack of maintenance and from deterioration during the war years, and it will be the responsibility of the State to restore them as soon as possible. It cannot be done now because man-power and materials are not available. Therefore, it is wise to put on one side these sums of money to do that work when the occasion arises.

We find that on 30 June last the credit balance of the Post-war Reconstruction and Development Trust Fund was £8,501,341. Of this amount, £5,050,000 was at fixed deposit and £2,700,000 invested in securities. Not only is it wise to create this fund but it also has great political value, as we discovered during the last election campaign when the main theme of Government speeches was that the Government were so wise that they had set aside huge sums of money in a post-war reconstruction fund. I should like to repeat what I said when speaking to the Address in Reply. I doubt whether it was altogether a wise procedure to place the whole of the Government's surplus moneys in a post-war reconstruction fund without taking into account the fact that the Government had some £3,500,000 worth of Treasury Bills at call. I notice from the Treasurer's Statement that £1,000,000 worth of those bills have been retired permanently—and quite rightly—but there is still £2,500,000 worth at call to be utilised by the Treasurer at any time he wishes.

Bound up with this question is the practice that will be followed by the Australian Loan Council when considering the allocation of loan moneys to the States each year. I should like the Treasurer to give us his opinion as to what will be the Loan Council's reactions after the war to the fact that this large sum of money is held by Queensland—and possibly other States have similar sums—in this fund. In the past, if a State has had moneys available to it, the practice has been

for the Loan Council to insist upon the State's spending that money before loan moneys are allocated to it. If that practice is to be followed then the wise business procedure of creating reserves might not be of advantage to the State; in fact, it might be a handicap when it came to the allocation of loan moneys.

Mr. Hanlon: The allocation will be based on the expenditure of loan funds.

Mr. NICKLIN: But will the State be allowed to expend any loan funds when it holds this large sum in its Treasury? If the Loan Council follows its past practice, Queensland will be excluded from the allocation of loan moneys and this Government will be told to spend the money they have available in the Post-war Reconstruction and Development Trust Fund.

Mr. Collins: Then we should be creating a store of credits for loan funds.

Mr. NICKLIN: Not at all. The whole point is the amount of money the State is to be allowed to spend, and that is controlled by the Loan Council.

Mr. Hanlon: Following your argument to its logical conclusion, we should be much happier if we were broke.

Mr. NICKLIN: Not at all. I am merely asking the Treasurer to give his opinion on a position that is likely to occur. At the moment I am discussing this matter from a political, not a strict business point of view. During the election campaign we were told that we had this large amount of money and that we should have loan moneys also available, and that we should be able to spend money like water. A perusal of the Financial Statement shows that the Government forecast an expenditure of over £50,000,000, but I am wondering now whether the Government will be allowed to spend loan money in addition to the moneys they have available now in the Post-war Reconstruction and Development Trust Fund. I should like the Treasurer's opinion on that question because it is concerning hon. members, and I think the Treasurer is in duty bound to give us an honest opinion of it.

Let us look at the Budget and then turn to the results of the past three years. Over that period the Treasurers of the State have disclosed very modest surpluses, comparatively speaking, yet upon an examination of the financial position it is found that the actual surpluses were very much in excess of them. Let us look at the declared surpluses and then look at the transfers that have been made from Consolidated Revenue to the various funds. Such transfers should have been taken into account as part of the surplus instead of being treated as expenditure or

transfers to various funds in order that the disclosed surplus may be actually smaller than it should have been. Here are the real Budget results:—

Year.	Declared Surplus.	Transfers.	Actual Surplus.
		£	£
1941-42.	£63,772		
	Transferred to Unemployment Insurance Fund	130,000	
	Transferred to Debenture and Inscribed Stock Account	385,916	
	Transferred to Main Roads Fund	367,100	
	Transferred to Other Trust Funds	245,000	
			1,191,788
1942-43.	£102,022		
	Transferred to Railway Superannuation Fund	100,000	
	Transferred to Main Roads Fund	481,250	
	Transferred to Post-war Reconstruction Fund	5,250,000	
			5,933,272
1943-44.	£113,724		
	Transferred to Main Roads Fund	336,495	
	Transferred to Railway Loan Account	424,000	
	Transferred to Post-war Reconstruction Account—		
	From Railways	1,750,000	
	From Treasury	1,420,000	
	Transferred to Railway Superannuation Fund	100,000	
	Transferred to Agricultural Bank	100,000	
	Transferred to State Advances	100,000	
	Transferred to Other Trust Funds	46,567	
	Special Payment to National Debt Commission	157,980	
			4,548,766
	Total <i>Real</i> Surplus in Consolidated Revenue for 3 years	£11,673,826

Those figures give some indication of the buoyancy of the revenue and the fact that this money has not been spent in the usual channels. Despite the buoyancy of the revenue we have a Budget presented to Parliament that does not offer the taxpayers one penny-piece of relief. The Treasurer in this the presentation of his first Budget could have made a name for himself if he had treated the taxpayers as they should have been treated, especially when the funds at his disposal are ample for his purposes and for the needs of the State.

Not only has the Treasurer had very large sums available, but there is also the fact that since the war the note issue in the hands of the public has risen from £35,000,000 to £180,000,000. We must realise that one of the main things we in Australia have to do financially is to avoid inflation. It will be necessary, therefore, as a counter to the excess quantity of money in circulation, to increase as quickly as possible the quantity of goods produced. One of the matters to which we must give our closest consideration is the best way to provide those goods the public are short of at the present time. Unfortunately, the only outlook that the Government seem to have, judged by their Budget, is that the future prosperity of this State can be achieved only by large-scale Government works. I take a very different view, and say this is not the time when large-scale public works should be embarked on by this or any other Government. Rather should it be the aim and object of all Governments to encourage industry to develop the States as they should be developed and to hold in reserve their programmes of public works.

Let us look at what the effect would be of a large-scale public-works programme in the immediate post-war years. It would have the effect of depriving the producing industries of material and labour, which they

urgently need, and thus accentuate the danger of inflation. Particularly from the Commonwealth Government's angle this aspect of the matter is dealt with very fully in the current issue of "Economic News." I am sorry the Treasurer in his Budget has not given consideration to this important question, and decided to encourage both primary and secondary industries. He has over-emphasised the Government's view that the prosperity of this State can be secured only by a large scale public-works programme. We find that very much emphasised on page 19 of his Financial Statement. Where the details of the £50,800,000 worth of works which the Government propose to carry out in the early post-war period are set out. There is one thing in connection with this programme that calls for explanation, namely, the period in which the money is to be expended. It is not only undefined but, I should say, is undefinable. I do not know whether that money is to be spent in two, five, 10, or 15 years. It is merely set down as a bald statement.

Mr. Hanlon: It is impossible now to set down to the day how long you will be in getting that programme of work carried out.

Mr. NICKLIN: That is so, but the people are entitled to know the Government's intentions in regard to the expenditure of that money, whether it is to be expended within the next five years, 10 years or 50 years.

Mr. Hanlon: The answer is simple— if men are idle the expenditure will be sufficient to keep them employed but if they are not it cannot be expended.

Mr. NICKLIN: I am glad to have the Treasurer's statement, but as the programme is set out in the Budget no defined period is mentioned nor is there any statement of the Government's intentions.

Mr. Hanlon: It would be foolish to set out that our policy is to try to get rid of the money in any price.

Mr. NICKLIN: If the Treasurer had set out that this was a long-range programme and the Government's first objective was to encourage private enterprise and that they would come in with their public-works programme to give the necessary fillip to industry when perhaps there was a lag to be filled by Government expenditure, we could quite understand it.

Mr. Hanlon: The money is not the governing factor; that is the availability of men and material.

Mr. NICKLIN: Admittedly. What will be the reaction to the business community if they picked up our Budget statement and read that the Government plan to spend £50,000,000-odd on Government works when it is not explained how, why or when it is to be spent? If it is a long-range programme, as the Treasurer says now, the business community who are endeavouring to plan now for future activities will have some indication as to how the Government are going to compete with them for the supplies of the necessary man-power and material.

The first objective that not only this Government, but this State have to attain if they are going to build up a stable economic and prosperous State is to give stability to our primary and secondary industries; to use their public-works programme to fill the gaps or expand the activities of private enterprise is but the second objective. We have to get this thing into the right perspective. We have not to look at it from the angle from which the Government have looked at it and which they have emphasised throughout the Budget, that is, the angle of over-emphasis on public works. If we examine the question of the relative importance of primary and secondary industries, we find there is a difference of opinion among economists as to their essential requirements. We find Sir David Rivett, Chief Executive Officer of the Council for Scientific and Industrial Research, on 14 June this year saying:—

“Australia should aim at becoming self-dependent, insure greater consumption of primary production within her own borders, and build up secondary industries to an extent scarcely contemplated five or 10 years ago.”

That is a point that needs to be emphasised and emphasised again, because, I repeat, the Budget that has been presented to the House on this occasion is a Budget of public works, not a Budget that envisages any essential assistance to our secondary and primary industries.

Let me quote also our own economist, Mr. Colin Clark, who made the following statement in the “Economic News” of May this year:—

“Complete industrial self-sufficiency for Australia would mean reducing the agricultural and pastoral population of Aus-

tralia to about half of its 1939 level. It would mean the disappearance, not only of farming population, but also of many of the country towns which are in economic equilibrium with the farming population. It would mean a wholesale de-population of Queensland and Western Australia, and still further concentration of population in Melbourne and Sydney.”

That is the position it is vital for us to consider—are we willing to sacrifice our great primary industries to build up the manufacture of goods for which, because of our small population, we are not naturally fitted?

Mr. Colin Clark went on to say—

“The Commonwealth's action in compelling agriculture to accept artificially low prices for its products, while prices and wages are high in all other industries, appears all too clearly to be one of the steps in a determined policy of discouraging agricultural and favouring manufacturing development. The maintenance of these artificially low prices is hindering the expansion of Australian food production, which is now the most urgent and immediate of our war obligations.

“After the war, world prices of primary produce will be found to have risen in much greater proportion than the prices of manufactured goods. Already in the U.S.A., the wholesale price of manufactured goods has risen by 25 per cent., and prices received by farmers 112 per cent.”

That emphasises the point I made, that we have to get this thing in its right perspective. We have to realise the part our primary industries play in our economic set-up; we have to realise also the part our secondary industries play and the part the Government have to play in maintaining economic equilibrium in this State.

There is truth in the contention of both Sir David Rivett and Mr. Colin Clark. I agree with Mr. Colin Clark when he says that our policy should be a steady and systematic development of those industries that are natural to the country rather than a hasty rush into industries of an artificial or premature kind.

Although I am a great advocate for the encouraging of secondary industries in this State and in the Commonwealth I am not in favour of the present trend to rush into all sorts of secondary industries. We must consider the manufacturing capabilities and possibilities in parts of the world that carry a larger population than ourselves. I refer particularly to the talk we hear now about our becoming manufacturers of aircraft. That we can manufacture aircraft under war-time conditions has been amply proved but would it be wise to spend many millions of pounds in developing an aircraft industry in Australia that would become uneconomic after the war and affect our vital primary industries detrimentally? We should develop those secondary industries that can utilise our primary production to the full instead of introducing industries that will never be economic.

Now let us turn to our primary industries and consider their value and the help they need if we are to put them on a safe foundation to withstand the shock of post-war period. The immediate aim of our post-war reconstruction planning should be the rehabilitation and expansion of productive industry, not a large-scale public-works programme. In the rehabilitation or expansion of productive industry, special consideration should be given to the requirements of our exporting primary industries. We can realise the necessity for this when we examine the statistics. We find that in 1938-39, the last year for which we have complete statistics, the gross value of production of our primary industries was:—

Industry.	1938-39.
	£
Sheep	9,235,000
Beef cattle	8,141,000
Dairying and pig	11,439,000
Sugar	8,997,000
Other primary	13,668,000
Total primary	£51,480,000

The gross value of production of our manufacturing industries for the same period was £19,301,000, making the total value of production of industry in this State £70,781,000. Those figures make us realise to what extent this State depends on the means of primary and secondary production. An analysis of them shows that 73 per cent. of the production was from primary industries and 17 per cent. from secondary industries, and a large proportion of those primary industries were exporting industries, industries that bring wealth to this community through their exports.

For some years after the war our main consideration must be for the needs of our great primary industries, although I agree with the opinion expressed by Sir David Rivett that we should aim at an expansion of secondary industries suitable to our State, particularly those that convert our natural raw products into the finished article, such as wool, cotton, and leather goods. In this connection, as I mentioned when speaking on the Appropriation Bill, I think the Commonwealth Government would have served this State better if they had done something to develop industries associated with the wool industry instead of introducing new industries to compete with it and in particular subsidising the establishment of the rayon industry in Australia, which will be the greatest competitor the wool industry will have to meet.

The greatest problem that I think any Government will have to face in the rehabilitation of rural areas will be to get people to return to primary industries. It must be admitted that as a result of the war there has been a great taking away from our rural industries of men and women. That has come about firstly through the very high proportion of enlistments in the various fighting services from our country areas. You will always find that the first people to rush to the colours

and in the greatest proportion from any section of the community are those engaged in land industries. There has been a further drain on rural industries by the war industries, which have attracted men and women to them by offering better conditions and higher wages in the cities. In short, during the war years there has been one-way traffic from rural to war industries and the fighting services. That has had a very detrimental effect upon primary production, and one of our greatest problems after the war will be to build up our primary industries and encourage people who have enlisted or gone to war industries to return to primary production so that our primary producers will have the labour necessary to enable them to meet the calls made on them and to achieve the various production goals set for them by the Government. The only way by which we can do that is to make country conditions more attractive both financially and from the point of view of social amenities.

At the moment some very dangerous propaganda is being disseminated by the Commonwealth Department of Post-War Reconstruction, a department that was used so wrongly during the recent referendum campaign for disseminating propaganda. Instead of helping to achieve the objective for which it was designed, this department is acting in a manner detrimental to primary industries, as is shown by the following extract from one of the four booklets published by it in connection with the primary production—

“The Department of Post-War Reconstruction considers that never in history have primary producers had better prospects than they have today.”

It goes on to say—

“We have learnt how to bridge the gap between city and country life. We can see that it pays the farmers to greatly increase their output. We can provide an expanding market for their produce. We can assure them of a steadily rising level of incomes. We can make country life much more convenient and comfortable.”

That is some of the propaganda that has been published by this Commonwealth Department of Post-War Reconstruction, and it is extremely dangerous. Instead of helping our primary industries it is going to militate greatly against successfully overcoming the problems that will confront them in the post-war period. It is time this department stopped wasting public money and devoted its time and energy to work calculated to further the war effort and to doing something useful in dealing with the many problems that will beset us in the post-war period.

I repeat that the main problem that we shall have to overcome in achieving this very necessary repopulation of our rural areas will be to make country conditions more attractive and to ensure that primary producers get an adequate return for their labour and the products of that labour. It is interesting to note that the Government have shown that they do realise to some extent the necessity for

making country conditions more attractive in that they have set aside a sum for electrification of rural areas.

I was very pleased indeed to see that the Government had adopted one of the planks of the Country Party platform, that is, in the subsidising of the cost of transmitting electric energy to country areas.

Mr. Cooper: We are very broad in that way.

Mr. NICKLIN: So I have observed in the Government's action in adopting some of the planks of the Country Party platform. I congratulate them on their wisdom, realising that if we cannot get the opportunity to do it ourselves the next best thing is to have someone to do it for us.

The provision of electric energy is certainly one of the greatest needs of the countryside, not only to increase production but to provide the people with the amenities they should have. If we are unable to do that, the Government will not be able to induce the people to remain in country districts. Will it not be readily admitted that the only way by which we can induce the people to live in these widely-scattered country areas is by giving them the benefit of electric energy, and that it should be done by the Government in subsidising the cost of trunk transmission lines. It is an item of expenditure that will be thoroughly justified and one that will pay handsome dividends to any Government. After all, the Government have adopted a similar policy by subsidising local authorities in the construction of roads with the object of increasing production, and it is only right that the same principle should be adopted with the object of extending the facility of electricity to country areas. The advantages of electric power are very evident to anyone who has travelled through the electorates represented by the hon. members for West Moreton, Fassifern and Stanley, where he will find that it has been of untold benefit in irrigation, thereby leading to increased productivity. These examples should be sufficient to encourage any Government and to induce them to conclude that there must be increased opportunities for the people of the countryside to enjoy the benefits of electricity and to use it with the object of increasing production. Greater than all else is its benefit to the womenfolk who, if they have a plentiful supply of electric power, will be content to remain in the country rather than yearn for the city with its amenities and facilities. I say very emphatically that the provision of electric energy in country areas will do more to bring about the return of people to the country and to increase the rural population than any other single thing it is within our power to give them.

There is another very important way in which the productivity of the country may be increased and that is by the mechanisation of agriculture, which can be developed very extensively by the use of electric power. Of course, it will be necessary for the Government to provide the financial accom-

modation that may be required for the purchase of agricultural machinery and equipment and I am pleased to know that a Bill already before the House makes some provision for this purpose. It is evident that if agriculture is to progress and develop in the future as we hope and expect it will, in order to meet the keen competition on world markets, it will be necessary to carry out an extensive programme of mechanisation of rural industries. That can be achieved only if in the first place the necessary encouragement is given by Governments to the various rural units to obtain the necessary agricultural machinery. Unfortunately, we in this State have lagged behind the other States of the Commonwealth, where they have had machinery pools in operation for a considerable time. It is interesting to note, for example, that one reason why this State was not able to obtain the maximum return in vegetable production, compared with the other States was that it was far behind their industries in the matter of mechanisation.

When we realise that most of the vegetables produced in this State come from the thickly populated areas we realise how the Government have failed in their duty to make available to those areas, through machinery pools, the necessary machinery to enable them to produce as cheaply and effectively as the corresponding areas in many of the other States.

Bound up with this question of getting back to our rural industries is that of stabilised markets and prices. Although the Commonwealth Department of Post-war Reconstruction in its propaganda says that this is a matter that has been settled, primary producers are not so sure that it has been settled in the way they desire. Now is the time, when they are getting better prices than for some time, for steps to be taken to see that those prices are not only held but improved on, rather than that the position should be allowed to slip back to a point from which it will not be possible to build it up again. One of the ways in which we can stabilise the cost of production and ensure primary producers an adequate return for their labour is to prevent gluts by providing processing facilities and efficient distribution. The Budget mentions that the Government Statistician has done a great job by obtaining from vegetable-growers particulars of their plantings, with the result that he is able to tell them when gluts will occur and to enable them to get rid of their crops satisfactorily, but I venture to say that such information although desirable will never prevent a glut of vegetables unless some means of processing surplus production or some means of efficient distribution is adopted. Unfortunately that very important aspect of the situation has been completely forgotten by the powers that be. Figures to show that there is going to be a glut next week of cabbages, carrots, or some such primary product will not prevent that glut; we must establish some means of processing the over-production or adopt means to distribute it efficiently. When we look at the Budget we

see not one word as to whether the Government intend to encourage the establishment of processing plants in this State to deal with such gluts or are taking any steps to modernise the railways to provide for the more efficient distribution of primary products. A fairly large sum has been set aside in the Estimates for expenditure on the Railway Department but it will not do very much more—if it accomplishes even this—than restore the department's assets to their pre-war condition. There is nothing in the Budget of any proposals to establish cool stores in various parts of the State or to give transport facilities on our railways to transfer perishable products in proper refrigerated trucks instead of in air-cooled wagons that if left standing on a siding for any length of time develop into dehydrating instruments rather than trucks for the carriage of perishable products. Unfortunately that is one of the aspects in which the Budget fails the people, particularly that section on whom we so greatly depend, namely, the primary producers. We can find nothing whatsoever in the Budget designed to handle their problems effectively. The Budget fails completely from that point of view.

Again, we also find in the Budget nothing of any value to give necessary encouragement for the development of secondary industries. As we know, there has been a marked improvement in some sections of heavy industry, owing to the impetus of war. We desire to retain the advantage this State has won by the establishment and development of such undertakings but has the Treasurer given any indication in his Financial Statement that it is his Government's intention to do anything to improve the facilities available to secondary industries in Queensland or to encourage and develop them?

On those two most important points this Budget completely fails. All it amounts to is an excellent review of the financial condition of Queensland; it offers not one iota of help to the primary producers of Queensland, to the people interested in secondary industries, or to the taxpayers of Queensland. When we consider the things that are left out of this Budget we realise its many shortcomings. I hope that as the Treasurer carries on his work in this the most important department of the State, he will realise that he has failed in not giving adequate consideration to these most important sections of industry in our State, and that he will drop this public-works complex, which apparently he and his Government have, and give more attention to developing the great primary and secondary industries of Queensland.

Opposition Members: Hear, hear!

Mr. MOORE (Merthyr) (12.38 p.m.): I desire to congratulate the Treasurer on his first Financial Statement. He has proved to us by his administration in the past that he will view the future of this State with courage and practicality and we can look forward to his control of the finances with great confidence.

Already some critical analysis of the Budget statement has been made. I am not very concerned as to whether the Treasurer has the funds up his sleeve or in his hip pocket; I am confident that at the right time they will be used to the best advantage of the State.

A paragraph of the Budget that impressed me very much was one that appeared on the last page—

“Although the numbers engaged in primary industries will eventually be considerably greater than the present numbers, most of the future increase in the working population will be absorbed in secondary and service industries. This being so, it is certain that a larger proportion of our population will be city dwellers, but there are definite objections to the bulk of this increase being concentrated in one city, or even in two or three. Efforts should be made to encourage the development of all the towns which will be the suitable natural centres of the economic regions of the State. If things are left to themselves the tendency seems to be for the large towns to grow larger, but much can be done to counteract this trend by fostering the growth of services in the towns which are likely to become regional ‘capitals.’ It is clear that the growth of several provincial cities to a reasonable size, in close contact with their regions, would assist in the solution of a difficult problem of most vital importance in a young and only partially developed country such as ours.”

That being the aim of the Government, I feel sure that the future development of the State of Queensland, in relation to the development of the whole of Australia, will be on very sound lines and in the interests of this great Commonwealth.

I believe the primary problem that will face us when this war is over will be rehabilitation of our fighting forces and the creation of avenues of employment for the thousands of people who are now engaged in war production. I believe the second problem will be the peopling of the State and the further development of our primary and secondary industries to accommodate the increased population. That is a very very big subject. I should like to see the Government confer with the Commonwealth Government immediately on the matter of encouraging suitable migrants to this country, and the settling of those people when they get them here. The increase of the population in this country must be considered in relation to our White Australia policy to which the Australian Labour Party is traditionally pledged. We have in our midst organisations and groups of people who differ from us, but the Australian Labour Party definitely pledges itself to the White Australia policy. With the end of the war in sight and the impact clearly facing us of new approaches to many vital economic problems, and these complicated by an almost world-wide unsettled condition according to the views not only of political party leaders but of the best brains in the community, it behoves us to realise in the

most forceful fashion that mere lip-service to the ideals of a White Australia policy will find us stranded, probably isolated and ultimately destroyed, and our White Australia ideal dissipated probably through our own ineptitude. Therefore we have to analyse and organise and, having done so, implement by action the result of our analysis and organisation. Considering that we have in this country, as I have previously mentioned, people who do not believe in a White Australia policy, it will probably be necessary for us to re-dignify in some measure the White Australia policy and to enlarge upon it, so that it is not merely considered by unthinking people as a Labour Party ideal but be developed as an Australian national ideal. We should make it something that will be placed in forefront of all thought and all planning, not merely by political parties and leaders but by all leaders in all walks of public thought, as Australia's rock and foundation.

Australia is a country capable of carrying many millions more of population. We, as the Government of the State of Queensland, must play our part in collaboration with the Commonwealth authorities in seeing that large numbers of the right people are brought here and that, having brought them here, we can utilise them in the best interests of the development of this State. An increase of population is an immediate necessity if we are to emerge at the end of the post-war period still in fact a White Australia. In that regard we should emphasise that Australians should demand and, having demanded, live up to a total White Australia policy. One of our weaknesses is that we hold a vast territory greatly underpopulated and strongly demanding an increase in white population. Furthermore, on an examination of the subject, we find that that increase must take place in a fairly quick time by natural increase. Taking into consideration the figures of our natural increase given to us by our statisticians, the answer is that planned immigration will greatly assist in solving our difficulties. In the past, some efforts have been made in this regard and some measure of success has been attained, but the fact remains that in the time we have as a nation to ensure sufficient white population, never to be menaced again by an enemy, and never to be menaced by outside pressure from friendly nations, who might have in mind a lowering of the White Australia standard, we must modernise our methods of approach to those European people whom we believe to be desirable immigrants.

The time factor cannot be too forcibly stressed and we must face the stark realisation that Australia is the peninsula of Asia and that in Asia there are hundreds of millions, and probably thousands of millions of people, many of whom have not adequate living space. Many of those people are peaceful and industrious and have no desire other than to live in their own way. On the other hand, there are millions who are naturally aggressive and all of them know the richness of this vast land of Australia.

We must realise also that there are many tracts of land in Australia on which certain races could live and thrive according to their standards and on which they could enjoy their own standard of affluence although Australian people could not do so well in these areas. It might be premature to suggest that later on there might be another attempted invasion of this country, but the history of the world and the knowledge of scientific warfare that we now possess suggest that invasion will always be a possibility. We might even have to face another method of war, applied in peace-time—infiltration—and it is entirely within our hands to plan in the next 20 years to make our White Australia policy a realism that might be used to combat any of these contingencies.

Much is said and printed about the post-war set-up amongst nations, but Australia should realise that we shall have to face many hard facts. We must appreciate that for many reasons we shall probably have but a small voice in the international post-war set-up and probably a small voice on matters relating to the islands adjacent to us in the Pacific. How many Australians realised in 1939 that there were 40,000,000 coloured people just north of Darwin living peacefully under the Dutch flag? How many of us realised that the little dots on the map, which spread from New Guinea right through the tropics in the Pacific were actually vast areas of land which, in addition to their native populations, carried more than 1,000,000 Japanese soldiers? Did we realise that in the main, from a living-standard point of view, these islands sustained economically all those Japanese soldiers and still had surpluses for export? It will be not so much the disposal as the control of these tens of thousands of islands that is going to have a tremendous bearing on our ability to maintain the White Australia policy in 10 or 20 years' time. Expansion goes hand in hand with trade, and expansion of population presupposes vast extension of trade, both import and export.

I should say that the natural market for Australia's surplus in almost every line is Asia, and Asia is going to press high for some form of recognition and reciprocity before she becomes a willing consumer of our exportable surplus on lines other than those she can readily produce in bulk herself. This vast Asiatic market must yield us a return, but our contacts must be wise. We must be far-seeing in our need for expanding our exports in this Asiatic zone while still retaining our White Australia standard and holding the trust and respect of the Asiatic countries with which it is deemed essential that we should increase our trading contacts in the post-war years.

I submit here that Australia is not under any compliment to any other nation in the world so far as her war activities are concerned. Australia has the smallest population of any country engaged in the war effort today. Our soldiers have fought with distinction on every battlefield. They have made sacrifices on every battlefield in order to fill the common pool of defence against the

totalitarian States. That being so, I say that when the war is over and the rehabilitation of nations takes place Australia should be able to preserve the ideals for which every Australian soldier fought and for which every Australian man and woman made some sacrifice.

At 12.55 p.m.,

The CHAIRMAN: By arrangement, I will now adjourn the Committee so that those hon. members who wish to do so may see the march of the 29th Brigade. The Committee will resume at 2.30 p.m.

Hon. Members: Hear, hear!

The CHAIRMAN resumed the chair at 2.30 p.m.

Mr. MOORE: The question might now be asked: where is our flow of immigration to come from? Firstly, I say Great Britain. Australia has been a very loyal dominion of Great Britain and on three occasions in her history has sent her sons to help the Motherland in her hour of travail. I feel confident that the British Government realise this to the fullest extent and I believe that if the correct representations are made to them, despite the fact that most Britons will be needed to take part in the rehabilitation of their country, the British Government will realise that in order to strengthen the dominions and Great Britain itself, it is desirable to build up the British dominions with good Britishers.

Mr. Pie: What work are you going to give them when they get here?

Mr. MOORE: If the hon. member is patient I will endeavour to outline a scheme to absorb all those people that we will attempt to bring here. I am sure many people in Great Britain would gladly come to Australia if the case for Australia was correctly put to them. I also believe that if after the last war the British Empire had been decentralised through the dominions it would have found itself in a much stronger position when the present hostilities broke out. The strategy of the totalitarian countries plainly shows that in their preparation for war they planned to separate the dominions from the Motherland. We had an example of that when the Japanese attempted to invade this country and the British Navy and Air Force had no chance of getting here. That is something the British Empire now realises. I believe that one of the first moves should be the decentralisation of the British Empire in order to strengthen the Dominions and the Empire itself. I believe, too, that Danes, Swedes, Norwegians and Finns, in fact all Nordic races, who are intensely industrious, should be encouraged to migrate to this country. Further, I believe that certain southern Europeans might be desirable, but I suggest that these people should be very carefully selected with a view to settling them on the land and engaging them in primary production rather than in business. There is also great scope, in my opinion, for bringing

orphan children to this country. Throughout Great Britain and other parts of Europe there will be many orphans.

Mr. Brand: What Southern Europeans would you recommend?

Mr. MOORE: There are a number of races who could be very carefully investigated, always keeping in mind the type of industry they follow and the type of industry available in this country. It must be understood, too, that none of these schemes can be brought about merely by waving a wand. It is not merely a matter of hon. members rising in the respective Parliaments of the Commonwealth and giving what I referred to previously as lip-service. This matter is of vital importance to the future of Australia. We have seen the amount of money and organisation that can be gathered together to defend this country in its hour of crisis, and I say that the same money, brains and organisation should be put into the task of building the Commonwealth of Australia into the great nation that it can be. A further point is that this work can be done free from the worries of war. Things had to be done overnight in gearing this country to the war effort, but there is no need for that speed in the peace-time building of the nation. All suggestions that are made from time to time should be investigated carefully, and if this is done I feel certain that a huge number of desirable citizens will be attracted to Australia. Although we make many suggestions, we must realise that the first essential is to arrange the set-up in this country and then to have proper representation made to the Governments of those countries that Australia would consider as desirable sources of immigrants. A number of orphan children, old enough to travel, should be welcomed to Australia. Here the rehabilitation of those children would demand the setting up of a huge and detailed organisation. I do not propose even to sketch the type of organisation that would be necessary. I leave that to the imagination of hon. members.

Mr. Pie: Should it be a State or Commonwealth responsibility?

Mr. MOORE: Our only hope of building up this country is by having complete co-operation between State and Federal Governments. I believe that the Queensland Government know more about this State than do the Commonwealth or any other Government. I believe that that is the State Government's responsibility, and I am confident that the present State Government are prepared to live up to that responsibility and to advise the Federal Government as to what is best for this State.

The children of tender age who come to this country could be educated in the Australian language, methods of living and laws. They could then be developed into very estimable citizens. If children were brought from Europe to the wide open spaces of Australia they could be freed from the war mania that has ruined Europe ever since the beginning of history.

Having decided upon the desirable types of people to come to this country, the Government should know at the same time how these people will be absorbed once they arrive. Actually, that will have to be decided upon before we attempt to bring them here. That, in my opinion, necessitates an immediate scientific survey of our primary and secondary industries, with the object of possible economic expansion, and to that end a Bureau of Science should be established immediately, the first duty of which would be to form an estimate of the number of people who could gradually be absorbed gainfully into reproductive development.

The slogan "Populate or perish" has been bandied about from one end of the country to the other, but even if we did populate but did not at the same time develop the secondary side of industry, we should perish because our people would not be gainfully employed.

Mr. Pie: There is no provision for that in the Budget.

Mr. MOORE: The hon. member should read the Budget again very carefully, I suggest. Further research and new industries, primary and secondary, would follow the development of a plan in the building up of primary and secondary industries in adjacent areas. Imagine the towns where factories would be working creating a large weekly wage to provide the people with the purchasing power to buy and consume the products of the farming land, the latter assisted by a scheme of water conservation and irrigation.

An Opposition Member interjected.

Mr. MOORE: I would say in reply to the hon. member that the Labour Party is modern, that it always rises to the occasion, and that is why it has governed this State almost continuously since 1915. I believe from my knowledge of Queensland that it would be possible to have many of these settlements in the interior. We could also envisage the possibility of what the community could be offered by way of higher education, the decentralisation of health services and social advancement and the amenities generally that are the practical means of arresting the permanent drift of the people to our big cities on the coast.

Mr. Pie: The Commonwealth Government say that you cannot decentralise industry in Queensland.

Mr. Aikens: The Commonwealth Government wanted to decentralise but you advised the people to vote "No."

Mr. MOORE: One of Queensland's disabilities is its vast area and scattered population. There are hundreds of small towns miles from large centres whose economic and social outlook is hopeless. What can any Government offer these people in the way of economic security and social advancement by way of education, hospitalisation, and other amenities while they are allowed virtually to stagger on as they are doing?

I do not want to encroach on the preserves of another of my colleagues, but an example that I have in mind is the town of Blair Athol, which I recently visited. Here is a vast area with millions of tons of coal awaiting production. At the moment the miners, who are the majority of the people there, are working full time, but prior to the war they worked part time and they forever have a fear complex about working part time again. This town has not been developed in any way. It is surrounded by great spaces capable of being used for primary production. We can imagine the industries that could be developed there with scientific research. First of all, the mine would be the basis of the chief industry. There is no need to remind hon. members of the importance of the by-products of coal.

Mr. Brand: Is this coal suitable for the production of by-products?

Mr. MOORE: My idea is that there should be a scientific research bureau to find out these things. I would not be a party to the Government's spending huge sums of money only to come to the conclusion later that this type of coal was not suitable for the purpose they had in mind. The bureau should investigate all the possibilities of any area. Once assured that we could get the people from overseas we could make a start in building a town of some 10,000 to 15,000 people. That is the ideal type of development. These people could have the social and educational amenities which we frequently talk about. Such a scheme would arrest the migration to the cities from the country.

To get back to the subject of immigration, I suggest that a move should be made to bring about co-operation with the Federal Government so as to get these schemes under way.

Mr. Brand: Do you suggest that the Queensland Government should take up a vigorous policy of immigration?

Mr. MOORE: If the hon. member would be patient he would hear a great deal about the proposals of the Queensland Government in the post-war period. I suggest that commissioners, ambassadors or officials should be appointed to visit countries from which we were seeking migrants. There will be many and varied methods of approach to the countries that may be interested in sending people to Australia but I think one method might be to build a fleet of Commonwealth ships that could be sent to the countries concerned. These ships could be fitted out on the basis of a floating fair. They could carry a complete display of everything that Queensland could produce in her secondary and primary industries. These commissioners, ambassadors or officials would be empowered to develop every trade contact and at the same time be in a position to select a suitable type of migrant. Each boat could concentrate on the country most suitable for the mission and in this manner a plan for advertising Queensland could be developed. Having obtained people of a suitable type these ships

could be used for transporting them to this State. Further, after these people had become Australianised and if they desired to revisit their own country and thus act as propagandists for Queensland Government ships could be used to carry them at reduced fares to their homeland to enjoy a holiday there and return to this State. As I said, many methods will be suggested as a means of accomplishing this vast scheme and I do not propose to go further into the details of it.

Another urgent problem in increasing the population of this country and its development is housing. I believe that the only nation that will survive will be the nation that will produce a population of a high physical standard, with a broad mental outlook, and these characteristics cannot be obtained by sub-standard and overcrowded housing of its citizens. Further, I believe that overcrowding is the genesis of many insidious diseases—social, nutritional, and environmental. It also prejudices mental and physical development and often breeds discontent and many isms whereby desperate and disillusioned people hope to find their utopias. It will be agreed that ill-health and disease are propagated more through malnutrition, overcrowded and sub-standard housing conditions than anything else. These “spanners in the works” of our moral and social development cannot be removed unless wage-earners are happily and hygienically housed in conformity with a modern concept thereof.

In passing, let me observe that it is strange that in the metropolitan area and other towns in this State we have our overcrowded areas with their dilapidated houses and yet within easy reach of them we have vast areas of land suitable for building houses thereon. Today there is a large section of our people in constant employment, earning the basic wage and a little more, who previously have not been able to avail themselves of any house-building scheme. This section of the community must be helped by the Government, and in this connection there are two outstanding facts. The first is that in any future home-building scheme the purchase of a home is going to be more costly than in pre-war days. Secondly, this may be offset by the fact that there are a number of people in this class with substantial bank deposits. At this juncture I wish to say that I prefer a purchase system rather than a renting system. I strongly believe in the pride of ownership. I am satisfied that ownership of homes will produce much better citizens in every way and will be a potent factor in encouraging young people to settle down and assume the responsibilities of parenthood. I am not a supporter of the train of thought that our young womanhood are not willing to shoulder the burden of motherhood, but I believe that they should at least be guaranteed a decent home in which to rear our young Australians.

I believe a definite obligation rests on the Government to assist them in this respect and I feel certain the Government will play a noble part when the opportunity offers.

My scheme for this section of our young people is briefly that the Government shall buy unimproved land at a reasonable cost. There is plenty of such land in the metropolitan area and in most towns. To erect suitable houses, the State Advances Corporation, despite the criticism hurled at it through the newspapers, has sufficient different designs to satisfy most of our young people. Criticism has been offered of the type of home proposed, but I notice that when something more pretentious is suggested, none of these critics go into methods of finance. I have some knowledge of how young people have bought and over-capitalised their homes. I think there is nothing worse than to start off with an over-capitalised home and find oneself compelled to sell it to get rid of one's liability. This is a very serious matter, and one I know the Government will keep a pretty firm hand on when house-building reaches the huge proportions we feel it will reach in Queensland.

From my own contact with many of these young people I believe they want a comfortable home, well-built, but are not concerned about architectural beauty and many other things we hear about.

To reduce the cost of erection—which is something that will cause considerable thought to the authorities—I suggest the Government arrange for material for these homes to be cut out by mass-production methods.

A Government Member: Pre-fabricated.

Mr. MOORE: Pre-fabricated, as my colleague says. That could be done under supervision to conform with the standard laid down by the Government, and I feel sure that the cost of housing could then be greatly reduced. I suggest that the erection be carried out by skilled tradesmen. Numbers of these will be available who have been engaged on Allied Works Council ventures for I take it quite a number of these men will be released at an early date. This would eliminate much of the profit of master builders, master plumbers, painters, and the like, and should considerably reduce the cost of erection of houses erected by tender or private contract.

In order to encourage home-building, the work of the housewife must be lessened. One way is to have in the home as many labour-saving devices as possible, such as washing machine, gas stove, refrigerator, sewing machine, vacuum cleaner and electrical gadgets that will reduce not only the household labour but also the household bills. I cannot see how buying these articles through the usual channels is workable. I believe the Government should as early as possible ask the Federal Government to make a survey of the factories in which munition and other production is diminishing. I believe that the machinery in a number of those factories could be used to mass-produce some of the equipment that is needed in the homes as labour-saving devices. The State Government would buy this equipment from the Federal factories and install it in the home.

These houses, with this equipment, would be then sold to the prospective buyer on a low deposit and with instalments as low as possible.

The burning question concerning the paying-off of homes centres around interest and redemption. On the basis of a loan at 4 per cent. repayable over a period of years, it is estimated that £700 would be repaid at the rate of 19s. 7d. a week. It may be and probably will be possible for the Government to lend money for this purpose at a lower rate of interest, so that a weekly repayment of 25s. would provide for the redemption of the home and rates and insurance as well. Under these circumstances, it should be possible for all sections of the community to share in the scheme.

I commend this house-purchase scheme to the Government. It could be applied to suburbs in many parts of Queensland that are not now thickly populated. Transport, roads and footpaths, lighting, water, playgrounds, etc., would be the responsibility of the local council and would be the natural corollary to the scheme.

I should now like to say something about the over-crowded suburbs and houses in the metropolitan area, particularly in the Merthyr electorate. I have too many over-crowded houses in my electorate. Hundreds of these buildings are not fit for human habitation and this menace must be grappled with at the earliest possible date. If a survey was made we should find that these houses are owned by three different classes of people: Firstly, the wealthy individual landlords who own numbers of houses, which they rent; secondly, companies that own numbers of these houses, which they rent; and thirdly, owner-occupiers. The two former classes should be forced to renovate those houses that are worth while renovating, and to demolish the remainder and to rebuild modern homes that satisfy the requirements of the present tenants. The owner-occupiers of limited means should have financial assistance to modernise or rebuild their homes.

An Opposition Member: You are getting away from Labour's policy.

Mr. MOORE: I cannot see it. As long as I have known it, Labour's policy has been to help people entitled to help and to peg those people who are out to exploit the great mass of the people of this State.

In order to bring this about, I urge the Government immediately to set up a board consisting of a representative or representatives of the local council, the Government, and the landlords. This board would make a survey of these places and make the necessary recommendations to the Government. The rebuilding could be associated with street planning, which would include the provision of playgrounds and park areas. A controversy is going on at present about parks and playgrounds. In my electorate there is one of the most beautiful parks in the metropolitan area, New Farm Park, but I believe that in future town planning smaller parks and playgrounds should be made in close

proximity to all sections of the suburbs. It is not convenient for the smaller children to go to one big park. If we had smaller playing areas in close proximity to their homes, children could go to these breathing spaces under the eyes of their parents. I have not sufficient faith in private enterprise to think that it will do such a job as this. We have seen evidence in the past proving clearly and forcibly that the aim of the individuals who created industrial housing in other parts of Australia, which has produced slums, was not to build a good, cheap house for hard-working men and their families but to make exorbitant profits for themselves. We have in our midst today, waiting to operate immediately he is allowed, the rapacious and unscrupulous buyer who will buy up dirty, shabby, tumble-down buildings and rent them to workers for exorbitant rentals because those workers must have a roof over their children's heads. This must never be allowed again in this State.

At one period a survey was taken of the inmates of a Melbourne gaol. It revealed that about 95 per cent. of the criminals were the product of slum-minded parents. A further survey of 22 children's courts in the same city showed that seven out of every eight children convicted came from bad or indifferent homes. Brisbane is not so badly situated, but it could be so if allowed to develop in the same way. We have heard a great deal lately about social evils, family discord, and child delinquency in this State. Perhaps those things have grown because of a war atmosphere.

These problems will have to be arrested and counteracted. Perhaps the first step in this direction could be the fostering of the family circle. It is an undisputed fact of history that a nation grows or declines as its family life grows or declines. It is the virtues taught and nourished in the family circle that become the virtues of a nation's statesmen and warriors, its law-makers and public officials. A housing scheme that provided suitable homes for workers would be the starting point in the promotion of the family circle. If children and youths—and grown-ups, for that matter—have homes wherein they can provide their own recreation and enjoyment and where they can bring their friends, they will not feel an urge to leave the home and frequent places where evil influences are encouraged. In my electorate many people are living in rooms, tenements and overcrowded boarding houses, and such an existence tends to lower all standards and certainly militates against large families.

Finally, we have heard a great deal about our returned soldiers. We have heard a great deal about preference to returned soldiers. The duty of all Governments goes much further than giving preference to returned soldiers.

The obligation of all Governments is to build the Commonwealth of Australia to such a stage that we hope that we shall not have to use the term "returned soldier" any more. From inquiries I have made of many service

men, I find that their main desire when demobilised is security of employment with homes of their own. The rehabilitation of the returned men will be helped greatly if they are aided to buy their own homes. Many of them wish to marry and settle down, and what better atmosphere could this be done in than a new home where such a man can spend his leisure hours in beautifying its surroundings in the company of his family?

I strongly urge the Government to carry out this work as speedily as possible, and I have every confidence that the Government will do it to the extent of the finances that will be available.

Government Members: Hear, hear!

Mr. HILEY: (Logan) (3.5 p.m.): May I felicitate the Treasurer upon bringing down his first Financial Statement under conditions that must impress all members of this Committee as being those of financial comfort? In comparison with the situation that confronted some of his predecessors in office, his lot was a rather happy one.

If the Budget is not unique—it is the fifth war-time Budget—at least it shows many marks of abnormality. It is notable for the magnitude, ease of acquiring and secondary nature of much of the revenue. There I think it contrasts sharply with the experience of this State some years ago when it was a prime taxing authority and the bulk of its revenue was collected primarily by its own effort. It is notable, too, as the Budget of a year of continued restrictions in spending opportunity. The man-power of the Public Service continued to be heavily denuded and material shortages continued to be apparent, and for those reasons the Treasurer must have found himself last year, and in approaching his consideration of this year, facing a position of restricted spending opportunity.

The Budget is notable in another direction, in that during the past year there was an absolute minimum need of tonic or relief spending. I remind hon. members that the duty of the State in times of commercial faltering has been to come in and put its shoulder to the wheel to keep the level of employment high. That has in fact become a notable feature of governmental finance. Last year found the national need for workers at such a high level, because of war conditions, that the State's task in providing tonic or relief spending was a light one indeed.

The final direction in which the Budget is notable is the impressive contributions that were added during the year to the already substantial accumulation of reserves for post-war spending. When we examine the four directions in which this Budget can claim to be a notable one, I think we can fairly form the conclusion that in its effect on the State Treasury war—which hits a Treasurer in some respects and helps him in others—has in the great balance of things been of notable help. The burdens cast upon the Treasurer during these years have been small in comparison with the extraordinary revenues that have been produced.

1944—v

Because of the relation of the State Budget to the whole of Australia's economy, I think we might spend a minute or two on examining our financial management of the nation during the past five years. It impresses me as being a mixture of a great deal that has been good and some that has been bad, and yet it occurs to me that in the extraordinary test of five years of total war—and only a world war could provide such a test—it would be a miracle indeed if sectional inequalities and imperfections could not be found. In Australia we have had a substantial measure of inflation, and only the war-time controls of price-fixing, building restrictions, control of share values and land transfers, have prevented it from sweeping in full tide right over our national economy and causing disastrous effects to many citizens of the community.

While I recognise that these controls have been very largely effective I think it would be a mistake for hon members to blind themselves to the fact that over this five-year war period there have developed in the community a number of sections of people on whom the weight of war has fallen with much lighter hand than on others or who have actually benefited because of the war. I wonder whether the manufacturer who has been able greatly to expand his business and is fully and actively engaged on war contracts longs for the termination of the war in the way that other people in the community do. I wonder if some of the workers in the community who by sheer luck, because of the way in which the tide of war has run, find themselves in by far the best jobs they have ever held in their lives, pray every night for the early cessation of the war. We have in Australia as a part of our national finance a number of Commonwealth loans that are tax-free, the holders of which have not paid one penny piece as a contribution to the cost of this great national peril that faces us. You go through the streets of Brisbane and you find the cafes crowded with extensive queues, as you do with the places of entertainment. I wonder whether these people feel the wish deep within their hearts for this dreadful war to finish and for this threat under which we live to pass away.

There are other sections that might well claim our attention. We have a number of bureaucrats lifted into special war-time jobs, probably the best they have ever had in their lives. Do they want this war to end? The hon. member for Merthyr said that we had in the community some very old dwellings in respect of which there would have been demolition orders in times of peace or at least it would not have been possible to let them at reasonable rentals. There you have another section that has managed to benefit and profit extensively because of war. We have amongst us—although we seem officially unable to find him—the black marketeer in goodly numbers and in many directions. Amongst these classes some have reprehensively benefited by the war and some of them fortuitously, without blame attaching to them.

In this connection I think we have to list some of our State Treasurers who have found that without any conscious effort they are in possession of extraordinary revenues with diminishing avenues of spending and so their task of planning the finances of the State has been greatly eased and in some instances, particularly in Queensland, the balances at their control have been very substantially increased. I think we might measure the effect of this five-year period of war on the Treasury account. The figures that I am about to quote have been taken from the Treasurer's Financial Statement or from Statements issued by his predecessors in office. We find that the Consolidated Revenue Fund, the principal fund, the fund that is presented to us as the measure of Treasury management, was overdrawn in 1939 by £3,792,000, whereas in 1944, after 5 years of war, the overdraft had been reduced to £3,468,000, an improvement of £323,000, which is the precise measure of the surpluses disclosed by the Treasury over 5 consecutive years. I particularly want hon. members to remember that figure of £323,000 because it will be referred to again, particularly in relation to some other figures that I intend to bring under the notice of hon. members. It would be folly for us to imagine that that amount of £323,000 is the full measure of our financial improvement. If we look at the Trust and Special Funds we find that in 1939 those funds disclosed a bank balance of £3,061,000. It showed no investments.

So that the total moneys lying at the disposal of the State were, we are told, £3,061,421 in that account. When we come to analyse the total of the funds that constitute these moneys we find £654,545 represented moneys lodged with the Treasurer by insurance companies as fidelity guarantees that they have to lodge before they can carry on the business of insurance in this State. We find that a further £2,084,175 represents contributions by public servants of the State to their superannuation fund, with the addition of Treasury grants from year to year. We find, too, that £130,152 represented moneys the property of the policy-holders in State Government Insurance Office, and was part of the Insurance Fund under the control of the State Government Insurance Office. We find that £15,000 represented what might be described as money in chancery, money in the Supreme Court held there pending the settlement of litigation, when it is paid out to the party entitled to it. So that of that £3,061,000 in the Trust and Special Funds on 30 June, no less than £2,883,891 belonged to these four earmarked funds I have mentioned. I would draw hon. members' attention to this: that the very nature of these funds shows that they were moneys owing to other people. Therefore, the moneys actually available to the State on that date in the Trust and Special Funds amounted to a mere £177,529.

Now let us go over the five years of war, come to 1944, and examine the picture. Whereas in 1939 we had £3,000,000 in that account, today we find the banking account holds £9,545,002 and that in addition

the fund holds securities amounting to £18,617,903, a total of £28,162,905 as disclosed by the Treasurer's Statement. Of that amount, insurance deposits represent £634,645 and the Public Service Superannuation Fund nearly £3,000,000 and the insurance fund by this time discloses figures of over £8,000,000. I draw hon. members' attention to the change of accounting methods here. On the same date, the Supreme Court Fund still had £15,478. Deducting these amounts from other moneys in the Trust and Special Funds we find that moneys truly available to the State amount to £16,173,555 compared with a mere £177,529 five years ago.

I should at this stage comment on some earlier discussions that took place in this Chamber concerning the right of the State to regard these moneys in Trust and Special Funds as moneys peculiarly its own money which it was entitled to employ if it needed it. To the extent that the Trust and Special Funds are the repository of moneys, part in the nature of taxes, part in the nature of liabilities internal, part liabilities external, I say that no common rule can be applied that the whole of these moneys should be treated as capable of appropriation. What, for example, would the public servants of this State feel if they were to learn that this State said, "All your money"—and it is their money—"can be used by the State at any time it likes." You go further and you find the State on that argument could use the whole of the policy moneys paid in by the policy-holders of the State Government Insurance Office. It seems to me that in arguing whether the State is entitled to do these things, there is a failure to distinguish between the power to do it and the right to do it. Every defaulting solicitor has the power to skedaddle with his trust accounts but he has no right to do it. This power to appropriate should not be confused with the power to misappropriate. It seems to me that to the extent that money in a special fund represents clear liabilities to outsiders it is a very dangerous principle to regard them in the same class as money that is internal liabilities or money that is merely tax money put into that fund and held there until required.

Continuing the examination of the relative position between 1939 and 1944, and examining the Loan Fund, we find that in 1939 the State debt was £127,000,000, and by 1944 there was a tiny growth to £129,000,000. But it is important to note two things. The first was that in 1939 the per-capita indebtedness was £125 and by 1944, in spite of the increase in the amount, it had fallen to £123 per capita. And there is something still more important. For too long, I believe, has public finance in Australia had to pay an excessive rate of interest. We have seen during the last generation those rates of interest gradually reduced and I should say one of the best features of our war-time control of finance has been our ability to still further reduce interest. The effect is that whereas in 1939 the average yield from domestic bonds was 3.92 per cent., on 23 August, 1944, that had fallen to 2.91 per cent., an average drop of

1 per cent. As the Treasurer has rightly pointed out, the effect of that reduction is not immediately apparent, but this State can look forward, I think, with the successive renewals of these loans and with its new borrowings, to a period when it will experience a gradual reduction in the rates of interest, and that will be a very material relief from the burden of interest paid out annually by the Treasury.

Reviewing the three funds I have mentioned, I find that the Consolidated Revenue Fund was improved by £300,000, and the Trust and Special Funds improved by £15,000,000 to £16,000,000. I have shown you what happened with the Loan Fund. We should not fail to take notice of the amount at present lent to the Commonwealth Government representing arrears of income tax collected. The figure of £815,000 is in the nature of a reserve of this Government, and must be taken into account in assessing the total picture. So I reach this conclusion: that by some queer conception of State accounting during a five-year period we disclosed a total surplus of £323,000 when the true surpluses of this State were at least £15,000,000. I realise that there are other factors than mere money that should be taken into account in determining the true wealth or prosperity of a country. The Treasurer made a very apt interjection when he referred to the fat years and the lean years. It follows I think from his interjection that he clearly regards—and I do not disapprove—the £16,000,000 at present in Trust and Special Funds as existing to meet any shortages that may arise in more difficult years. What I do say is this: I believe that we do the public of this State a disservice by making it possible to have such a huge difference between the figure we present and the real position.

There I might venture to labour a point. I cannot distinguish from the course that legislatures throughout the world have laid down to be followed by persons responsible to shareholders in the keeping of company accounts. The principle of keeping company accounts envisages that reserves shall be made. Quite permissible. But in the light of experience it has been found necessary to lay down that if you are going to create reserves, and if you draw on those reserves, you must clearly warn the shareholders that you are doing so. I am reminded of the fact that in England, Lord Kysant of the Royal Mail Packet Co. went to gaol for 18 months because he disobeyed that fundamental rule. The shareholders in the Royal Mail Packet Co. were allowed to live in a fools' paradise. They received their dividends year after year without knowing that the company was incurring losses. What I believe is a danger of our present accounting system is that we show these tiny surpluses when they are really much greater, and that conversely when the time comes we shall draw from those reserves and show a small annual surplus.

Mr. Foley: All the accounts are in a healthy position.

Mr. HILEY: That is not the point. It is a question of disclosure. I quote the

views of Sir Eric Phipps, which I think very aptly express the point I am trying to make:—

“Our political system seems to need some reform whereby public opinion will be properly enlightened by politicians with sufficient courage to reveal the truth, however unpalatable to the nation.”

Opposition Members: Hear, hear!

Mr. HILEY: In this case the truth is not unpalatable but it might be dangerous. Are the Government afraid that if they showed the real position they would experience pressure from pressure groups? Let the Government show the world at large what their position is and let them have the courage, if unworthy representations are made, to refuse them very firmly. I can assure the Government they will have support from this side of the Committee if that is so.

Mr. Foley: It is the Government's duty to see that all these accounts are in a healthy condition, and they are.

Mr. HILEY: No-one is contesting the health of the accounts. On the contrary, I am trying to demonstrate that fact with far greater effectiveness than the Treasurer.

I think there are other aspects that should be encouraged. As I said before, a mere money measure of the prosperity of a country is a rather crude and inexact yardstick. Let us examine what has happened to some of the basic factors that make up the wealth of this country. Again I am comparing the figures published for 1939 with the figures available up to March of this year in some cases and for 1943 in the case of sugar. Those figures show that in 1939 just over 6,000,000 tons of cane were harvested, while in 1943—and these figures are taken from the Tariff Board's report—the figure had fallen to just over 3,500,000 tons. The productivity per acre had fallen from 21 tons to 14.33. For greasy wool, the figure for 1939 was 189,000,000 lb.; in 1944 it fell slightly to 185,000,000 lb. In butter the falling off was notable. The figure for 1939 is 157,000,000 lb. and it has fallen away to 105,000,000 lb. The number of beef and dairy cattle in the State increased from almost 6,200,000 to 6,500,000. Sheep showed a slight regression from 24,000,000 to 23,200,000. Pigs, relatively a small number in any case, showed quite a substantial increase from 391,000 to 450,000.

On that measure—the real wealth of the State—I say we should discount some of the impression that might otherwise be left by a bulging Treasury. The production of the community, the real wealth of a community, is either substantially back or approximately equal or, in a few minor instances, slightly ahead. I remind hon. members that those figures were published at the end of a five-year term that has been notable because this State, thank God, has managed to avoid a major drought. Had one major drought occurred to decimate the herds of this State.

the figures I have just read to you would present an infinitely worse picture.

Mr. Dunstan: Or any war.

Mr. HILEY: Any war on local soil, yes. In contrast with our local Treasury returns and our local production—and I think it is necessary to look at this other side of the picture—let us examine the Commonwealth position. There we find a colossal increase in the public debt of the nation. We find in Treasury bills and bank credit still further unfunded debts that are going to materially affect and limit Commonwealth Government financing in the immediate post-war period. We find other factors to which the Treasurer has made reference and I agree with him. We have built up over these five years a lag in accrued maintenance that, if we could measure it, would shock every one of us. This State has brought in virtually no motor vehicles for five years. It has brought little in the way of new mechanical plant. Capital expenditure that would normally have been carried out from year to year by taxpayers has not been carried out because of the sheer inability to obtain the items of capital equipment.

Those shortages are not limited to the big capital items. I think every wardrobe in the land is a diminished one, every kitchen in the land is short of utensils—certainly it has very well-worn utensils.

There is one other gain or loss that can never be measured in pounds, shillings and pence, and for which every Christian civilised community should have greater regard than for pounds, shillings and pence, and that is the flesh and blood of the community. In the last five years of war this community has lost a number of its boys killed, a number more have come back or will come back to us injured, a still greater number may come back to us emotionally and psychologically upset. Almost every one of them will come back to us having missed the opportunity of five years of training, of five years of experience at probably the best period of his life for obtaining that experience.

So the conclusion I reach is that in spite of our bulging Treasury, in spite of the very healthy position of the accounts, to which the Secretary for Health and Home Affairs has referred, in spite of the fact that in the Commonwealth we have in circulation today notes for £176,000,000 as compared with £34,000,000 in 1939, in spite of the fact that the Commonwealth bank deposits throughout Australia are up to no less a figure than £395,000,000 as compared with £87,000,000 in 1939, in spite of the fact that our trading-bank deposits have increased from £321,000,000 to £528,000,000 in the same period, in spite of all these things, on a real measure of prosperity, on a real measure of the wealth of this community it would be rank folly to believe that the real wealth of the nation has been enhanced.

Mr. Hanlon: Nobody believes that we can carry on a world war without depreciating the wealth of the community.

Mr. HILEY: We have the appearance of wealth, and that is the unfortunate part about it. We have the appearance in the Treasury of great wealth, but that great wealth is partly the result of inflation in the community and partly the result of that uncountable factor of delayed maintenance to which the Treasurer has referred.

I believe that in times of war the State in its attitude to its finances has three principal duties. I think that this State can make and has made some contribution to the countering of inflation. Every penny this State has reserved has been withdrawn from current spending power, and to that extent it has played a not inappreciable part in countering inflation in Australia. The second duty I think the Government have is to husband their resources for the very much greater needs that will follow in the post-war period. The third duty, much more apparent in time of war than in peace is that they should avoid anything in the nature of waste. On those three tests I have little fault to find with the Government—there are some details with which I shall deal shortly—I believe that their fundamental approach to the State's finance, apart from what I feel is the slovenly customary manner of presenting the accounts, is reasonably sound and I find myself in a great measure of agreement with it.

So that this Committee might clearly understand our attitude on some matters relating to the Budget, let me say that under present conditions the party to which I belong is not a low-tax party. We believe that a well organised State should not be denied the funds with which to carry out the services essential to a developing civilisation. More than two generations ago the late Joseph Chamberlain, speaking, I think, to the Guildmen of the city of Manchester, made precisely that point—it is the right and the duty of those charged with the administration of a civilised State to see that that State is not denied the financial means to carry out the reasonable needs of government. So I say again that this party to which I belong is not, under present conditions, a low-tax party.

There is a further factor that leads us to express that view with particular force.

The result of the referendum did not mean that Australia must not face up to the real problems contained in some of the fourteen heads mentioned in the proposals. What it did mean was that it was Queensland's job to do it in this State, not the Commonwealth's. Therefore, Queensland must get herself into a financial position in which she can discharge these terrific obligations that were associated with Dr. Evatt's fourteen points. It is Queensland's responsibility to do it, and we are going to need every penny that is tucked away in post-war reserves to tackle even a part of what is contained in the referendum proposals.

I pass now to a detailed consideration of the Budget. The point that impresses me most is that apart from railway revenue the bulk of the revenue of the State comes to

the Treasurer from the Commonwealth. Apart from railway revenue, much more comes from the Commonwealth as a fixed annual payment than comes by direct levy from the taxpayers of the State. I hope that that may be only a passing tendency, for the reason that I believe in the sovereign rights of the State, and, because I do I feel that they may be negated or made to be of no account and to become completely meaningless if we ever permit ourselves to be placed in the position where almost the whole of our revenue comes to us on dole from the Commonwealth. You all know the old saying, "The hand that rocks the cradle rules the world," but perhaps I should paraphrase it in this way, "The hand that holds the cheque book calls the tune." When the Commonwealth Government engineer themselves into a position of collecting the whole of the revenue for Australia and doling it out to the States they put themselves in a position where they completely negative the sovereign rights of the State, which become financially dependent and ultimately may become entirely dependent upon them.

I told you that our party is not a low-tax party but on the general policy of tax reduction there are one or two little matters that might well be tidied up. For example, I believe that the Treasurer would not wish to retain a tax that was bad in principle and the cost of collecting it was excessive. I suggest that such a tax is a bad tax, and I commend to the hon. gentleman a proposal for a minor tidying up in taxation, and it is in regard to land tax. At the present time, the statutory exemption of £300 applies, but if you will refer to the report of the Commissioner of Taxes you will find that in the tax field of £1 to £499 there are issued 12,928 assessments to collect a mere £9,800. I venture to say that the cost involved in receiving the return, examining it, issuing the assessment, collecting it, and sending a receipt, the tax yield would leave little if any net profit to the Treasury. The tax on that low field has merely a nuisance value, and I commend that little bit of tidying up to the hon. gentleman.

On the expenditure side, I welcome the token recognition that has been given to our libraries and Art Gallery. For too long some of the cultural aspects of our life have languished in the forgotten distance, but I believe that the grants, that are now being made, small as they are, will be a forerunner of more substantial grants to follow. In those grants I include the provision of £25,000 for the Radium Institute now being set up. Of all the Estimates, I desire to express my pleasure at the increase in those for the Department of Agriculture and Stock. I have said before, and I repeat, that changed agricultural processes will be of tremendous importance in the economic life of this State. I believe, too, that our Department of Agriculture and Stock will have to be greatly extended to provide for increased technical and trained staff to guide the agriculturists and the pastoralists in this

State in what I believe will be the new field of agricultural effort.

Leaving for subsequent consideration some of the details of our expenditure I pass now to a figure contained in the Treasurer's Financial Statement by which I must confess I am completely shocked. I find on page 23 of his Statement the Treasurer very kindly set out an analysis of the social-services expenditure of the State. He chose one of the depression years, 1931-32, as a basis of comparison with that of the latest year, 1943-44. In perusing these figures, with a great deal of interest I might say, I noticed this item—that the expenditure on unemployment relief in 1931-32 was £220,904 and in 1943-44 £266,722. I could expect that in 1931-32 that there was a heavily depleted Treasury and the amounts that were made available per individual for the relief of unemployment distress fell very much below what we today should regard as adequate relief for such distress, but I find myself querying the fact that it is possible in Queensland in 1943-44 to spend over a quarter of a million on unemployment relief. This is the fifth year of the war. This is the year when above every other year this community has been conscious of a desperate man-power shortage. I find myself shocked beyond measure that this State should have expended £266,722 on unemployment relief in that year. If we look at the unemployment statistics in 1931-32 we see that the number of employees was 181,300 whereas in March, 1944, the number was 249,500.

Mr. Hanlon: You will find a footnote to that table if you will just read it.

Mr. HILEY: It says—

"Exclusive of expenditure on unemployment relief works and developmental works."

My point is that I find it incredible that in the fifth year of the war, the year in which the man-power shortage of this community became felt in its most acute form, this State should still find it possible, let alone necessary, to spend £266,722 on unemployment relief!

Mr. Hanlon: What are you going to do with all the unfit, semi-invalids and deserted wives?

Mr. HILEY: The old are the care of the Commonwealth, the fully invalid are also the care of the Commonwealth, and there is a field, restricted perhaps, for occasional unemployment for the occasional invalid and other persons who could rightly claim on the State's bounty. I repeat, Mr. Mann, that I am shocked to find £266,722 spent in this direction in the fifth year of war. I shall be quite interested to hear the Treasurer's explanation on this point and I am sure the public of Queensland will look for it as I am looking for it.

Passing to the question of housing, I am pleased to see that the Government have set aside the sum of nearly £1,000,000 for the relief of the shortage of homes. I only hope that they will succeed in spending the greater

part of that amount. My own fear, in the light of authoritative statements that have been made by trade-union officials and from experiences I have of the building-control authorities, is that it will not be possible to spend anything approaching that figure. I find myself on this whole question of housing constantly coming up against this thought: we are short of houses; how can that shortage be cured? I see only one cure to it—more houses. At the time, however, when the various control authorities set up to regulate this control of housing should concern themselves with accelerating the production of houses, those authorities seem to be more concerned about throttling down the building of houses.

Passing on through some of the items of expenditure I notice with appreciation that the Budget does include some provision for reclassification of the Public Service and teaching service. I have found it difficult to make any broad estimation of the expenditure on that provision. I realise that it is something that had to be done by the Treasurer in a very short time, and I appreciate the inclusion of a special provision in the Treasurer's Estimates. To the extent that I can measure the provision that has been made I seriously doubt if that provision is adequate as I understand it. I cannot rest until the public servant of this State, who is at present the pitiful victim of inflation, which has taken place in our community, is suitably rewarded. More than that, I feel that it is imperative that we should see that our Public Service and our teachers are remunerated in a way that gives ample incentive to ensure that the State continues to be served by the cream of those available for its service. I have felt for some time that the Government have not paid their executives sufficiently well and have not paid many of their trained public servants sufficiently well. I hope when the details of the new classifications become available we shall see at least a substantial measure of correction on this point.

If I am not, in my examination of the Budget, able to compliment the Treasurer on his clarity, I believe—and I thank him for the suggestion that there should be a great measure of research—I have been able to arrive at most of the factors touching the State's finances. But there are two matters standing out, it appears to me, on which he may be able to inform the Committee about when he replies in due course. On page 4 of the Treasurer's Statement he referred in the third last paragraph to the transfer of £500,000 to the Post-war Reconstruction and Development Trust Fund, and he concludes that paragraph with these words, "Neither of these payments was provided for in the Budget figures." He goes on in the next paragraph to quote another figure of £1,750,000 which was charged to the year's accounts and paid to the credit of the Post-war Reconstruction and Development Trust Fund, but on this occasion there is no statement that this was budgeted for. On what research I have been able to do it appears to me that £500,000 is part of the £1,750,000,

but the different ways in which they are mentioned would convey to most people the impression they were separate figures. After quoting the first figure he says, "Neither of these payments was provided for in the Budget figures," and the absence of any such statement after the next amount would leave hon. members with the impression the £1,750,000 was provided in the Budget figures. I should like the Treasurer to deal with that matter. I cannot find where it was provided in last year's Budget.

The Treasurer concluded his Budget with a very long description of post-war planning; £50,000,000 worth of public works were listed, and I am sure that hon. members share my interest in both the amount and the terms of this expenditure. The Treasurer did not give this Committee one indication of the timing of that expenditure; and when I use the word "timing" I am not going to apply it to this year, next year, or the year after. I should have liked the Treasurer to furnish hon. members with information whether he intended to launch this vast scheme of post-war development immediately after demobilisation; whether it was to be a continuous scheme of semi-continuous employment; whether it would be used on the lines of a similar scheme that has been hazarded in England, to expand and cushion the employment market and to take up the slack in the early period of demobilisation, to taper off sharply as employment in regular industry was found for the men in the forces and the remainder to be held in reserve to immediately block any weakening in the employment capacity of the nation. I have stated already that the wisest course that any Government could follow in a time of commercial prosperity is to tax high and borrow lightly and that when commercial prosperity recedes the Government can best help the community by reducing taxation and borrowing more heavily.

I believe that in the post-war period, whilst I appreciate the Government's desire to have in blue-print form all their preparations, it would be a fatal error if, without regard to the employment capacity that might otherwise be available, this State were to proceed in juggernaut fashion with a steady large annual programme of expenditure providing vast employment.

I might be pardoned if I draw the Treasurer's attention to one or two words that he employed in his Statement, I am sure inadvertently. I have not been present in this Committee to hear what I understand have been annual debates on the power to make transfers from the Main Roads Fund to Consolidated Revenue and the rectitude of that practice and I have no doubt at all of the power of this Parliament to do it. But you have this thing debated and debated year after year. You have the Government protesting their power to do it and they have done it.

Mr. Hanlon: Parliament has done it.

Mr. HILEY: On the initiation of the Government, and there has been no suggestion

that those moneys were borrowed. They have been transferred to revenue as an appropriation. I was very amused to find that the Treasurer, in the last paragraph on page 3 of his report, referred to the fact that he had restored all those moneys and he ended very naively with these words—

“There is therefore no liability at present of the Consolidated Revenue Fund to the Main Roads Trust Fund.”

I feel with the Treasurer that there never was a liability and I am sure that his accidental use of the word “liability” should not be held against him.

I desire to close by generally commending the financial policy of the Government in keeping their expenditure generally down, in maintaining the bulk of their revenues and conserving every penny they can for post-war needs. I should like to make one plea to the Treasurer, that is, if he would some time spare me the time for a chat I may be able to show him what I feel would be a fairer form of accounts to present to the people of this State. I believe he could present accounts to members of this Parliament that would enable the citizens of this State to understand more clearly the finances of the State.

Mr. COLLINS (Cook) (4.1 p.m.): At the outset I desire to congratulate the Treasurer, not only on the Budget he has brought down but also on his elevation to the position of Treasurer in this Parliament. The Treasurer had a very long and successful record as Home Secretary and he made a great contribution to the public welfare of this State in the capacity of Minister for Health and Home Affairs. The public institutions that we have, particularly our hospitals, are a great tribute to the work he has done. With his increased responsibility and his known capacity, I feel sure that his record as Treasurer will be equally successful, if not more successful, on account of the increased scope for his work. I feel sure he will have a great career as Treasurer of this State.

The Budget he has brought down is, to my mind, one deserving of the commendation of the people of this State. It also shows the wisdom of previous Governments. The fact that our revenues are buoyant is a tribute to past Governments as well as to the present Government. Had they not exercised the taxation powers they had before the war and in the early years of the war, the revenues would not have been in the buoyant state they are in today, although taxation would have been just as high. In other words, this State would not have been advantaged to the same extent had not the wisdom of previous Governments been exercised in maintaining taxation at a reasonably high and safe level.

I was much interested by the speech delivered by the hon. member for Logan. His analysis of the Budget was broad, and on the whole he commended the Government for their presentation of the accounts. He was not critical to any extent, on the contrary I think he was complimentary in a high degree, which shows the great difference in thought that exists on the other side of the

chamber between him and the Leader of the Opposition. The Leader of the Opposition complained bitterly about the Government's not reducing taxation, whilst the hon. member for Logan, one of the chief exponents on financial affairs for the Queensland People's Party, commended the Government for not reducing it under present conditions. He did say that we should relieve 12,000 landholders of the £9,000 land tax they paid, but that fault is so small that one might say there is no quibble at the Budget at all.

The hon. member for Logan also complained about the amount being spent upon unemployment relief, but he forgot to take into consideration the fact that there are many people in the State who are unemployable at present. Perhaps they will be capable of earning a living in the years to come, but at present they are unemployed and incapable of working. They are unable to obtain relief under the invalid, old-age or any other pension scheme, and I do not think any member of the Opposition would agree that people in those unfortunate circumstances should be left either to be a charge on their friends or to suffer from starvation. I feel sure that that is not the desire of anybody, and the amount mentioned by the hon. member for Logan—£260,000—is not great when we consider the number of people who are in that unfortunate position. The fact that less than that amount was spent on unemployment in 1931-32 cuts no ice whatever. No-one wants to see one tithe of the distress that was prevalent in those years as a result of unemployment, and the small amount of relief given at that time was by no means what it should be in any humane country. I hope that there will always be ample money to give these unfortunate people all they need.

The Leader of the Opposition complained that there had been no reduction of taxation. He condemns the Government for not relieving the people of this State, but I venture the opinion that if he were the Treasurer he would have done exactly what the present Treasurer has done because he knows full well that the State Government can give no relief of income tax. He knows that the Federal Government collect all income tax and hand back to the State a certain amount.

Mr. Muller: He was referring mainly to land tax.

Mr. COLLINS: He did not refer to land tax in particular, although he may have meant that. Land tax, in the final analysis, yields very little revenue and even if we were to give it all away we should not lose a great deal.

Mr. Muller: Still the Government hang onto it.

Mr. COLLINS: And I shall give the hon. member some very good reasons why we should. The Leader of the Opposition did not specifically mention that land taxation should be reduced and so we must assume that what he had in mind was the principal

means of raising revenue by taxation—a tax on income.

Mr. Nicklin: I detailed the taxes in which I thought remissions could be made. I did not mention income tax.

Mr. COLLINS: Now that the Commonwealth Government control all the income tax of the Commonwealth we should not help our own taxpayers even if we did return the land tax. That would only increase the amount of income in the hands of certain people and so they would be paying an increased income tax to the Federal Government. Although we are very loyal to the Federal Government, still we are very good Queenslanders too and as charity always begins at home I believe we are doing a right, fair and proper thing by the taxpayers of this State in continuing the standard and incidence of taxation unless a reduction would be of some benefit to the taxpayers. It has not been shown so far that that would make the slightest improvement in their financial position. On the other hand relief has actually been given to a great number of people by a reduction in railway fares and freights amounting to £1,500,000 in railway revenue. While we understand that military traffic, which is under the control of the Federal Government, contributes a great part of the railway revenue, at least we can fairly say that about £1,000,000 of that reduction is returned in railway freights to the people. That shows that the Treasurer is wise in controlling taxation in that way, in that he is giving relief from payment to those people to whom it will be a benefit, but where the retention of the present rate of tax is to be of benefit to the future of Queensland then the Treasurer is wise in continuing it as he is doing. Many taxpayers are earning more money today than ever before in their lives. Private incomes were never so buoyant. The hon. member for Logan has pointed out that there have been substantial increases in savings-bank and trading-bank deposits, and indirectly shows that there was never a greater amount of money in the pockets of the people than there is now. What great advantage would there be if the suggestion of the Leader of the Opposition was acceded to that taxation should be reduced? It would only mean that more would be handed over to the Federal Government. It has been pointed out repeatedly in this Chamber and elsewhere that Queensland has suffered many disadvantages because of her close proximity to the Pacific war theatre. This State is serving more or less as a base for the Pacific war and any increase in revenue on that account can be regarded only as a recompense for those disadvantages. I think it will be admitted that the onset of war was felt more severely in this State than in any other and so the fact that our revenue is buoyant must be taken only as a right to offset the disadvantages occasioned by the war.

In 1938 the price of greasy wool was 10.56d. a lb. whereas the price today is 15d. a lb. In 1938-39 the average price for choice butter was 1s. 1½d. a lb. whereas the average price for choice butter in 1943-44 was

1s. 6¾d. a lb. and it is estimated that the price to be paid for 1944-45 will be 1s. 7¾d. a lb. That is an increase of 6d. a lb. or almost 50 per cent. on the 1938-39 figure. The price for chiller beef at the meatworks has gone up in like manner. For instance, in 1938-39 the value of chiller beef at the Cannon Hill saleyards was £1 8s. 11d. a cwt. whereas in 1943-44 it was worth £2 4s. 11d.

These increases benefit the primary producers directly and the whole people indirectly. Wages are higher in consequence of these higher prices. I am not going to say these higher prices represent the net advantage to the primary producers, as we know they have had to suffer great difficulties in carrying on their work through shortage of labour and materials consequent on the war, but at least the Federal Government have done a good job in seeing that the prices of these three primary products have been substantially increased during the war. Another item that comes under my notice is the price of pig-meats. I have just received a balance sheet from a North Queensland bacon factory. It sets out the price for bacon pigs as follows:—

Year.	Price per lb.
1933-34	d. 4.68
1934-35	.. 4.83
1935-36	.. 4.89
1936-37	.. 5.145
1937-38	.. 5.196
1938-39	.. 6.19
1939-40	.. 6.113
1940-41	.. 6.07
1941-42	.. 5.09
1942-43	.. 7.7
1943-44	.. 8.85

In other words, in 1938-39 12,000 pigs that were supplied to this factory represented a value of £33,538, while in 1942-43 12,238 pigs represented a value of £60,237, or very nearly double the amount of money. That was partly accounted for by the increase in the weight of pigs but at least there has been a substantial increase of almost 50 per cent. in the value of this primary product.

There is a big problem ahead of primary producers. During war-time prices of primary commodities can be fixed by the Federal Government. A referendum was recently taken as to whether some of these powers should be continued after the war but the proposal was negatived by the people. This means that after the war there must be great co-operation between State and Federal Governments if these prices for primary products are to be maintained. My remarks about prices of primary products applies to all payments as between employer and employee as well. We are going to face a very difficult period after the war. I doubt—I hope I am wrong—whether there is sufficient co-operation between all the States of the Commonwealth and the Federal Government to enable these prices to be successfully controlled. I believe there is power under the Constitution to do it if there is sufficient unity between the States and the Federal Government, but if there is not that unity—

and in the past there never has been as to the prices of primary products—serious problems will face the primary producers. That is one of the bugbears of primary-producer legislation. It is one of the things that have made it inoperative in many instances. The Premiers and Treasurers of the State must work very closely with the Commonwealth Government if these prices are to be maintained in the post-war years.

What is to be the position if they are not maintained? Does it mean that the prices of primary products will recede about 50 per cent.? If so, we shall see the onset of a depression very similar to what occurred in 1929. The thing that started that depression was the reduction in the price of primary products. Wool fell approximately from 2s. a lb. to 1s. and subsequently to about 7½d.; wheat dropped from 5s. a bushel to 2s. 6d., and eventually to 1s. 9d., and butter dropped from 2s. a lb. to 9d. or 10d. The referendum was taken with a view to avoiding such a problem after this war is over. And that is why I express fear of the future.

That is why I ask that the Treasurer and the Premier and every other person connected with the primary and secondary industries do all they can to maintain prices at the stable level they are at now. I believe if you are going to carry on successfully in the future the price of products and wages will have to be pegged for a long time. While the war is on we have the power to peg those prices. Where rises are necessary we have the opportunity of giving a bonus or a subsidy to the industries that need them, and take the money out of the general revenue, in much the same way as we get Customs revenue from the importation of goods or from excise duties. We carry on under war conditions in that way, but what is going to be the position afterwards without the unified Government control that we now have in the Federal sphere, unless there is complete co-operation between the various States and the Commonwealth Government?

Many beneficial things have been introduced as a result of the war and war legislation. Amongst them, particularly as far as the primary producers are concerned, is the power to enable groups of farmers to combine to buy machinery. I have seen it operate in Northern Queensland, particularly amongst the vegetable-growers. They have had machinery imported from America that has put an entirely different aspect on vegetable-growing. With the aid of these machines you can plant such fine seed as parsnip, carrot and lettuce, and yet they are pulled by a horse. You can plant this fine seed in almost the same way as maize, sorghum and wheat. The cultivator follows in the same way. No man needs the whole of that plant. The machinery pool serves one man today, another tomorrow, another the following day, and so on, and it comes back in rotation. One plant services many growers and the sales from vegetables in my area were in the vicinity of £70,000 or £80,000. That is a big rise for a community that probably did not grow £1,000 worth of vegetables prior to the war. That great

increase was brought about by three factors. First there is a market and secondly there is a market price, and thirdly the machinery has been available to enable the producer to produce these things at a reasonable price. I think that agricultural machinery pooling can be extended very considerably. I believe it can extend to dairy farmers and maize farmers to a great extent. I believe butter factories should become the purchasing and controlling agent for such items as tractors, maize-planters, seed drills and ploughs, because one of the troubles the primary producer meets today is the over-capitalisation of his plant and equipment that he probably uses for a month or two in the year. He is paying interest and redemption on materials that rust out rather than wear out. A machinery pool controlled by the butter factory or an organisation like the Maize Board would be a great advantage to the farming community.

Another item that is important from the primary producers' point of view is the sale of plant owned by the Allied Works Council. It is mainly tractors I have in mind. As far as possible there should be sales of reconditioned machinery. There should be some sort of guarantee that the machinery is in good repair; the Allied Works Council has its workshops in which it can repair machinery. I think the sales should be conducted in various parts of the farming areas where there is a market for them. Unless they are conducted amongst the farmers they will be bought by agents and the agents will resell them in much the same way as they handle new machinery. We know from experience that the increase in price as a result of the agent's handling machinery is very often 30 or 40 per cent.

Do not let us make the same mistake in reselling machinery that has been used by the Allied Works Council. In many cases, it was requisitioned from farmers in the first place. It has certainly been used but it still has a considerable value and I think care should be taken in its disposal so that the farmer receives the greatest possible advantage.

The post-war reconstruction programme covers approximately £61,500,000 and I believe it is the most ambitious programme ever outlined by a Treasurer in this Parliament, at least since I have been here. It is a lot of money and we know it is not all going to be spent at once. It is going to be spread over a period of years, and, like the hon. member for Logan—and I feel sure the Treasurer has the same thing in mind—I hope this money will not be spent in competition with private enterprise to an unlimited extent. It should be spent by the Government only to the actual extent that Government expenditure is necessary. I believe that if private enterprise can employ the whole of our employable people, it should be allowed to do so. To the extent that we need extra school accommodation, hospital accommodation, housing, irrigation and similar things, the Government should incur expenditure on employment, but we should not be a competitor with private enterprise

as long as it is capable of maintaining the whole of our employable population in employment.

I notice that a sum of £3,200,000 has been set aside for housing. Housing, as the hon. member for Merthyr pointed out, is something that will have to be proceeded with as soon as labour can be obtained. Thousands of families today are living under conditions that are not fit and proper and are entirely unsuitable for the rearing of families. In any housing scheme, the country districts of Queensland should receive the same proportionate benefit as the cities. Unless there is an equitable distribution of housing, the country people will be treated unfairly. The tendency is to build more houses in cities than in the country because house property in cities is probably more stable in value, but I know of country districts in which housing conditions are absolutely shocking and should not be allowed to continue. I have in mind one, the mining town of Mt. Mulligan in particular. There is hardly a decent house in the whole of the town. It has been a town since 1914, when the railway was first built to it, and I venture to say it will be a town for all time because of the big coal deposit there. A house would be a safe investment there. I believe that if we had better housing conditions in these country towns, particularly in mining towns, the people would be more contented. In mining towns the home is usually just a shack to live in. It is constructed of galvanised iron and is just about as hot as one can bear in the summer and as cold as one wants to have it in the winter. The galvanised iron seems to aggravate both the heat and the cold. I believe that if more attention was given to the housing of miners in these places and to the provision of such things as water, electric light, footpaths and parks, we should have a very much more contented community and the State would be generally advantaged. In allocating funds for the building of houses, I hope the Treasurer will see that country towns, particularly towns that have never had decent housing, are benefited to the same extent as the larger cities.

I am glad to see that an amount of £3,400,000 has been allocated for forestry development. I believe that is a very good start. Forestry is a long-term project and nobody but the Government could successfully engage in a reforestation enterprise.

Although trees grow fairly quickly in this country, it is still approximately 40 or 50 years before they are worth milling, according to our standards. Thinnings may be milled in about 10 years and this may be a source of some revenue with which to start paying interest, redemption, and so on, but although this is a young country with a small population the fact is that we are using our timber resources faster than they are being replaced; consequently it is a sound investment to engage in reforestation. It is an excellent means of providing employment for the future citizens of the State and it will be continuous industry. Again, much of the land that has been used for agricultural purposes in the past could be

set aside for this work now. In many cases land has proved unsuitable for agriculture, and after having had £10 or £12 an acre spent on it some of it is gradually reverting to the natural forest from which it was wrested 10 or 20 years ago. It must be remembered that certain land will grow softwoods better, that other lands will grow hardwoods better, whilst other lands will grow timber better than any other crop, and all these factors must be kept in mind.

Another item in the post-war programme is £3,100,000 for electrical works and development. Here again much of the work should be carried out in country districts. The cities and towns have this amenity already, and one way of making life on the land more comfortable and attractive would be to provide the means whereby a settler may turn a switch and have light instead of relying on the old kerosene lamp, which is hard on the eyes, and enjoy the advantages of an electric refrigerator in the home and an electric motor for his farm machinery. These things cannot be provided, however, if the country centres are to be expected to bear the whole of the cost of installation, and I am pleased to read in the Treasurer's Statement that much of this work is going to be subsidised by the Government, who in some cases will go so far as to bear the whole cost of installation. As there is usually a considerable distance between farms the installation of electricity is very costly, and a good deal of help must be given in that direction otherwise the farmers will not be able to enjoy what has become a common usage for city dwellers. As a cast in point, let me quote a tobacco-growing area in my electorate. The electricity mains pass over this area in which there are 20 settlers, all fairly close to one another. They made application to have their properties reticulated. They will be big users of electricity because they will all need pumping plants, they will all want electricity in their homes and barns, and it is possible that it will also be used for curing, but before the Hydro-electricity Board would take any action in the direction they required it asked for a guarantee of £1,500 from the settlers, and they have not got the money. Such conditions as these must be removed.

Mr. Sparkes: Is that to connect it in the first place?

Mr. COLLINS: Yes. Of course, if they use £1,500 worth of electricity in five years they will have paid nothing, but they are asked to pay that amount in advance. They will find that amount of money and probably more as they use the electricity, but they have been unable to find that amount of money to pay in advance, and they should not be asked to do it. If a man wants the electricity put on his house in the city he is not asked to submit to such conditions as those.

Mr. Sparkes: You are finding out now that the country districts do not get a fair deal?

Mr. COLLINS: The Treasurer has very wisely made provision for this essential service for the people and as time goes on I hope to see electricity spread throughout all the closely-settled farming districts.

Another thing that I think has been rather badly done by is irrigation and water conservation. The sum of £2,500,000 here set aside for that purpose is a mere drop in the bucket for a State like Queensland. Perhaps the Treasurer has something more in mind. The best we can say of this amount is that it is a start but in a State like Queensland, which is subject to the ravages of recurring droughts, irrigation and water conservation will play one of the biggest parts in rural development. Indeed, I cannot see how rural development can be expanded to any extent except by means of irrigation and water conservation. We read from time to time of the loss of millions of sheep and cattle in times of drought and be it remembered that droughts are natural phenomena and are not of rare occurrence. The southwestern part of the State has only recently recovered from a drought in which millions of sheep were starving. We can overcome these difficulties only by means of water conservation and irrigation. I was pleased to read recently that the Secretary for Public Lands and Mr. Kemp, the Co-ordinator-General of Public Works, with other officers of the Bureau of Land and Water Resources, paid a visit to the irrigation areas of New South Wales and Victoria. That is a step in the right direction because I know that we can learn very much from those States, which have practised water conservation and irrigation over a period of years.

I know that many people will condemn such projects as I have in mind on the ground that they involve loss of money. I admit that large sums have been lost in this way but much of it has been unnecessarily lost through a lack of adequate knowledge of the application of water to the land by means of irrigation. In the first place, to get the best results, it is essential to know how to use the water. Just as with any other method of farming so it is with irrigation, the farmer must understand the use of water in this way. I have heard irrigation schemes severely criticised because Victoria had to write off a considerable loss on irrigation, amounting I believe to nearly £9,000,000, but that State has invested about £27,000,000 in irrigation despite the fact that it has had to write off considerable sums. Such schemes have meant progress and advancement in the areas that adopted them. Certain shires in Victoria that have constructed irrigation schemes have been able to show an increase in population of over 400 per cent. in about 20 years, whereas adjoining shires that have not had the advantage of irrigation either stood still or went back. That is the answer to the question whether irrigation pays or not. After spending £27,000,000 on irrigation Victoria has in hand a further programme of irrigation involving an expenditure of an additional £25,000,000. Victoria is a very small State compared with Queensland and that is why I drew attention to

the fact that irrigation and water conservation will have to be undertaken on a large scale in this State if we are going to extend primary production and overcome the ravages of drought.

It is readily acknowledged on all sides that the carrying capacity of land can be considerably improved if it is properly irrigated. I have here, for instance, a report by the Queensland Cotton Board that illustrates the advantages of irrigation in the production of cotton. Many such experiments have been conducted on the research farms at Biloela, in Central Queensland, and a very interesting table is published in the report. It shows that irrigation has increased cotton production from 420 lb. an acre to 1,456 lb., nearly a four-fold increase. If irrigation is correctly carried out it is not such an expensive item as one would imagine. Indeed, I believe that some land can be flood-irrigated for less than the cost of improving certain scrub lands.

It costs at least £10 to £12 an acre to prepare scrub land for agriculture, that is, merely to put it under grass. You cannot use a plough on that land for many years. Water could be put on land and the land graded, under an irrigation scheme, at a cost less than that. A more certain return could be obtained from land under those conditions. I use cotton merely as an illustration. There is an expanding market in Australia for our own cotton. We do not produce more than one-quarter of our own requirements. As the manufacture of cotton goods in this country increases, the demand for cotton will increase. Why should we import cotton from America, India, Egypt and elsewhere when cotton can be produced in this State of a quality equal if not superior to the imported article? Our land is eminently suited to the cultivation of cotton and cotton thrives under irrigation. I therefore hope that the Treasurer will see his way clear to supplement the amount of £2,500,000 set aside for irrigation in the post-war reconstruction plan by an amount almost as large again. It is eminently desirable that we should increase our irrigation facilities.

A good deal of controversy exists regarding irrigation. Some people argue that irrigation in a small way produces better results than irrigation in a large way. Other people again argue that every man should own his own irrigation plant. I am one who says that both methods of irrigation have their uses. If you have a few acres of land you want to irrigate in order to obtain a high return, such as vegetables from which £100 to £200 per acre can be obtained, the spray method of irrigation or the individual plant is the most desirable as the owner can then obtain water when he wants it. Those remarks are applicable to irrigating tobacco lands also from which returns as high as £200 an acre can be obtained. On the other hand if one desires to irrigate land to grow pasture crops for use in dairying, raising of fat lambs, or cotton-growing, where the return is only £15 to £20 an acre, he will require a plant with a very much less overhead than an individual pumping plant. I

have seen crops flooded by flood irrigation methods but under some conditions it is better to irrigate through the medium of pipes. I have seen citrus orchards where it was considered a 20 per cent. better yield was obtained by spraying than flooding methods. All these factors have to be taken into consideration. If small individual farms are to be loaded with the cost of a weir, expensive pipes, an engine for pumping, and the fuel it requires and man-hours to run it, and the cost of looking after the man in charge, we shall condemn a good many of our irrigation projects to utter failure. I hope that much consideration will be given to our irrigation projects, as the subject is of national importance.

I was pleased to see a statement by the Minister that it was proposed to obtain the services of agricultural technicians with a knowledge of irrigation. I observe too that he proposes to train some of his own technicians in Queensland and if possible to get some from other States. It is very important that we should have men possessing a thorough knowledge of the subject to advise the Government and water-users against the pitfalls that have caused hardship and failures in other irrigation areas. Such a scheme as that at Inkerman could not very well be applied to any other crop than sugar-cane.

The fact that a certain amount of money had to be written off is something I do not take much notice of because that was an experiment, as it were.

Mr. Macdonald: Not on the northern bank of the river.

Mr. COLLINS: I have heard that half a million was written off the scheme. I do not condemn it on that account. If we condemned any scheme because we had to write off a certain amount of money we should not have any railways in Queensland today. It is well known we had to write off £28,000,000 from the railways, yet would any person argue that because we had to do that the railways are a failure and should not be extended? It may be that we have to go carefully with the extension of railways but it is a recognised fact that we could not have used our western and northern country or our farming lands had not railways been available to give cheap transport in those areas. When I hear people condemning a scheme because some people or some State has lost money on a similar scheme, I refer them to what the railways have lost, and what a tremendous benefit they have been to this State. We should not have the State developed to one quarter the extent to which it is developed if we did not have railway facilities. I hope that irrigation and water conservation will get far more consideration than they appear likely to get as a result of the Budget that has been presented to us.

There is an item of £500,000 for mining development. I am inclined to think that is not going to get us very far. I believe there is a great deal of money yet to be won by mining, I believe there is still an amount of latent wealth yet to be won in our various

mining fields, and I hope that the very brief investigation that was held into the Chillagoe field some months ago will receive much more consideration than it received at that time, and that the Chillagoe plant is being kept intact until a proper survey can be made. Unless we are going to develop our mining industry, in other words put back the money that has been taken out of the industry, we are going to have more depopulation in the back country.

Mr. Gair: My trouble is to resist the applications by people of the district who want to buy sections of the plant.

Mr. COLLINS: They have enterprise; they see the possibilities of the plant in the future. I should like the Minister to be as optimistic as they are and, as we own the plant, see that we make the best use of it and make the best profits for the State that those people seek to make for themselves.

Mr. Gair: They want to take it away.

Mr. COLLINS: It is there now and we do not want it taken away unless it can be proved that it is positively uneconomic to go on with mining in that area. I should not ask this Committee to run the State into unwarranted expenditure, but mining in the past has been a source of direct development, it has been the original source of settlement, and we have had the spectacle of the populated towns in the far North and far West being depopulated when the mining industry closed. We must do something to revive the back country if we are to hold Australia. There are three ways of doing it: shortly, we must either develop the land or develop mining, or do both because they can both go hand in hand without hindrance. The way to do that is undoubtedly to give the mining areas the necessary extra assistance, advice and consideration that we are giving to other branches of industry. They are not asking for very much. If it is proved that there are mineral deposits worth the working, let us risk a certain amount of money as a Government the same as private enterprise has had to risk it through the ages. Private enterprise will risk its capital in co-operation with the Government and I believe a great deal could be done in that direction.

Mr. Pie: The Government will never risk public money in a gamble.

Mr. COLLINS: They have to take a certain amount of risk in any venture. For instance, the railways were a risk. Were not the railways built when there was no market for cattle or wool? That was clearly a gamble. The putting of roads into areas that might become depopulated in a gamble too. I agree that you do not want to take undue risks.

Mr. Sparkes: Private enterprise has to take a risk.

Mr. COLLINS: Yes. The Government, as the representative of the people, can be excused for taking a risk so long as it is not an undue one and it appears that it is

going to pay dividends to the people directly or indirectly.

On the whole, I commend the Budget to this Committee. I think it outlines a very promising degree of State expenditure that will enrich the State, improve living conditions, will make it possible for more people to come here and earn a living. To that extent and bearing in mind that we shall have to wait till conditions allow us to spend the vast amount of money available to the Treasurer, I think the Treasurer has done exceptionally well in bringing down this Financial Statement and I think he will be doing Queensland a very great service in implementing it.

Progress reported.

The House adjourned at 5 p.m.
