

Queensland



Parliamentary Debates
[Hansard]

Legislative Council

THURSDAY, 8 NOVEMBER 1917

Electronic reproduction of original hardcopy

LEGISLATIVE COUNCIL.

THURSDAY, 8 NOVEMBER, 1917.

The PRESIDENT (Hon. W. Hamilton) took the chair at half-past 3 o'clock.

LEAVE OF ABSENCE TO HON. J. LALOR.

The PRESIDENT announced the receipt of a letter from His Excellency the Deputy Governor, dated 7th November, 1917, intimating that he had been pleased to grant a request from the Hon. J. Lalor for leave of absence from the Legislative Council.

PAPERS.

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

Seventeenth report of the Bureau of Sugar Experiment Stations.

Report of the Department of Agriculture and Stock for 1916-17.

QUESTION.

PAYMENT FOR WIRE NETTING FENCE BETWEEN GAUNTLET AND THYLUNGRA STATIONS.

HON. L. McDONALD, on behalf of the Hon. R. Bedford, asked the Secretary for Mines—

“1. In view of the fact that the present accountant of the Lands Department has discovered in certain papers—which had been marked away, thus closing the transaction, unless it has been reviewed—that £330, representing half the value of wire netting and accompanying charges for a netting fence between Gauntlet and Thylungra stations, is owing to Robert Philp, A. Munro, and J. Forsyth, will the Government take action to investigate all such cases and enforce immediate payment whenever the debtors are, as in this case, well able to pay?”

“2. With reference to the foregoing, will the Government insist where, as in this case, the owner of Gauntlet Station (the other contracting party to the fence) paid on 2nd June, 1914, Messrs. Philp, Munro, and Forsyth for the fence, that such payments be regarded as payment to a trustee and be immediately repayable to the Government?”

“3. Has this money, paid to Philp, Munro, and Forsyth, more than three years ago, yet been paid to the Government, and, if so, on what date?”

The SECRETARY FOR MINES (Hon. A. J. Jones) replied—

“1. Yes, this is now being done.

“2. No, all payments for charge netting should be made to the Crown and not to adjoining lessees.

“3. Yes, on Friday, 2nd instant.”

MANY PEAKS TO NEW CANNINDAH RAILWAY EXTENSION.

LEAVE TO MEMBER OF ASSEMBLY TO GIVE EVIDENCE BEFORE SELECT COMMITTEE.

The SECRETARY FOR MINES moved—

“That a message be sent to the Legislative Assembly requesting that leave be given to Bernard Henry Corsar, Esquire, member of the Legislative Assembly, to attend and give evidence before the Select Committee of the Legislative Council on the proposed railway extension from Many Peaks to New Cannindah.”

Question put and passed.

STATE IRON AND STEEL WORKS BILL.

SECOND READING.

The SECRETARY FOR MINES: I do not wish to minimise the importance of any Bill that has been introduced in this Chamber during this session of Parliament or previously, but I do wish to say that this is the most important measure that this House has been called upon to discuss and pass. That is my opinion, and in moving the second reading of the Bill I am satisfied that I am moving the second reading of a Bill that is of great importance to this State and to Australia generally. I am very pleased that it has fallen to my lot to move the second reading of this Bill, and to have something to do with its preparation. I claim the indulgence of the House in the matter, because I may have to refer to some other countries and to diverge a little from the Bill itself and the provisions which it contains, because it deals with a question of great national importance, and to do justice to that question one has to refer to other countries, particularly Great Britain and those countries that are famous for the production and manufacture of iron.

Hon. A. G. C. HAWTHORN: We shall require a lot of information.

The SECRETARY FOR MINES: I have quite a lot of information here, more than I shall be able to give this House, but I may say in reply to the hon. gentleman that any information and any evidence that has been obtained by the Mines Department is available to any hon. gentleman in this House or the other House. We have spent some time in getting as much information as we possibly could, and in our research we have gained a lot of valuable information, but not one-tenth of the information that is required to get this industry established. I do not think the industry can be established for £1,500 or £5,000. However, I shall deal with that phase of the question later on. As I have said, I regard this measure as one of very great importance and of a national character. The war our nation is engaged in at the present time is teaching us many lessons, and the post-war problems will be very great and numerous; and we here in Australia, if we are to be worthy of the name of Australians, will need to face those problems, however difficult they may be or may appear to be. Even now we have to tackle some of them, and we shall have to tackle others when the war is over. It will not be merely a question of settling soldiers on the land, but

it will be a question of finding them employment in other industries. But, apart from that, if we are to be worthy of the name of Government, we must develop our national resources, and, in my opinion, no Government, whether it be Labour or Liberal, Federal or State, can exist long in Australia unless it develops the natural resources of the country and establishes our secondary industries. A Government which does not after the war come forward with a broad policy for establishing secondary industries and the development of our national resources will not hold office long. That such is the policy of the present Government is proved by the policy speech delivered by the Premier, Hon. T. J. Ryan, at Barcaldine prior to the last general election. In that speech the hon. gentleman pointed out what Labour would do if it were returned to power, and said—

“If returned with a majority, it will be the policy of the Labour party to revive the mining industry. Works will be established for the extraction and refinement of metals and the treatment in Queensland of complex ores which hitherto were exported in a crude state for treatment in a foreign country.”

That statement may be regarded as a promise, and the promise has been fulfilled to some extent by the establishment of a State battery in the North of Queensland. My predecessor in office, now our worthy President, had something to do with that, and there the battery now stands as a monument to the Government and to my predecessor. The Premier further said in that policy speech—

“Works will be established for the extraction and refinement of metals and the treatment in Queensland of complex ores which hitherto were exported in a crude state for treatment in foreign countries. State batteries will be erected and metallurgical works founded in such localities as will give most benefit to the industry and prove the safest investment for the State. It is believed that by this means miners will get their ore treated at substantially reduced rates, and that these reductions will enable miners to work lodes which are too low-grade to pay under existing circumstances.

“We will retain control of suitable coalbearing areas for the purpose of opening and working State coalmines.”

There is a very big connection between the establishment of State coalmines and the production of coke and this Iron and Steel Works Bill. Therefore I propose to deal with both subjects.

My predecessor has laid the foundations of State coalmines in various districts—the Dunstan, and near Bowen—where areas have been set apart for State coalmines and railways are in course of construction, and the prospects are, indeed, very bright for both fields. Then, the Premier said—

“We will ascertain the practicability of establishing, in proximity to our rich iron and coal deposits, works for the production of iron and steel.”

Therefore, in introducing this Bill, we are only fulfilling our promise to the electors. I am very gratified to know that the suggested legislation has met with the approval

Hon. A. J. Jones.]

of so many people in our State. People who probably are not altogether Labour supporters, but people of all shades of political thought, have expressed approval of the action of the Government in submitting legislation in this direction. And I say it is our duty to do so, because as an Australian I think too long have we sent away our raw material to be manufactured abroad; too long have we sent away our wool and received back shoddy; too long have we sent away our metals and got them back in a refined state, when we have the ability, when we have everything possibly necessary to treat our national resources, everything but the inclination; and I hope now we shall have the inclination. The greatness of any nation, and the greatness of Australia, I think, will depend upon its iron and coal resources, and upon their development. No nation can possibly be great without iron and steel and without coal, and if we are to become a nation it is not too soon to start developing our great coal areas and our great iron deposits.

In establishing iron and steel works in Queensland, I am sensible of the difficulties that will be in our way. We expect to meet difficulties. Our task will be fraught with very many difficulties, but they can and will be overcome. If other countries can work their iron ores and turn them to use, surely we in Australia and Queensland can do the same. Before I sit down I intend to prove that our deposits in Queensland are at least of some value, and compare more than favourably in quality with any iron ore deposits in any other part of the world.

Hon. R. SUMNER: Is there a Federal bonus on iron production?

The SECRETARY FOR MINES: No. There was a Federal bonus at one time, but nobody took advantage of it. I have on the table here a report of the Royal Commission which was inquiring into the wisdom of paying a bonus or not. The commission was equally divided upon that question, and our present Prime Minister was quite opposed to the bonus system. Later on, I intend to quote from that report. I am hoping that we in Australia, in establishing these industries—it really matters not where they be established—will be able to have them established by the State. But if our iron industry is established by private enterprise in other parts of Australia, they certainly deserve the protection of the Federal Government. I think the people of Australia will demand that protection.

I would also like to quote from His Excellency's Speech in this connection. His Excellency said—

“Recognising, also, that adequate supplies of certain metals known to abound in Queensland are needed to ensure complete victory to the Empire and its allies, my advisers believe they can render the allies' cause effective help by assisting to develop to the utmost the mineral deposits within our boundaries. With this object in view, by providing the necessary means of transporting fuel and material, they have facilitated the establishment of works for the manufacture of coke in Queensland, and thereby kept in operation several mines and smelters which, otherwise, would have had to cease working.

[Hon. A. J. Jones.

“The destruction of peaceful merchantmen by the German mine and torpedo, and the consequent dislocation of our oversea commerce, have rendered it impossible to obtain the necessary material for carrying on many of our public works, and have made it clear that it would be extremely unwise any longer to pursue the short-sighted policy of relying solely on the manufacturer abroad for many of our necessities. Our railway construction and maintenance, our harbour improvements, our bridges, which have hitherto come almost exclusively from abroad. It is known that there are large deposits of iron ore in Queensland, and a Royal Commission has been appointed to inquire into and report on the feasibility of manufacturing locally iron and steel. A progress report of that commission will be laid before you at an early date.

“My advisers hope that they will be in a position, during the session, to submit a measure for your consideration, authorising the establishment of iron and steel works, and other industries connected therewith, which will be proceeded with should the report be favourable.”

We have a very short progress report of the Royal Commission.

Hon. B. FAHEY: When was it appointed?

The SECRETARY FOR MINES: It was appointed early this year, and it has done some valuable work, but it will take some time for the commission to furnish a full report, just as it will take some little time to fully establish the industry. But we must begin. The commission says—

“Sufficient evidence, however, has now been placed before your commission to justify them in coming to the following conclusions, namely:—

(1) That all the essentials are in this State for the successful manufacture of pig iron;

(2) That a complete plant for the manufacture of pig iron can be established at a cost not exceeding £5,000.”

Hon. A. G. C. HAWTHORN: Is that all you are going to spend at present?

The SECRETARY FOR MINES: I sincerely hope not. Some mention has been made in another place of this £5,000. I might explain that it was the intention of the Government, when we had investigated one or two deposits, to experiment further by putting up a small cupola furnace within reasonable distance of Mount Biggenden, where probably the best quality of iron we know of in this State exists, and the total cost of that works would be £5,000, as a matter of fact probably less than £5,000. In giving evidence before the commission, I stated that a cupola furnace could be erected for £1,500, which would smelt the iron ore at Biggenden and produce pig iron. But, on further investigation, and by getting further evidence from experts and men who know a good deal about the smelting of iron and the iron and steel industry generally, we find that it is not necessary to have a small furnace with which to experiment in that way. We might produce 50 or 60 tons a week with a furnace which we could build for, say, £2,000, but it would only serve the purpose of proving that which we already knew—that the iron can be smelted.

—and, therefore, we propose now to go on investigating the deposits of the State, having them sampled and analysed and an estimate made of the quantity of ore that exists, the distance of the deposits from the railways, and so forth, and determine upon a site which may be, and which I hope will be, the site of the large ironworks of the future. If we established a small plant at Biggenden at a cost of £5,000, it would prove no more than we already know, and although we would be able to produce pig iron with a small cupola furnace at a cost of from £4 to £5 per ton, such a furnace would require more fuel than a proper blast furnace. We could make a few thousand pounds in that way, but that is not now necessary. Then the report goes on to say—

“(3) That such a plant could be utilised for the testing in bulk of iron ore from different parts of the State, thus deciding whether the various deposits are suitable for smelting and converting into steel;

(4) That, taking present prices, and rates that must obtain for at least a considerable time after the war, the making of pig iron would be a profitable undertaking for the State;

(5) That the site chosen for such works would not in any way affect the selection of a site for central iron and steel works if finally decided upon by the commission.

“We, therefore, beg to recommend that steps be taken forthwith to establish, at a site to be chosen by the Mines Department, a State iron smelting plant capable of producing pig iron commercially and of testing in bulk the iron ore deposits of the State.”

A great many persons are asking why we do not choose the site straight away, so that they may know exactly where this works is going to be. Now, that is the question. We may make a failure of the works by choosing a site that would in no way be suitable and the very greatest care must be taken in the selection of the site for such an undertaking.

Hon. A. G. C. HAWTHORN: Experts are of opinion that you should go to the coal and not take the coal to the iron?

The SECRETARY FOR MINES: Just so. Expert opinion may even be divided on that matter. The Broken Hill Proprietary Company, after spending a great deal of money and going into the matter thoroughly, found that it was better and more economical to take the iron to the coal rather than take the fuel to the iron. There they have shipping facilities also, and here in Queensland we are more advantageously situated than the Broken Hill Proprietary Company at Newcastle. I had the pleasure of going through the works at Newcastle, and I would advise any hon. member who is interested in this subject and who has not already been through the Newcastle works—the only iron works of its character in Australia—to spend a day in doing so. It is certainly not only a pleasant trip, but an education to any man who is interested in that class of work.

Hon. E. W. H. FOWLES: Are they paying?

The SECRETARY FOR MINES: Yes, I think so.

Hon. E. W. H. FOWLES: Not that that would matter much to the Government!

Hon. P. J. LEAHY: Does any Government enterprise pay except the hotel?

The SECRETARY FOR MINES: Does the State hotel pay?

Hon. P. J. LEAHY: I think so.

The SECRETARY FOR MINES: I am not so much concerned about the hotel, but I am concerned very much about the establishment of these iron and steel works. We are more advantageously situated in Queensland for the production of iron and steel than even New South Wales or any of the other States of the Commonwealth. The Broken Hill Proprietary Company established

their works at Newcastle, and the [4 p.m.] whole question there is the question of assembling the material required for the manufacture of steel. The Broken Hill Proprietary Company draw their iron ore from Iron Knob in South Australia. They rail it a distance of 35 miles to the seaboard, and from thence it is brought by water carriage to Newcastle. For the manufacture of steel, they come to Queensland for the manganese; they go to Tasmania for the lime; they go to the central part of New South Wales for their fluxes, and they have their coal rights at the door of their works. They have their own coke oven. We in Queensland have all the material that we require for the manufacture of steel within a radius of 50 miles, and on the seaboard. Therefore, we are better situated than New South Wales for the manufacture of iron and steel. We have in Queensland the best manganese mine in Australia. I have a sample here of iron ore taken from Biggenden. This is a beautiful magnetised iron. At Biggenden we can quarry 72 per cent. ore and lime from the one quarry. They are there together. You can see the lime in the sample I have here. It is pure carbonate of lime and 72 per cent. magnetite iron.

Hon. B. FAHEY: What is the size of the lode?

The SECRETARY FOR MINES: A very moderate estimate is 500,000 tons. As a matter of fact, it is not very difficult to calculate. We know the width of the lode, and we know the depth to which it is proved at the present time—we do not know how far it may go down. A cubic yard of ore will weigh 3 tons and a very simple calculation shows that the ore in sight in the Biggenden mine totals over 500,000 tons.

Hon. A. G. C. HAWTHORN: How does that compare with the ore at Iron Knob?

The SECRETARY FOR MINES: More than favourably. There is absolutely no phosphorus in the Biggenden deposit, no deleterious matter—no sulphur or anything that is injurious to the manufacture of iron or steel. I am well aware of the fact that even a deposit of 2,000,000—there may be 2,000,000 at Biggenden or even 40,000,000 tons; we do not know what the quantity is—would not be sufficient to warrant me in introducing this Bill, or to warrant this State in the establishment of the iron and steel industry. Iron ore deposits run into millions of tons. There is a very large deposit on the Blythe River in Tasmania, and a very rich deposit. I think the estimated quantity is 27,000,000 tons.

Hon. A. G. C. HAWTHORN: They would not tackle that. They could not get the money for it.

The SECRETARY FOR MINES: I have Mr. Darby's report with me, and I am going to quote one or two little extracts from

Hon. A. J. Jonss.]

it. Of course the Newcastle people have the most up-to-date facilities for handling their ore. As a matter of fact, they load a 5,000-ton steamer in eight hours at the wharf. They have very large bins, and the ore is delivered at the works at a very low cost, but the ore they work is quite different to the Biggenden ore. The ore they use at Newcastle is a hematite ore of 66 per cent. to 68 per cent.

Hon. T. M. HALL: What is the value of the Biggenden ore?

The SECRETARY FOR MINES: The Biggenden ore is from 63 per cent. to 72 per cent. pure. I might explain that 72 per cent. is regarded as pure magnetite iron. It cannot be purer than 72 per cent. The advantage of the Biggenden ore is that the other 28 per cent. goes to make up the flux for smelting the iron. Had the iron ore been any purer we would have had to get other fluxes with which to smelt it. The Royal Commission is still engaged on this work and they are doing very valuable work. We have appointed a Government geologist in the person of Mr. Saint-Smith who, since his appointment in July last, has confined himself exclusively to the iron business. He has been appointed by the Government to do nothing but inquire into the iron ore deposits of this State. There are very many deposits that are known to exist in this State, which we have not had time yet to investigate, and there may be many more discovered. The matter has been taken up by the Press, and I want to say that the Press has taken this matter up rather favourably, and, as far as the Mines Department is concerned, they have given us a very fair deal. Since the matter has been taken up by the Press many samples have been sent in to the Mines Department from deposits previously unknown, and even if we do not do anything more, when we go out of office we will have gained a considerable amount of valuable information. We will have proved, at any rate, that there are certainly very many large deposits of iron ore in this State, and if they are not developed at the present time they may be developed by a future generation. I hope they will be developed in our time, because we will be a long time dead.

Hon. P. J. LEAHY: They may be developed by the next Government.

The SECRETARY FOR MINES: If there is a next Government, I sincerely hope that they will take up this question where we will have left off. We have a very capable man in Mr. Saint-Smith, and one who is very earnest and very sincere in his work.

I desire to take hon. gentlemen to the United Kingdom and other parts of the world for a few seconds, and I will endeavour to show that our works have a greater chance of being worked profitably than the works established in any other parts of the world, because of the higher percentage and the purity of our ore. Even though some countries have economic advantages—and probably social disadvantages—in the way of cheap labour, the purity and high percentage of our ore will more than compensate us for the higher wages that we have to pay. Just in passing I would like to say that if this industry is established in Queensland I hope it will be established in such a way that it can afford to pay the men a living rate of wage and that it may be a white industry.

HONOURABLE MEMBERS: Hear, hear!

[Hon. A. J. Jones.]

The SECRETARY FOR MINES: I am not very much afraid of the cry that we cannot compete with the cheap labour of other countries of the world. I think the better class of labour that we get from our highly paid employees will more than compensate for the cheap labourer, who usually does as little as he possibly can, because of the mere pittance he receives as wages. I maintain that one Australian and one Britisher can work any cheaper labourer blind. In most of the other countries of the world where the iron industry is established they have to work ore of a very low percentage. As a matter of fact, in many places they have to concentrate their ores before they contain a sufficiently high percentage of iron to smelt. One large Scandinavian works, which was established on German capital, attempted to work ore containing as low as 17 per cent. of iron, but they failed and had to close down. Many thousands of pounds were spent in the establishment of those works, and they admitted that had the ore been 5 per cent. or 10 per cent. higher the works would have been a gigantic success. Even if they could have made it pay with ore 10 per cent. higher than that which they were working at the time, that proved that they could successfully work ore containing as low as 27 per cent. of iron. In many parts of the world where they have established the iron industry they concentrate the ore, which means that they have to erect great crushing plants and crush the deleterious matter from the ore before it is of a sufficiently high value in iron to smelt. Here in Queensland the quantity of iron in the ore is anything from 60 to 70 per cent. Rarely do we get it between 50 per cent. and 60 per cent., and in Great Britain they can work ore containing as low as 29 per cent. to 40 per cent. of iron. I have here a table giving the percentages of iron in various ores. The table is as follows:—

Place.	Iron Contents. per cent.
Cumberland and Lancashire	50·3; 58·2
Cornwall	61·46; 54·54; 45·98
Devonshire	36 to 46; 43; 53
Yorkshire	33·28; 29·95; 32·50; 27·38; 45·43; 49·20; 36·95
Northamptonshire ..	29 to 46
Leicestershire	30; 22; 30
Lincolnshire	24; 33; 34
Wiltshire	42·6; 37·6
Kent	32
Gloucestershire	55; 36
Somerset	34; 67
Northumberland and Durham	34·96; 36·51; 35·68; 38·5 to 43; 49·8; 39·10; 35·40; 39·58; 58·71
Derbyshire	31·34; 22·98
South Wales and Monmouthshire	33·2; 30·4; 26·8; 29·2; 54
Scotland	28·50; 38·58
Ireland	45; 36·5; 52·2; 63
Sweden	62 to 68
Norway	45 to 68
Spain	54 to 62
Algeria	48 to 57
Morocco	50 to 60
Brazil	69·65
Chili	67·47
U.S.—Barton Hill Group	71·58
rich and pure	
Texas ore	66 to 68

The United States Barton Hill group contains an ore which is rich and pure, closely resembling the ore obtained at Mount Biggenden. Among the chief Australian deposits are 27,000,000 tons at Blythe River. The Iron

Knob is a hematite deposit containing 66 per cent. to 68 per cent. of iron, with no phosphorus or sulphur.

Hon. B. FAHEY: What is the average in Tasmania?

The SECRETARY FOR MINES: It is over 60 per cent. I am going to deal with that presently. The Mount Biggenden deposit is very much like the richest deposit that we know of.

Hon. E. W. H. FOWLES: What is the estimated deposit at Iron Knob?

The SECRETARY FOR MINES: It is an enormous deposit, about 20,000,000 tons. Our critics say that we have no deposits in Queensland sufficient to warrant us in establishing iron and steel works. We have very many deposits in Queensland, and there is no reason why we should draw from one spot only. Our investigations prove that we have many and very large deposits of ore of high value which have not previously been tested. A bar of iron from Biggenden ore was recently tested at the works of Messrs. Monteith Bros., South Brisbane. The result of the test was very satisfactory. The official breaking strain for the Government, and as used by the Water and Sewerage Board, is 1,090 lb. on an inch bar. The iron smelted from the Biggenden ore recorded a breaking strain at from 3,000 lb. to 3,500 lb. on an inch bar. The deflexion on the iron from Biggenden before breaking was $\frac{5}{16}$ ths of an inch in one case and $\frac{11}{32}$ nds of an inch in three other cases. These tests prove that the quality of the iron is superb. As a matter of fact, we do not know of any iron in the world that at first smelting has proved to have a breaking strain so high or the deflection so great as was the case with the Biggenden iron ore. We had 1 cwt. smelted at Monteith Brothers at South Brisbane, and they made from it an iron pipe, which is here for hon. gentlemen to examine. Hon. gentlemen can compare it with the pig iron brought from Newcastle or any other part of the world, and they will see that its grain is so fine that it would scarcely be credited that it is iron from a first smelting. I asked a gentleman to go over and see a pipe smelted from the ore, and he said he would be very pleased to see it done. He said it never could be done, that he had never heard of its being done before, and that we must have a very pure ore if we could smelt an iron pipe from it. If we had to depend upon the Mount Biggenden deposit alone, we should not be justified in introducing this Bill or establishing the iron industry. But we have many other deposits. Within a few miles of the railway—a railway station near Maryborough—there is a very large deposit of hematite iron. Samples that we have taken from it and tested were found to contain from 66 per cent. to 69 per cent. of iron.

Hon. B. FAHEY: What is the distance between the two lodes—that and the Biggenden lode?

The SECRETARY FOR MINES: Between 20 and 30 miles.

Hon. B. FAHEY: Can they be connected?

The SECRETARY FOR MINES: I do not think so, because one is magnetite iron and the other is hematite iron. We have large deposits of iron in numerous localities throughout the State, more particularly in the northern, central, and eastern portions of Queensland. According to our present

knowledge of the subject, by far the largest known deposits are located in North Queensland. There are also deposits known to exist in the Moreton district.

Hon. G. S. CURTIS: What about Central Queensland?

The SECRETARY FOR MINES: There is a deposit of iron at a place called Mount Fairview. Mr. Saint-Smith has also investigated deposits near Rockhampton, and has found them very satisfactory. There are

deposits of iron at Iron Island, [4.30 p.m.] Stanage, Oleson's Caves, Mount Morgan, and in other districts.

We have not had time to investigate all those deposits, but those which have been tested have been proved to contain ore which ought to be smelted. There are also deposits of magnetite iron ore of considerable extent at Glassford Creek, where they have copper mines at the present time. I have already dealt with the Maryborough district—Biggenden—and I will not repeat myself.

In the other House, argument was advanced to the effect that the prices of pig iron and steel will drop to a very low point after the war. I think that that will not be so. Most authorities agree that after the war the price of pig iron is not likely to drop. The price of pig iron prior to the war was anything from £4 to £5 10s. per ton.

Hon. B. FAHEY: Down as low as £2 10s.

Hon. R. BEDFORD: And up to £6 18s. 3d.

The SECRETARY FOR MINES: It is some time since it was down to £2 10s. I have the figures here, but I will not weary the Council with them. The price under the last contracts made by the Ipswich workshops before the war was £8 per ton. The quotation from China was £5 13s. 4d., and from England £6 18s. 3d., landed at the Ipswich workshops, but to-day you cannot buy pig iron at £8. It is up to £11 and £12 per ton, and I dare say that the quality such as we can produce from the Biggenden ore would be worth £2 or £3 per ton more than any other pig iron that is being used at the Ipswich workshops. I maintain that there is every reason to believe that the price of pig iron will remain where it is. I argue from this standpoint—that so long as the price of pig iron was not less than £5 per ton, we could compete successfully with any country in the world, because we could produce it for less.

Hon. E. W. H. FOWLES: Does that include freight?

The SECRETARY FOR MINES: Yes. We could produce pig iron in Queensland for less than £5 per ton.

Hon. E. W. H. FOWLES: What is the good of it unless you can manufacture it into something useful?

The SECRETARY FOR MINES: It would be no use unless we did manufacture it into something useful. I do not know why the hon. member is endeavouring to trip me up.

Hon. E. W. H. FOWLES: You have either to manufacture here or pay the freight.

The SECRETARY FOR MINES: Yes, I am dealing with that. Will the hon. member say that we could get pig iron in Queensland for our requirements at the present time or in pre-war times for less than £6 per ton?

Hon. E. W. H. FOWLES: You might get it for £5. That is admitted.

Hon. A. J. Jones.]

The SECRETARY FOR MINES: I say that with the price at £5 we could compete with the rest of the world, because of the higher percentage of our deposits. And so far as Australia is concerned, all the evidence I have been able to collect has convinced me that the cost of the production of pig iron has never been more than £3 per ton. They produced pig iron in New South Wales in 1868 and in the seventies for £5 16s. 4d., when they had to smelt it with charcoal and had not the facilities that they have now, when they had to use three times the amount of fuel they have to use to-day. But, perhaps, I might use a broader and more national argument than that. I am going to quote now from the "Journal of the Department of Scientific and Industrial Research," the latest issue of which (this year's), speaking of the United Kingdom, says—

"It is known that large resources of iron ores exist in the United Kingdom, but in certain districts, owing to their mode of occurrence as well as the low percentage of iron which the ores contain, it has been a matter of difficulty to work some of them profitably. Foreign ores, especially those of Scandinavia, which are of high grade quality, have been imported so cheaply into this country that the native lean ores could no longer compete with them. Native ores have, therefore, to a great extent, been disregarded, and expenditure upon their development has not been worth while, on account of the ease with which cheap supplies of much superior ore could be obtained from abroad."

I want to point out that while the production of the manufactured article, pig iron, is increasing in Great Britain, the production of the ore is decreasing, and they have to import more ore. And they will have to import more ore year after year in Great Britain to meet their requirements, which proves that very shortly in Great Britain they will have to import all the ore for making their own iron. How, then, can we expect to get our iron cheaply from Great Britain under those circumstances? The article goes on to say—

"With reference to the iron ore deposits in the United States, the economic and industrial conditions render it unlikely that those ores will ever be imported into this country. So far as the iron industry of the United Kingdom is dependent on the iron resources of other countries, any supplies drawn from the United States will probably always be in the form of pig iron or semi-finished and finished iron goods."

That proves that in Great Britain they will shortly have to import pig iron from the United States, where the iron industry is going ahead by leaps and bounds. The article proceeds—

"The iron ore resources of Germany and Austria have also not been touched upon here. Both countries have large resources of good ore, which, however, are never likely to be utilised in the British industry. The rate of production of iron in Germany is already not sufficient to supply the needs of the iron smelting works, and she largely supplements her supplies of ore from Sweden and France, and in ordinary times also

from Spain and Algeria. Before the war, Germany depended almost entirely on the Swedish, Spanish, and Algerian ores for the manufacture of hematite iron."

In 1913 the United Kingdom produced 15,997,328 tons of iron ore, and imported 8,028,532 tons. The largest importations were from Spain, where they got over 4,000,000 tons, and then from Norway, Sweden, France, and Algeria. Fully one-third of the ore smelted in the United Kingdom at the present time is imported from foreign countries. The following table indicates the importations of iron into Great Britain in the years stated:—

1880	...	...	3,060,331
1890	...	...	4,964,459
1900	...	...	6,854,032
1910	...	...	7,623,984
1913	...	...	8,028,532

Year after year they have had to import more iron ore, and to-day I say they are importing more than one-third of the ore they smelt. Yet hon. members will tell us that we will be able to get cheap pig iron from Great Britain after the war. Great Britain will either have to work more of her low-grade ores or will have to import larger quantities. Whichever method she adopts to keep pace with her requirements, the cost of production of pig iron will, I maintain, increase rather than decrease. Looking at it from a national point of view, it is rather a serious question. The production of iron ore is increasing in the United States of America.

Hon. B. FAHEY: So is copper and tin.

The SECRETARY FOR MINES: Well, now is our time. As a new country we should be increasing, we should be establishing these industries. Why should we be dependent on Great Britain? I think we should not lean on the mother country too much. As Australians, we should say, "No, we will help ourselves a little." Whenever anybody in Australia tries to introduce something new, there is a tendency on the part of some people to say, "Oh, it is all right, the mother country will supply us with all we want." I say that we have the iron ore in Queensland, and knowing that the supplies in Great Britain are decreasing, and knowing that our supplies are of a higher percentage than those of the mother country, it is our duty to develop the industry here and convert it into iron, and put it to further uses.

Hon. A. G. C. HAWTHORN: Do you think there is room for two very big iron works in Australia?

The SECRETARY FOR MINES: I really think so, and I think the proof of that is that the Newcastle works were unable to supply the Queensland Government under their contract for rails quite recently. I think something can be said in favour of that company. They put all other contracts aside in order to supply France with rails for this great struggle—(Hear, hear!)—and I think it is quite right that the people of Queensland should not make any howl about not getting rails at that particular time—about twelve months ago. Every ounce of steel that the Newcastle works could convert into rails was put into the 20-lb. rails which

[Hon. A. J. Jones.

were being supplied to France. We have a contract with them, and they are now fulfilling that contract at so many thousand tons of rails per month. The proof that there is room for an extra works is that they could not supply Australian requirements and France with rails at the same time.

Hon. A. G. C. HAWTHORN: These are abnormal times.

The SECRETARY FOR MINES: I quite admit that. Probably what I have said is not a complete reply to the hon. member's interjection for that reason, but a further reply, and probably the best argument, might be found in the quantity of importations into Australia. I have the figures here of articles imported into Australia, both manufactured and raw, and they are very great. And our requirements will be increasing from year to year. I have another interesting table here. The pig iron produced in the United Kingdom in the year stated was as follows:—

1880	...	...	7,749,223
1890	...	...	7,904,204
1900	...	...	8,959,691
1910	...	...	10,012,098
1913	...	...	10,260,315

The tables I have quoted show that although the production of the ore is decreasing, the production of the pig iron is increasing, and therefore the importation of ore is increasing, and we can better help by helping ourselves, rather than by saying, "Oh, we will send to Great Britain for all the pig iron we want." In the other House, an hon. member said—

"I believe the Broken Hill Proprietary Company, which has established steel and iron works at Newcastle, has lost in connection with the works something in the vicinity of £200,000."

Hon. R. SUMNER: A mere fleabite.

The SECRETARY FOR MINES: This company spent a very large sum of money.

Hon. B. FAHEY: Their capital is £2,000,000.

The SECRETARY FOR MINES: Yes. But still their anticipated profits must be great, and they deserve some profits. I am sure if there was a loss of £200,000—they have only been established three years and they may be that far behind—they would not be duplicating their works to-day. When I was in Newcastle in February the manager showed me over the works, and he showed me where they were reclaiming land and where they intended duplicating their works so that they could meet the requirements of Australia. He said they could not possibly supply orders. I asked him where we were likely to get our Queensland rails from, and he replied, "That I could not say. I am going to do the best I can for Queensland, but it is very difficult for me to say what I can supply. I cannot possibly supply the orders coming in. I am turning orders away every day." That is the position in Newcastle, and I do not think any company would duplicate their works had they made

a loss of £200,000. This is what the Commonwealth Statistician, Mr. Knibbs, says about the Broken Hill Proprietary Company's works—

"The Broken Hill Proprietary Company has established works for the manufacture of iron and steel on a large scale at Newcastle, and operations were started early in 1915. The company is utilising the immense deposit of iron ore at the Iron Knob quarries in South Australia. Abundant stores of first-quality coal can be obtained from the various coalfields in the vicinity of Newcastle, and arrangements have been made for the local supply of the necessary quantities of limestone. The works have been planned so as to allow of ready extension as the business develops.

"By the end of August, 1915, the works had produced 36,214 tons of pig iron, from which were made 17,134 tons of billets and blooms and 11,594 tons of rails.

"The company has contracts for over 100,000 tons of steel rails in Australia.

"Provision has been made for increasing the originally calculated output from 125,000 tons to 170,000 tons of steel per annum."

My colleagues on the Select Committee on the New Cannindah Railway Extension the other day questioned Colonel Evans, the Commissioner for Railways, as to his contract for steel rails. It was our duty to find out whether rails were available for the construction of any lines at all in Queensland, and we asked him how the quality of the rails from Newcastle compared with the quality of rails from oversea, and he said that up to the present they had nothing to complain of, as the rails were of superb quality. That proves that we can make steel rails from Australian ore. The thing has been proved by the Broken Hill Proprietary Company. I feel that I have been taking up a little of the time of the Council, but I want to put forward one or two further arguments, because I desire to put the case before the Council as fully as possible. No doubt hon. gentlemen will feel interested in the Bill, and will probably have time to look up in "Hansard" some of the arguments that I have used, so that a continuance of the debate may take place next week. Any suggestion that may be of benefit to the Government, I am sure, will be very heartily welcomed. This is not a party matter. It is a national matter. It is too big for party, and it may be, in the opinion of some, too big for the State. It certainly is such a big question that it should demand a little bit of the time of this Council in order to discuss it.

Hon. B. FAHEY: This is one of the most interesting speeches I have heard for a long time.

The SECRETARY FOR MINES: I have here a rather lengthy report from the geologist, Mr. Saint-Smith, which deals very exhaustively with the Biggenden iron deposit, and my argument will not be complete unless I give the analyses of some of the Queensland ores. Probably I should have given this table as a comparison with some of the tables in regard to the ores from Great Britain and other places. Hon.

Hon. A. J. Jones.]

gentlemen will notice the high percentages of our Queensland ores. The particulars are as follows:—

Locality.	Percentage of Metallic Iron.
Iron Island	63·94 to 64·80
Stanage	60·0
Olsen's Caves (Rockhampton)	67·4 to over 70
Mount Fairview (Rockhampton)	61·6
Kabra	66·0
Mount Morgan District—	
(Constitution Hill)	55·8 to 62·4
(Iron Gully)	62·65
(Oakley)	56·27
(Pleasant)	48·30 to 55·42
Razlan	58·2
Targuinie	64·9
Boyne River—	
(New Zealand Gully)	59·3
(Middle Creek)	61·9
(Bompa Road)	67·4
Gayndah	33·4
Ipwich District—	
(Boonah)	45·25
(Pittsworth)	49·9
(Green Hills)	52·3
Chillaroo District—	
(Mount Lucy)	67·30
Sundown	50·4
Mount Biggenden	61·8 to 65 average; up to 70 at times
Mount Biggenden Magnetic Iron Tailings	68 to 70

A careful analysis has been made of the Biggenden ore that was smelted by Monteith Brothers, and the contents were as under:—

Contents.	1	2	3	4
	Per cent.	Per cent.	Per cent.	Per cent.
Graphitic carbon ...	2·41	2·52	2·38	2·29
Combined carbon ..	0·91	0·99	0·86	1·12
Total carbon ...	3·32	3·51	3·24	3·41
Silicon	1·2	1·0	1·1	1·1
Manganese	0·35	0·45	0·30	0·27
Phosphorus	0·6	0·06	0·5	0·4
Sulphur	1·1	0·09	0·06	0·08
Bismuth	Nil	Nil	Nil	Nil
Metallic iron (by difference)	94·43	94·35	94·8	94·74

I do not think I need deal any further with that phase of the question. Mention has been made of the Blythe River works, and one phase of the question that I might be expected to deal with this afternoon is the cost of establishing the industry by the erection of works. The impression got abroad that we could establish the iron industry for £1,500, and later on for £5,000. The estimate I gave was for a small cupola furnace, such as the one used by Monteith Brothers for the smelting of ore. In passing, I want to say that these gentlemen, Messrs. Monteith Brothers, Hockleys, of Maryborough, Walkers Ltd., and Mr. McKay, who controls the Lithgow works, in every way rendered us very valuable assistance and information, and they have offered to continue to do so. There have been very many valuable opinions offered, and they have assisted us in every way possible by putting all the information in their possession at our disposal. The small furnace in which the iron was smelted by Monteith Brothers was estimated to cost about £1,500. We could turn out, by that method of smelting iron, a few tons of iron per day, but we found it would not be necessary to test our deposit in that manner. We can go straight ahead with the erection of a hot blast furnace, which will not consume so much fuel and which will be of a larger

[Hon. A. J. Jones.

capacity, so that we can turn out something that will be profitable to the State, and we can experiment with the other deposits as they become known to us. I think we can establish complete modern works at a cost of even under £500,000—works that would supply the requirements of Queensland at the present time, and which may be increased later from the profits of the undertaking. That is my scheme, and I have no hesitation in putting it before this Chamber.

Hon. A. G. C. HAWTHORN: Mr. Darby estimated that it would cost £1,000,000 to establish works on the Blythe River, and the cost has gone up since then.

The SECRETARY FOR MINES: Mr. John H. Darby, M. Inst. C.E., in his report on the Blythe River Iron Mines, says—

“I estimate the cost of the proposed work laid down on the most modern lines and with every labour-saving appliance, all as set out in the accompanying specification, will be £560,000.

“The following is a summary of the estimate:—

	£
Blythe River Iron Mines ..	14,103
Works at Burnie (loading and unloading arrangements) ..	42,626
Steamers	90,000.”

We do not want steamers. We can take them.

Hon. E. W. H. FOWLES: You can take anything under the Act.

Hon. R. BEDFORD: You will not want them.

The SECRETARY FOR MINES. Probably I had better withdraw that ejaculation.

Hon. P. J. LEAHY: We will not allow you to withdraw it.

The SECRETARY FOR MINES: I should have said that hon. gentlemen will accuse us of taking them. The summary continues—

	£
“Coal bins and coke ovens ..	63,600
Ore and coke bins and blast furnace	115,000
Hot metal mixer and open-hearth plant	94,275
Mills and auxiliary plant ..	108,273
Incidentals	32,263.”

A total of £560,145.

Regarding the steamers and other things, there is a complete estimate that runs into £1,000,000.

Hon. A. G. C. HAWTHORN: I thought it was £1,000,000. I only want information.

The SECRETARY FOR MINES: The hon. gentleman is quite correct. There is another estimate called “The Complete Estimate” dealing with iron mines, steamers, and so forth, which totals £1,109,000. Mr. Darby, in his report, says—

“It must be clearly understood in reading the above estimate that works have been contemplated which are thoroughly up to date in every respect, and where labour-saving appliances are introduced wherever they have been thoroughly proved effective.

“I have felt that it would be far better to spend a considerable amount of money in providing these appliances, thus producing iron and steel at a much lower

cost than if a great number of labourers were employed to move the various materials and operate the various appliances and machines.

"I believe that if the plant is put down on the lines I indicate, it would be the most effective plant of its kind in the world."

As far as our scheme is concerned, that estimate of £560,000 can be reduced by the elimination of the purchase of mines. The iron ore of Queensland, with the [5 p.m.] exception of Iron Island, belongs to the State, so that there is no need to purchase mines, and that item of £14,108 can be eliminated from the estimate. We can also eliminate the sum of £42,626 for two works at Burnie, loading and unloading arrangements; and £90,000 for steamers. These will make a total deduction of £146,734, and thus reduce the estimate to £373,411, which will include modern coke ovens. I do not wish to suggest that that is an estimate made by any expert in the department. We will probably have to employ a complete staff if we go in for this matter, but I am satisfied from the estimated cost of the works erected at Newcastle and Blythe River and in various other parts of the world, that we can establish an up-to-date modern coke plant in conjunction with our iron-smelting works, and produce all the iron and all the steel rails that we require in Queensland, at a cost of under £400,000. And that would not be a very big works. Some hon. member asked what will be the production at Blythe River. Mr. Darby makes these remarks in his report—

"It is proposed that the production of the works to commence with will be 2,800 tons of pig iron per week, of which 1,500 tons will be sent to the steel works for conversion, and the balance will be saleable as pig iron. For this production there will be required—

	Tons.
Iron ore for blast and steel furnaces	4,785
Limestone	1,168
Fuel for blast furnaces ...	3,733
Coal for gas purposes and heating furnaces	1,200
Total raw materials ...	10,886 "

I will conclude by quoting an extract from the report of the Royal Commission on bonuses for the manufacture of iron. The commission were equally divided, but they were all of this opinion—

"In conclusion, your commissioners point out that the most recent events emphasise the ever-increasing importance of the iron industry, and mark the question as one to which, in our opinion, early Governmental and Parliamentary attention is highly desirable in the interests of Australia."

The commissioners further say—

"We recognise that the Commonwealth possesses vast deposits of iron ore of high grade, coal, etc., for iron works. Ample evidence has been given to satisfy us on that point. Furthermore, we believe it would be a considerable advantage to have the industry in operation in a flourishing condition, and on a proper basis."

In another paragraph they say—

"The evidence failed to show that there was any commercial necessity for the bonuses proposed. Mr. Sandford said he could produce pig iron at Lithgow under 35s. per ton. Allowing for freight to Sydney, Melbourne, and other parts of the Commonwealth, he could, on this showing, compete favourably with any imported pig iron. Other witnesses, who, however, had less experience than Mr. Sandford, doubted the correctness of his estimate of cost. But on the supposition of his having made an under-estimate he would still, even without a bonus, be in an excellent position as regards the imported commodity."

With regard to the production of pig iron, the report of the commission proves that it can be produced at a cost not greater than £3 per ton.

Hon. A. G. C. HAWTHORN: Didn't that commission doubt whether there was room for more than one big works in Australia?

The SECRETARY FOR MINES: I do not think so, but I will not contradict the hon. gentleman. They certainly said that it was necessary that early Governmental action should be taken in regard to the matter. Men like the late Mr. Kingston, Mr. Hughes (the present Prime Minister), and Mr. Cook were members of that commission, and they were all of opinion that something should be done to establish the iron industry in Australia. They have been in power ever since, and nothing has been done. They said the industry could be established without a bonus, and that we should be able to compete with other parts of the world. We run our own railways in Queensland, we have a splendid coalmine at Bowen and we have another in the Ipswich district, and we want to establish iron works to make our own rails and steel for our bridges. I was very much impressed with a cartoon which appeared in the Brisbane "Worker." The cartoon pictures coalmines and iron and steel works, and underneath there is this inscription—

"The Government has introduced a Bill for the nationalisation of iron and steel works.

"Labour: 'Regain possession of those two industries and you have in your hands the basis of all industry.'"

I think that cartoon explains more than I could explain in an hour's speech.

Hon. P. J. LEAHY: Did they say "regain"?

The SECRETARY FOR MINES: Yes.

Hon. P. J. LEAHY: How can you "regain" something you have never lost? But that is something like what I should expect from the "Worker."

The SECRETARY FOR MINES: As a nation we are extravagant, and every day we allow thousands of pounds worth of material to go to waste. The smoke from our stacks and our furnaces pollutes the air with that which can be converted into money. We are now investigating the possibility of saving some of the smoke and fumes that are going to waste at Mount Morgan and other places in the State. There is waste everywhere. Our smelters are wasteful, our mines are wasteful—

Hon. P. J. LEAHY: Our Government are wasteful.

Hon. A. J. Jones.]

The SECRETARY FOR MINES: Our consumers are wasteful.

Hon. P. J. LEAHY: And the Minister is wasteful at times.

The SECRETARY FOR MINES: I am sorry, because I am speaking with a great deal of effort, having a bad throat.

Hon. P. J. LEAHY: I did not refer to this occasion.

The SECRETARY FOR MINES: However, I say that a new industry can be established to deal with the gases that contaminate the air in the vicinity of our beehive coke ovens.

Hon. E. W. H. FOWLES: They said that in the last session of Parliament forty years ago—the same political moonshine every third session.

The SECRETARY FOR MINES: There is no moonshine about this proposal. In a diagram which appeared in the "Daily Mail" and in a Northern paper, it is shown what uses may be made of a ton of coal. All we get out of a ton of coal at the present time is coke, and the rest of the coal goes to waste. I think that is criminal, especially in view of what it costs to manufacture a ton of coke. The time has arrived when we in Australia should awake to the fact that we must eliminate all this waste. Taking pre-war prices, we lost 14s. 3d. on every ton of coke we produced.

Hon. E. W. H. FOWLES: You know the cost of coke ovens.

The SECRETARY FOR MINES: Yes. We could instal a modern up-to-date coking plant at a place like Ipswich—I do not say that that is the proposed site for the iron works, because that has not yet been determined—for from £17,000 to £23,000.

Hon. E. W. H. FOWLES: Why, that is less than the State hotel cost. Why didn't you do it?

The SECRETARY FOR MINES: I hope that when the time comes the hon. gentlemen will vote for this Bill and allow the Mines Department sufficient money to establish a coking plant. My worthy predecessor in office, who is now the President of this Chamber, told the people of Ipswich, and in no offensive way, that they were making coke like children make mud pies, and advised them to go over the border and see how coke was produced. I think that was splendid advice, and such a thing should not be permitted by the Government. I want to say here, too, that the people in Ipswich came to our assistance at a time when we wanted coal and coke, but from one ton of coal under the old system of producing coke we get only 63 per cent. of coke. Under the modern system we would get 75 per cent. of coke, 7½ gallons of tar—from which all the dyes are made—23 lbs. of sulphate of ammonia, which is very valuable at the present time and at any time, and all the power to illuminate the town of Ipswich, the Ipswich railway workshops, or any other workshops we had there. That is the difference, and yet we are not doing it! Right here I want to express my personal opinion that, so far as I have gone into the matter—and I am only a layman—it would be idle to attempt to establish the iron industry unless we first established the coking industry. (Hear, hear!) Thousands of feet of gases are

[Hon. A. J. Jones.

going to waste under the old beehive oven system. They not only pollute the air—nothing will grow within yards and miles of some of our furnaces in Australia—but some of them could be turned to use. To make coke you must take the gas out of anthracite coal. That is, in fact, all they do at present, but if we established the coking industry we could get all the things I have said and all the heat and power necessary to run our iron-smelting plant or any other plant. I believe that in Newcastle—and I am trusting to memory in this statement—I was told by the manager that they have their own modern coking appliances, and produce their own coke to run their own iron smelting works, that they utilise 45 per cent. of the power they produce and have 55 per cent. to sell or distribute to the people of Newcastle or utilise in some other way. I have here a very lengthy report on the subject from the United States. There their modern coking ovens illuminate towns at a distance of 40 miles from the plant. We could send the power down from Ipswich to Brisbane. There is no doubt that we have the natural wealth in Queensland, greater natural wealth than a great many people are aware of so far as mining is concerned. We have at Blair Athol the second largest coal deposit in the world. I believe the largest is in China, where they have a seam of 200 or 300 feet, but we have no less than 60 feet of coal in one seam. We have very large seams at Ipswich, 9 and 12 feet seams in the Dawson, and 9 and 12 feet seams in the Bowen district, and we are producing coke and coal, but a lot of it is going to waste.

Hon. B. FAHEY: The Dawson Valley coal is anthracitic.

The SECRETARY FOR MINES: That is so. That will be valuable if we establish the iron industry, because according to some great authorities iron can be better smelted with a proportion of anthracitic coal and coke than with coke alone; and of course all coal would not do. In conclusion, I want to say that it is the intention of the Government to go on with this business provided the Council will pass the Bill. Personally, I shall be very disappointed if the Council treats this Bill in a way similar to that in which they treated the Valuation of Land Bill—by moving that it be read "this day six months."

Hon. P. J. LEAHY: This is a very different Bill.

The SECRETARY FOR MINES: I am not anticipating that sort of treatment at all. So far as I have gone into the matter as Minister for Mines I have had a good deal of encouragement, a good deal of encouragement from men in this House who have questioned me about the matter and expressed the hope that we would be successful in establishing the industry. I do not say that hon. members may agree to every little detail in the Bill. They may not agree to everything I have tried to say here this afternoon. But I think the question is very worthy of deep consideration. It is a big question. Whichever Government tackles it will find their paths strewn with difficulties. We shall have very many difficulties to overcome, but that it can be successfully established I am satisfied. (Hear, hear!) As a matter of fact, Queensland is better situated for the establishment of the iron industry than any other State in the Commonwealth, because after

all it is a matter of the assembling of the material required for iron and steel smelting.

Hon. R. BEDFORD: You have the only manganese.

The SECRETARY FOR MINES: We have the only manganese of any value—up to 80 per cent. and 90 per cent. Mr. Lewis, of the Newcastle Company, was over here only a week or so ago seeking manganese, and I believe they have made arrangements to get it from a mine from which it has to be carted to the seaboard. At Biggenden we have the ore, almost pure ore, we have the calcite, pure lime, and we have almost pure manganese within a radius of $\frac{3}{4}$ of a mile, and the only other things we want are the coke and coal. We can assemble all the materials required for iron and steel making more economically, so far as we know, than any other country in the whole wide world, and I say that in all truthfulness from the investigations I have made of what they do in other countries and Newcastle. I sincerely hope that the Bill will meet with the approval of this Council, as it met with the approval of the other House. The Hon. Mr. Appel, who is in opposition to the Government, spoke very highly of the Bill, and said that the industry ought to be established. I think it is too big a question to be a party question. It is a national question, and I confidently hope that the second reading of this Bill may be passed and that we may be successful in establishing the industry in the State.

HONOURABLE MEMBERS: Hear, hear!

Hon. E. W. H. FOWLES: I beg to move the adjournment of the debate.

Question put and passed.

The resumption of the debate was made an Order of the Day for Tuesday next.

OPTICIANS BILL.

MESSAGE FROM ASSEMBLY.

The PRESIDENT announced the receipt of a message from the Assembly agreeing to the Council's amendments in this Bill.

FARM PRODUCE AGENTS BILL.

MESSAGE FROM ASSEMBLY.

The PRESIDENT announced the receipt from the Assembly of the following message:—

“Mr. President,—

“The Legislative Assembly having had under consideration the amendments of the Legislative Council in the Farm Produce Agents Bill, beg now to intimate that they—

“Disagree to the amendments in clause 2—

“Because the limitation proposed might prevent, until Parliament is in session, the issue of licenses for articles not included in the definition.

“Disagree to the omission of clause 3—

“Because it is not desirable that the State agency should be subject to registration.

“Disagree to the amendments in clause 11 (now 10)—

“Because many firms have branch agencies in country towns, with head

offices in Brisbane, Rockhampton, Townsville, etc., and in such cases it might be more convenient for a case to be heard in the place where the head office is situated.

“Agree to new clause 11 with the following amendment:—Omit on line 20 the word ‘ten’ and insert the word ‘fourteen.’

“In which amendment they invite the concurrence of the Legislative Council.

“Disagree to the amendment in clause 12 (viii.), lines 46 to 50—

“Because experience may require regulations dealing with special cases.

“Disagree to the amendment in clause 12, page 6, lines 14 to 18—

“Because such an unusually drastic provision is objectionable; and

“Agree to all other amendments in the Bill.

“WM. MCCORMACK,
“Speaker.

“Legislative Assembly Chamber,
“Brisbane, 7th November, 1917.”

On the motion of the SECRETARY FOR MINES, the message was ordered to be taken into consideration on Tuesday next.

REGULATION OF SUGAR CANE PRICES ACT AMENDMENT BILL.

SECOND READING—RESUMPTION OF DEBATE.

Hon. G. W. GRAY: The Hon. Mr. Nielson moved the adjournment of this debate, but as he is not yet prepared to speak, I am willing to reopen the debate.

The PRESIDENT: I gave the Hon. Mr. Nielson the call. Is it the wish of hon. members that the Hon. Mr. Gray should have precedence?

HONOURABLE MEMBERS: Hear, hear!

Hon. C. F. NIELSON: I desire to give him precedence.

Hon. G. W. GRAY: We have just listened to a very interesting speech from the Minister, and I congratulate him on the way he handled his new proposition, and I hope he will be as successful with that as we have been with the industry upon which I am going to touch. Singularly enough, this is the fiftieth anniversary of the inauguration of the sugar industry in Queensland, and I am very pleased to think that I, one of the pioneers of that industry, am now privileged to take part in a debate on that subject after so long a period. The Minister, in his opening remarks, when moving the second reading of this Bill, said, “Hon. members will agree with me that this is a very important measure.” I agree with the hon. gentleman in that. He further said, “The Bill deals with one of the most important agricultural industries of the State.” I quite agree in that also. With the exception of the pastoral industry, there is no industry in Queensland that has created so much development. I have followed the history of that industry since 1867, and I have in my hand a copy of “Hansard,” in which I reviewed the history of the industry from 1867 till 1901, a period of thirty-four years, and from 1901 till 1917 is a period of sixteen years, which completes the fiftieth anniversary of the existence of this industry in Queensland, and, singular to say, the founder

Hon. G. W. Gray.]

of it was a member of this Council, the Hon. Captain Hope, the uncle of the first Governor-General of Australia. When Lord Hopetoun first came to Australia he sent his private secretary for the loan of this particular "Hausard," which contains a history of the sugar industry in Queensland. His uncle demonstrated that this was an industry that Queensland could profitably adopt, and he started his operations at Cleveland. In his opening remarks the Minister also said that there was no need for him to go back to the early days of the industry, and, further, that those who had in the past derived great profits from the industry had succeeded in causing a good deal of disagreement between the workers in the industry and the employers. The Minister also said—

"I claim that the present Government, by their acts since they came into office, have done something to secure for the grower a better price for his cane than he received in the past."

To this industry we are indebted for the fine fleet of steamers travelling round the coast of Australia to-day. In the initial stage we had sailing vessels, but the sugar industry created that beautiful fleet of steamers, because we are supplying the whole of Australia with sugar. I recollect the time when we had very primitive steamers, but gradually, as the industry grew, they were replaced by the fine steamers that we have on our coasts to-day. I intend shortly to review the progress of the industry from 1901 till the present day. The Minister referred to the supposed big profits that the pioneers made. I can tell him that the pioneers of this industry, instead of reaping big profits, lost, through their operations, a sum of £5,000,000, and I will tell the hon. gentleman how that came about. In the early days, with the machinery used for manufacturing sugar, it required 16 to 17 tons of cane to make 1 ton of sugar. That machinery had to be replaced by modern machinery, and to-day it only takes 9 to 10 tons of cane to make a ton of sugar. What brought this about? In the year 1884 I paid a visit to the old country by way of Mauritius, and on arriving in London I saw the best white crystal tabloid sugar selling at 2½d. per lb. I wondered how they could produce white sugar at that price.

Hon. R. BEDFORD: Through black labour.

Hon. G. W. GRAY: I am going to show that it was not through black labour. I visited there the largest sugar refinery in London, that is Tait's refinery, and I introduced myself as one interested in the sugar industry in Australia, and I was allowed to see through the refinery, and at the finish of my visit I took up one of those tabloids and said, "How much beet and how much cane sugar?" I was told "Half and half." With that information I went over to Belgium, and there I secured the services of Mr. Van de Velde, the Belgian Consul in Sydney, who happened to be in Belgium, and he took me round the mills, and I put together information which I embodied in a letter under the heading of "Crisis in the Sugar Trade." That letter was sent out to Queensland and was published in the "Courier" in 1885, and I have secured a typewritten copy for my purposes to-day. The letter says—

"Mr. G. W. Gray, of the firm of Quinlan, Gray, and Co., of this city, and now on a visit to England for the benefit

[Hon. G. W. Gray.

of his health, writes as follows to the "Courier" from Bournemouth, under date 26th November, 1884:—

Having visited the beet-root manufacturing districts with a view of obtaining information into its growth, manufacture, etc., I now give those interested the result of my investigation."

The PRESIDENT: Order! I would like the hon. gentleman to come to the Bill. The question before the Council is the second reading of the Sugar Cane Prices Act Amendment Bill and not the early history of the sugar industry.

Hon. G. W. GRAY: I am confining myself to the introductory remarks of the Minister, and I will work up to the Bill very shortly. This is as interesting to those engaged in the sugar industry as it is to me, or otherwise I would not have produced it. I found there that 1 ton of beet sugar was being made from 8 tons of beet, and for every ton exported the manufacturers received a bounty of £2 4s. 2d. Beet is grown from seed which is planted in February and March, and it matures in eight months. It can only be grown once in three years on the same soil. Sixty per cent. of the field labour required to produce this beet was performed by women, who received 4½d. a day. At a later day Germany subsidised steamers running to Australia to the extent of £300,000 a year in order to introduce beet sugar into Australia. Four pence halfpenny a day was paid for 60 per cent. of the labour, and 7d. a day for the other 40 per cent. If no food was supplied to the workers then they got 9d. and 1s. 2d. a day respectively.

The PRESIDENT: Order! I must ask the hon. gentleman to keep to the question before the Council. Really, this is not a question of the manufacture of beet sugar or anything of that sort. The question before the Council is the second reading of the Regulation of Sugar Cane Prices Act Amendment Bill, and I must ask the hon. gentleman to connect his remarks with the Bill.

Hon. G. W. GRAY: The Minister said that the pioneers made large profits out of the industry, and I say they did not because of the facts I am giving. In those days our mills had no chemists, but I noticed during the course of my investigations that in Belgium they had chemists who made sixty or seventy tests daily, and whose work was invaluable to those engaged in the industry. The low price of sugar at that time, being the result of over-production of beet, was more seriously felt in Germany than elsewhere, and compulsory measures for reduction in the cultivation of beetroot were seriously talked of. On 20th October, 1884, Bismarck was approached by 228 sugar-manufacturers in regard to this subject, and the conclusion arrived at was that "the present state of the market would naturally diminish the cultivation without compulsory measures." Bismarck refused their application because many of his reserve soldiers were growing beet. I shall now refer to the position in Queensland. It is said that this year we shall have 100,000 tons of sugar in excess of the requirements for home consumption, and I want to know where we are to find a market for those 100,000 tons of surplus sugar? Can we ever hope to compete in the open market under the present labour

conditions? I say no. What induced me to go out of the industry was that though a bounty of 7s. 6d. a ton was given for sugar grown by white labour, we could not get the necessary labour. In common with other pioneers, I found that the outlook was most unsatisfactory, and in 1907 I ceased to have any pecuniary interest in the industry. With reference to the remarks made by the Auditor-General as to the losses on Government mills, I think it is only fair to state that some of the mills which show a deficit are a legacy from previous Governments. The reason for the deficit in some cases is that the mills are located in districts where the cane is frostbitten. Frostbitten cane never makes saleable sugar. Even when it is mixed with sound juice it spoils the sugar. That is the experience of every planter. The present Government are solely responsible for the Babinda Mill, which cost £29,928, and the South Johnstone Mill, which cost £151,040. Those mills represent a large sum, but I have no fear about them. They are most up-to-date mills, and are erected in the finest tropical sugar district in the world. Its average rainfall for twenty years was 136 inches, and it is free from frostbitten cane, and from fever and ague. Fever and ague was the trouble in the early days, but it has now disappeared. With reference to the Bill now before us, the reason given for passing the original Act was that the growers bore a larger share of the risk than the mill-owner. I want to disabuse the minds of hon. members on that point. I may mention that no less than thirty-eight mills in Queensland have closed, of which nineteen were fair-sized factories. Prior to their closing ten other sugar-mills had to suspend operations: and it is a well-known fact that most of the growers who supplied those factories are still in business, and have not lost their capital like the unfortunate owners of the forty-eight factories referred to. I have very little more to say. I look upon the measure as one of the most unjust and most drastic measures we have ever had tabled. To say that if a millowner refuses to take cane which has been frostbitten his mill can be taken over from him forcibly by the Government, who can run the mill for him and perhaps make a loss of thousands and thousands of pounds, for which he is responsible, is most unjust. Frostbitten cane does damage the sugar to such an extent that it may not be saleable. I could very easily detect the fact that frostbitten cane had been used in manufacturing sugar.

HON. F. COURTICE: It is not for that reason they take it over; only when a miller refuses to crush.

HON. G. W. GRAY: That is the clause. I have had a long experience and I have gone through the measure very carefully, and I say that it is an unjust, drastic measure, and, in my opinion, it ought not to pass.

HON. C. F. NIELSON: It has been said by the Minister, the Hon. Mr. Beirne, and the Hon. Mr. Gray that this is an important subject. The Bill itself is important, but the subject, of course, is highly important, not only from the point of view of the amount in money which the sugar industry represents, but also, in my opinion, from this point of view—that the State of Queensland, being the only State of Australia in which the sugar industry can be regarded as a staple industry, is charged by the rest of Australia with the maintenance and development of that industry. Whereas, a hundred

years ago in Europe, sugar was an absolute luxury, and to millions of people an unknown article of diet, to-day to the whole white race, sugar, as an article of food, has become a necessity. We have seen in Australia during the war period, with which, unfortunately, we are not yet done, that we have had to forego many articles which four years ago were accessible to us, and I think every man—every public man at any rate—has learned the lesson that the first duty of any nation is to be self-supporting. In that sense I think the subject-matter of the sugar industry is all-important, and it is not an industry to be measured merely by pounds, shillings and pence. We have heard this afternoon the history of the industry to some extent. It was started in Queensland some forty years ago with very small beginnings and in a very crude way—in as crude a way as it exists to-day in certain parts of India and other Eastern countries. But we have developed the industry, and in the sense of up-to-date knowledge of the industry, chemically and from an engineering point of view in the factories, we are equal to any other cane-sugar producing country in the world. We have had in existence for two years an Act of Parliament which we are now asked to amend in certain directions. It will be admitted that the industry had developed up to very large proportions before any legislation of this kind affected it, and it is for us to say whether the legislation has been beneficial to the industry or otherwise. I know that probably before I am finished speaking I shall be told that I am interested in something. Now, I am no more interested in growing cane or milling cane than any other hon. member who has not one pennyworth of interest in it—I cannot refer to anyone by name. So far as this legislation is concerned, I want to make my position plain. I suppose it has brought more business to me than to any other man in my profession, and yet if by giving my vote against it I could wipe out the Regulation of Sugar Cane Prices Act in toto I would do so.

HON. F. COURTICE: You would be paid by somebody.

HON. C. F. NIELSON: I would not be paid by anybody. That kind of cheap insinuation and slur is unworthy of any member of this Council.

HON. I. PEREL: Do not give us any more moral lessons. We are sick of them.

HON. C. F. NIELSON: Moral lessons did not do the hon. member any good in the past and I do not think they will in the future.

The PRESIDENT: Order!

HON. C. F. NIELSON: I have seen no good come out of the Regulation of Sugar Cane Prices Act to the industry as a whole.

HON. F. COURTICE: You would have done so if you were a sugar-grower.

HON. C. F. NIELSON: I do not know that I would, because there are many sugar-growers who look further ahead than to-morrow—who do not look merely at gaining the immediate shilling, but want to know what is going to happen next year and the year after, and I think that in particular is our most bounden duty—not to bother about what is going to happen to-day or to-morrow, but to see that the industry remains on such a foundation as will enable us to extend it in proportion to the needs of

the whole continent of Australia. I shall endeavour not to speak generally on the details of the Bill, because when it gets into Committee each particular item will be dealt with there, but I shall endeavour to cover the Bill in a general sense. In doing so, I shall have to refer to the speeches of members in another place and in this Council who have given reasons for the introduction of the Bill—not reasons for any particular element in it—but general reasons.

The Hon. the Minister for Agriculture, in bringing this Bill along, informed the House, among other things, that it was brought back in pursuance of a promise made to certain persons, and he also informed the House that they well knew that last year the Bill met with determined opposition in this Chamber. I need not refer any hon. member to what happened in this Chamber, but the description of "determined opposition" is absolutely inaccurate, because the Bill was dealt with; it was not thrown out on the second reading. No one proposed that the Bill should be read that day six months. It was dealt with on its merits, with the main results that the amendments were made, allowing the majority of growers for each particular mill to decide what they wanted. That was done for the reason that we knew the very facts which the Minister for Agriculture had informed the Assembly he could not discover, namely, what the growers en masse throughout Queensland wanted. And to-day he tells us the same thing. Last year, it will be recollected, he told us that he had circularised the various growers in every district throughout Queensland, that he had received conflicting opinions, and—as he said correctly, as I know myself, and I suppose I meet as many growers as most people, not only in my own district but in other districts—that it is very difficult to discover what is the general consensus of opinion of growers on one particular point alone, let alone upon a dozen or twenty points such as we have embodied in the principal Act or the Bill we are seeking to deal with. As a matter of fact, the Bill we have before us is a much more voluminous document than the Act. When speaking in another place on the introduction of this Bill, the Minister again referred to the differences of opinion. He said he did his best to discover whether there was anything like unanimity from one end of Queensland to the other.

Hon. F. COURTOISE interjected.

HON. C. F. NIELSON: Do not imagine that you can tell me one word about the sugar industry or anything else. (Laughter.)

Hon. T. NEVITT: What are you quoting from?

HON. C. F. NIELSON: From the Minister's speech when introducing this Bill in another place.

HON. T. NEVITT: I rise to a point of order. Is the hon. gentleman in order in referring to a speech delivered in another place?

The PRESIDENT: The hon. gentleman will not be in order in quoting a speech delivered in another place. This Council is not supposed to know what takes place in another place.

HON. C. F. NIELSON: The Minister informed the public that he circularised the whole of the growers' associations right throughout Queensland, and that he got back

most conflicting replies. Some wanted one thing, and some wanted the direct opposite, and some of them wanted neither. He summed it up by saying, "Under these circumstances it is indeed very difficult to know what the growers of Queensland really want." That is the experience of any man who meets a number of growers and discusses with them what they really want. In one locality they want one thing, and in another locality they want another thing; and it is only natural. It must be so, for the simple reason that the conditions in every locality in Queensland are different, and the people naturally want that which suits their own particular circumstances. They do not wish to have a rule of thumb laid down which might suit one place and not another. In this Bill the Government are endeavouring to lay down a set of rule-of-thumb regulations which have to apply equally from the Tweed to Port Douglas, and we know that circumstances at Port Douglas are quite different to what they are at Nerang. Therefore, it must not be supposed for one moment that the Act has given anything like wholesale satisfaction. Of course, I admit that no Act of Parliament does. No Bill that we can pass in this House, or in the other House, can possibly please everybody. This Council appointed a Select Committee last year, and the appointment of that Select Committee was known the next day in every canegrowing centre of Queensland, and every growers' association or any other body of people interested in the sugar industry, from Port Douglas down, had an opportunity to put their views before that Select Committee. Certain men did attend and give evidence. Others were invited to send their opinions by letter or telegram or in any way they wished. Some growers availed themselves of that method, and informed the Select Committee of their wishes. Now, the Select Committee made recommendations, the principal one of which was that at each particular mill the growers assigned to that mill could, by a majority, decide what they wanted, and this Council, in its wisdom or otherwise, adopted that recommendation of the Select Committee that such an amendment should be embodied in the Bill. When this Bill was before another place this session, a similar suggestion was there made for the appointment of a Select Committee. It was made by Colonel Rankin, and strongly supported by Mr. Swayne, who hold themselves out as voicing the views of the sugar-growers. The Minister in charge of the Bill would have no Select Committee. He did not say why. But, at any rate, he gave the excuse that the appointment of a Select Committee merely meant the shelving of the measure or the postponement or the killing of it. The question was strongly debated, but nothing came of it. Last night, to my astonishment, I heard the Hon. Mr. Beirne reading a letter from Mr. Dunworth, the secretary of the United Canegrowers' Association, wherein Mr. Dunworth, who represents that section of the growers who to-day are the great concern of the Government and their supporters, and who also are the great concern of Colonel Rankin and Mr. Swayne, practically invited us to have a Select Committee. We know perfectly well that Mr. Dunworth was in Brisbane when the last Select Committee was sitting, and he refused to come along and give evidence, although he was specially invited to do so. With regard to the refusal of the Government to

[*Hon. C. F. Nielson.*]

allow a Select Committee of members of another place to be appointed on this occasion, I can only imagine that they were satisfied that the evidence which would be obtained by a Select Committee to-day would not materially differ from the evidence which was obtained by the Select Committee appointed by this Council last year. I am probably drawing inferences, but we know that to-day there is just as numerous a body of growers asking this Council to provide for majority rule as there was twelve months ago. The evidence given before the Select Committee all showed that it is an unwise thing to endeavour to frame one fixed set of regulations to govern this great industry from the South of Queensland to the far North. The circumstances not only differ from South to North, they not only differ in different districts, but they actually differ in the same districts in relation to different mills, and therefore it is surely a reasonable, and, at any rate, a democratic idea to allow the majority of growers at each particular mill to say what they desire for themselves. There can be no fault found with that. The idea that any twenty or ten men should be able to bind 100 men is surely less democratic than that the majority should rule. There will be placed before this Council requests from people representing almost 1,000 growers in Queensland, asking for this amendment. Where can it work any wrong, then, on the request of a lesser number? I cannot see it.

Hon. F. COURTICE: How is the majority got?

Hon. C. F. NIELSON: I suppose you get a majority the same as you count heads in any other way. Take the Isis Central Sugar-mill Company, Limited, which is in every sense of the word a co-operative company. They make no distinction between the growers. If a new settler goes there, and supplies cane to that mill, he is immediately, as far as prices and conditions are concerned, put on exactly the same footing as those men who twenty-five years ago mortgaged their land to the Government to have a mill erected. Every penny of profit made by that mill is divided equally over the tonnage of cane supplied. This particular mill company and its directors, representing the suppliers to it, are most strongly in favour of the majority of growers deciding any question, instead of the number required in the principal Act, and which number we are asked in this Bill to further reduce. If the Isis Mill suppliers desire that, why should they not have it in connection with the Isis Mill? If the suppliers of some other mill in the Bundaberg district desire something else, why should they not have what they desire, and so on up the coast? If a majority desires, for purposes of their own, conditions something different to those obtaining in some other district, what is wrong with their having an opportunity of getting it?

Hon. F. COURTICE: You do not mean to say that the growers of the Bundaberg district want that?

Hon. C. F. NIELSON: I do not know what they want, as they have not said what they want. But there is no reason why they should not want it. There is no grower in the district in which the Hon. Mr. Courtice lives that is any way tied up to the mill. There is no grower whose name you will find registered in the Supreme Court as having

a lien on his crop or a bill of sale over his implements. They are perfectly free men to do as they like, and why they should not desire it I do not know. I have seen no report of any public meeting of growers discussing this matter where they have said they do not desire this, or do not desire something else. I do not think that they have bothered themselves very much about it in that district.

Hon. F. COURTICE: The majority want a central board.

Hon. C. F. NIELSON: Then why should they not have it? I see no reason why they should not have it. I quite agree with the Hon. Mr. Courtice that if the majority of suppliers to a mill desire to have a central board they should be allowed to have it.

Hon. F. COURTICE: If we accept your amendment they will not get it.

Hon. C. F. NIELSON: I have no amendment. I want the majority to have an opportunity of saying what they desire, and of obtaining what they desire, rather than to allow the minority, as is the case under the present Act, to impose their wishes on the majority. If hon. members will read the evidence of the canegrowers who were examined by the Select Committee, they will find that there was not one of them who did not favour the view that the majority should rule rather than the minority. I am perfectly well aware that some hon. gentlemen are opposed to the appointment of a Select Committee. I am also aware that on no point in this Bill, and on no point that any hon. member can raise or suggest, could we get unanimity among all the canegrowers in Queensland. That is not to be expected. What is the reason for the opposition to the appointment of a Select Committee? The underlying reasons are, first, that it is perfectly plain that in the main the evidence that can be obtained to-day will in no great degree differ from the evidence which the growers gave on the last occasion. The second reason is that the witnesses would damage the case of those who clamour for more legislation on this subject. Those who are supporting the measure do not desire to have evidence which will take away from them the one great argument which has been used in favour of the Bill—namely, that the growers are not getting their fair share of the profits of the industry. The evidence taken by the Select Committee last session does not bear out the contention that the growers are not getting a fair share of the profits of the industry.

Hon. F. COURTICE: You selected the witnesses

Hon. C. F. NIELSON: The Hon. Mr. Courtice thinks that I selected those witnesses. I stated to this House before, and I thought the hon. gentleman was a close reader of "Hansard," that I communicated with only one witness, Mr. Howes, of Innisfail, and that was at his own request. He was in Brisbane just about the time the Bill was tabled in the Assembly, and he had returned to Innisfail. He was a man that I had known for a long time, as he married a lady from Bundaberg who was a friend of our family, and he asked me as a special favour to let him know when the Bill came before this House. He was the only man that I communicated with, and I am sure

Hon. C. F. Nielson.]

the Hon. Mr. Courtice will take my word for that. So far as I have been able to discover, most of the growers belong to one association or the other, and if one association, by their leaders, decided to have nothing to do with the inquiry of the Committee, it did not follow that it was a coincidence that only witnesses who did not favour the Bill came from the other association. Some growers came from Bundaberg, but I did not ask them to come. As a matter of fact, I think one of the witnesses from Bundaberg was down here in connection with another matter, and while he was in town he came along and gave the Committee his opinion regarding the Bill. However, the fact remains that certain growers gave evidence, and it will not be disputed by anyone that they were growers in the true sense of the word—that is, that they were representative growers to the extent of their interest in the industry, growers on a fairly reasonable scale, who earn their living solely by growing cane. Some witness from the North—a Mr. Stevenson or a Mr. Jones—gave a schedule showing the cost of production. I invite hon. gentlemen to peruse that particular part of the evidence taken before the Select Committee. I have said that I look for reasons for the opposition to the appointment of a Select Committee, or for adopting any method of inquiry, and I have given the reasons. It is probably reasonable that I should substantiate to some extent the reasons which I have given as to why some hon. gentlemen are opposed to such a procedure. I have already pointed out that the reason given for the introduction of this Bill is that the growers of cane were not getting a fair share of the profits of the industry, and I have said that hon. gentlemen do not want that excuse for the measure to be taken away from them. There has been issued under the Act a regulation compelling every grower to furnish to the central board a return showing the cost of the production of his crop; but we find that a very small percentage—about 4 per cent. or 5 per cent.—of the suppliers to the mills which the central board dealt with have complied with that regulation.

Hon. F. COURTICE: That will be overcome by this Bill.

Hon. C. F. NIELSON: It is not a question of overcoming the matter. It is a question of obeying the law—of sending in a return which the law requires growers to furnish.

Hon. F. COURTICE: You know that a lot of them did not know the law.

Hon. C. F. NIELSON: I know that in some cases where the return was sent in it was prepared by the leading man of the local association, and I have reason to believe that only those were selected whose returns the leading men of the association desired to put before the board. The hon. member suggests that the growers were unable to make out their return. The answer to that is that there were men who were volunteering to do that work for them for nothing. The most methodical men—those who were producing cane in the largest way—were the very ones who did not send in a return. If they could avoid furnishing the return they did so. They did not desire to allow this Chamber or the other Chamber, or the tribunal that has been appointed to judge between them and the millowners, to know the facts.

Hon. F. COURTICE: Why?

[*Hon. C. F. Nielson.*]

Hon. C. F. NIELSON: Is there not only one inference—that they could not substantiate the plea for this legislation—namely, that the growers are not getting a fair share of the profits of the industry? Their returns would not substantiate that plea.

Hon. F. COURTICE: Are they getting too much for their cane?

Hon. C. F. NIELSON: I do not say that they are getting too much for their cane. I have had frequent conversations with the hon. gentleman, and he has never complained to me about having to send in the return. He has always been smiling, happy, and contented. Later on I shall probably show why the hon. gentleman has such an easy mind.

Hon. A. G. C. HAWTHORN: Because he has come up here.

Hon. C. F. NIELSON: That is a reason for his maintaining an easy mind, I have no doubt.

Hon. I. PEREL: He comes up here to get out of the road of the lawyers.

Hon. C. F. NIELSON: Oh, he is not afraid of lawyers. Now, the Minister who introduced the Bill in another place gave as the main reason for it the allegation that the mills had flouted the awards—I think that was the expression he used—and he has said so in the public Press.

Hon. W. J. RIORDAN: Did you not hear of mills flouting the awards?

Hon. C. F. NIELSON: No, never a flout. Does that mean that certain mills refused to start under the award?

Hon. W. J. RIORDAN: They refused to pay the award rates.

Hon. C. F. NIELSON: No. No mill can refuse to pay the award rates. I notice in the Press this morning that a mill at Mackay, which made a deduction which it ought not to have made, was prosecuted and fined, which, of course, was quite correct. That mill broke the law, and that is what the law is for. But I have not heard of any mill which refused to pay the rates.

Hon. W. J. RIORDAN: What about the Colonial Sugar Refining Company's mill at Ingham?

Hon. C. F. NIELSON: I do not know anything about it. I know about the mills that have been mentioned in the public Press. Take the case of Kalamia Mill. That mill had an award, speaking from memory, about 28th or 29th June last, and the owners said immediately they could not pay it in the ordinary business sense, and that they would not start their mill. Is that flouting the award?

Hon. W. J. RIORDAN: That was a lockout.

Hon. C. F. NIELSON: Well, call it a lockout. Flouting an award, according to my interpretation, would mean that you were ostensibly working under certain conditions, but secretly breaking them. Is it not a fixed principle—and it has been enunciated as such by our Industrial Courts—that you can make any award you like; but there is no law to compel an employer to employ, and there is no law to compel an employee to work. So far as I know, that is a fair principle. Take the case of the ordinary

solicitor. Suppose some man gets run into the lockup, and sends for a solicitor who does not want to take the case. Is he bound to take it? I do not think so.

HON. W. J. RIORDAN: There is no analogy between that and allowing thousands of tons of cane to rot on the fields.

HON. C. F. NIELSON: I am glad of that interjection. When the strike took place at Bundaberg a few years ago, did the Hon. Mr. Riordan go up and lecture the strikers on the immorality of allowing a few thousands of tons of cane to rot on the fields?

HON. W. J. RIORDAN: I was not there.

HON. C. F. NIELSON: Did anybody else do so?

HON. W. J. RIORDAN: Yes, any amount of them, from the Colonial Sugar Refining Company and the Australian Sugar Producers' Association.

HON. C. F. NIELSON: Then, it is a fair thing when the tables are turned that the lecturing should also be turned.

HON. F. COURTICE: There is no comparison. The workers never had a tribunal to give an award.

HON. C. F. NIELSON: It is not necessary to give numerous instances where workers have refused to work although an award has existed. Have any of the judges of the court said that there is any compulsion on any man to work? There is no compulsion on any man in the community to work if he can live without work. I might confess here now that I would not work if I had not got to work. I do not work for the love of work, and I do not think there is a human being who does.

HON. F. COURTICE: The farmers were prepared to do their part.

HON. C. F. NIELSON: And the Kalamia Mill was prepared to treat it

HON. F. COURTICE: On their own terms.

HON. W. J. RIORDAN: They wanted to sabotage the farmers.

HON. C. F. NIELSON: Oh, no. The hon. member knows that I have had the means of getting correct knowledge and sworn facts that other members have not had, and I am going to talk of things I know about. Speaking from memory—I was up there at the time—the award was given somewhere about the end of June. The directors of that mill said they could not work under that award and make the mill pay, and, judging from the fact that they had made a direct loss during the previous year, I do not wonder at their refusing to work the mill under an award which, on paper, would probably have resulted in another loss.

HON. F. COURTICE: You can easily appear to make a loss if you want to.

HON. C. F. NIELSON: Any imputation that figures are cooked is rot. The board were invited to investigate the figures, and I do not think that even millowners or sugarcrowers or workers will commit perjury. That mill had made a direct loss on every ton of cane it treated during the previous season.

HON. F. COURTICE. Was it a normal season?

HON. C. F. NIELSON: No, the crop for this season was considerably greater. Negotiations took place between the managers of the mill and the growers, and they ultimately came to an agreement which all the growers, with the exception of two, signed. That agreement became then an award of the Central Board. The board were asked to make a new award for Kalamia, and on the 26th of July the board made an award in terms of that agreement.

HON. W. J. RIORDAN: They had to, or the cane would have rotted.

HON. C. F. NIELSON: They said that. It was an unfortunate thing for the growers supplying the Kalamia Mill that the crushing season should have been delayed until the end of July. It was also an unfortunate thing for the mill so far as that goes, because they would not have that turnover which they would have had if the season had commenced earlier. It was not the fault of the mill that the season did not commence earlier, because the mill was ready to work in May, and the same offer that the growers accepted on the 26th July had been made to them in May.

HON. R. BEDFORD: They accepted it when they were forced.

HON. C. F. NIELSON: Does the hon. member say that the mill should have accepted an award which would have compelled them to work at a loss because they were forced?

HON. R. BEDFORD: They should have accepted the law; the award was the law.

HON. C. F. NIELSON: The award was the law if they bought any cane. There was no award in May, but the mill was ready, and they offered the same price in May as was subsequently accepted, and notified the growers that they could start in May on account of the larger crop.

HON. R. SUMNER: You cannot compel a man to sell or work.

HON. C. F. NIELSON: I have already explained that, but I am grateful for the interjection.

HON. W. J. RIORDAN: Have you read the judge's comments on the award when he ratified the agreement?

HON. R. SUMNER: He should be able to compel a man to carry out the award.

HON. C. F. NIELSON: The Hon. Mr. Riordan desires that the judge's comments on the award should be read. This is from the "Government Gazette," No. 45, dated 28th July of this year—

THE REGULATION OF SUGAR CANE PRICES
ACT OF 1915.

"Central Sugar Cane Prices Board.

"Brisbane, 26th July, 1917.

"The following change of Award made by the Central Board is hereby notified in accordance with the Regulation of Sugar Cane Prices Act of 1915.

"ALEC. R. HENRY, Secretary.

"IN RE KALAMIA MILL.

"The Board made their award for this mill on the 27th June, 1917. On the 17th July, the secretary of the board received

Hon. C. F. Nielson.]

a telegram from the secretary of the Growers' Committee, at Ayr, to the effect that the mill management would not crush at the award rates, that they offered a lower rate, and that, after negotiations with the millowners, they finally were forced to accept the price offered with further terms that if any balance remained after payment for cane, working expenses, and interest at 10 per cent. and depreciation at 5 per cent. on a capital of £155,000, such balance would be distributable up to the extent of 1s. 11d. per ton to the growers, the agreement to be submitted to the Central Board for approval. Also that the matter was urgent and total ruin of growers involved if crop not crushed. On the 19th July the secretary of the board replied to the effect that the board were not likely to approve of the agreement as 'fair and reasonable,' in terms of section 15 (2), in face of their award.

"The majority of the board in making their award estimated the capital value of the mill at a much lower figure than the sum now claimed by the mill, and followed their usual practice of allowing only 4 per cent. on depreciable assets. After careful consideration they fixed the base price at the same price as had been fixed unanimously by the local board awards for the Inkerman and Pioneer mills in the same district.

"The board are still of opinion that their estimate of capital and the rate of depreciation allowed and price fixed were fair and reasonable both to millowners and growers, and, further, that with reasonably good work on the part of the millowners they could not only have paid the price fixed by the award, but that even now, after at least a month's unnecessary delay, they should be able to pay the percentages of 10 per cent. and 5 per cent. respectively, on the enhanced capital of £155,000 referred to, and also the extra price of 1s. 11d. per ton to the growers—that is, assuming that the estimated tonnage for 1917 can still be treated.

"An application was made on the 26th July, 1917, to the board to change the base price by decrease under section 12 (5) or in the alternative to terminate the award under clause 8 thereof, and make a fresh award embodying the terms of the agreement arrived at between the millowners and the canegrowers. This application was made on behalf of eighty-eight out of ninety suppliers and on behalf of the millowners. The remaining two suppliers intimated that they neither opposed nor supported the application, but left the matter entirely to the board's discretion.

"The majority of the board are reluctant to interfere with what they consider a fair and reasonable award, but as the application is practically unanimous on the part of the growers, and their agent has represented that its refusal may involve them in ruin, the board have decided to grant the application, and make a consent award in terms of the agreement."

Those are the introductory remarks, and then comes the award.

[*Hon. C. F. Nielson.*

HON. W. J. RIORDAN: The growers could see that they were faced with ruin.

HON. C. F. NIELSON: They said so. Just as there is no law compelling a man to work if he does not want to work under an industrial award, so also should it be in connection with mills.

HON. R. BEDFORD: The mill must work to save the cane.

HON. C. F. NIELSON: We must bear in mind that Kalamia could have started two months sooner on the same terms, and after all—I was up at Ayr at the time—it was only one or two men who led the others. One of the leading representatives of the growers in the Ayr district, in a private letter to a friend of his in Brisbane and which was brought under my notice at the time, and before the second award was issued, puts the matter this way—

"We have not got to the end of our troubles yet. This Kalamia business does not look at all well. Both parties are determined to get the last ounce out of it. The farmer will not give away anything, and the mill is in the same mind. In the meantime, the cane is not being crushed. This will leave a big lot of cane to stand over, and in the end the man who will have to pay will be the poor old farmer. The offer made by the mill was a fair and reasonable one, and the farmer would have been wise to have taken it on and got as much of his crop off as possible, as this is a long way the best price for cane he has ever had or will ever get. With the tons of cane per acre and the small cost of cultivation this year the canegrower has had his chance, and as regards the Kalamia supplier he has thrown it away. The other two mills are getting along well and will just about cut all their cane out."

This man was not a Kalamia supplier, but he is a leading man all the same.

HON. F. COURTICE: That is his opinion.

HON. C. F. NIELSON: I would take your opinion on any public matter in your district, and I would take this man's opinion, as he is an older man than myself and knows more than either of us. That is what I am told is flouting the award. I ask any fair-minded man—put away all selfishness and quite irrespective of political feeling—would he work his factory if he was told by his manager and his accountant and everybody connected with it, that if he started on those terms he was sure to lose money? I am sure I would not ask him. I do not think any fair-minded person desires any such thing, but the fact remains that a great number of mills have been worked at a loss due to awards.

HON. R. BEDFORD: It must be that price-fixing is not scientific enough, but it can be made so. The miller should not fix his own price.

HON. C. F. NIELSON: What I am pointing out is that the proprietor of a factory who refuses to open his factory and work it at a loss is not, in my opinion, doing any wrong. The next case in regard to which there has been a good deal of talk over the

matter of flouting an award, was in connection with the Baffle Creek Mill. An award was issued in connection with that mill and similarly the owners of that concern said they could not possibly pay the award. I know the income and the outgoing expenses of that company from the day it was initiated. They had actually lost money direct on the working of their mill the previous year, and I say without any fear of contradiction—I will show any hon. gentleman the figures privately if I get permission to do so—that they had no hope of coming out square on that award this year.

Hon. F. COURTICE: Did they show the central board those figures?

Hon. C. F. NIELSON: The central board got all the figures I have in my possession. I handed them the figures and that mill had no hope in life of coming out square. Fortunately for that mill, an event happened shortly after the award was issued. The Premier was at Mackay and he held a meeting there. I happened to land at Mackay from the "Bingera" as the Premier was coming out on the tender, and I just had time to exchange the time of day with him. When I got into town the first thing I naturally did was to get a newspaper, and I read where the Premier had attended a meeting at which he was asked a question by Mr. C. Johnson, who, I think, is one of the directors of the Marian Mill. That reminds me also, that there the Premier was met by a deputation which asked that majority rule should apply. In reply to a question by Mr. C. Johnson, Mr. Ryan said—

"In the event of a mill stating they could not pay the award rate and the Government were asked to take over the mill, they would do so and run it for the season, taking over the liability and allowing reasonable interest on the capital."

Mr. McDonald asked—

"Would the Government bear the loss?"

Mr. Ryan replied—

"They would if there was any loss."

That is a plain and straight statement of fact, and from the Premier's point of view it is to my mind a commendable one. His Government had constituted an authority.

The position of that authority [8.30 p.m.] was being questioned, and he, as leader of the Government and Premier of the State, probably thought he would uphold the authority of the tribunal which his Government had appointed. He said, "Well, if these people say they cannot pay the award, and they like to hand over the mill to the Government, we will pay the award rates, take over all liabilities under the award, and allow the millowner reasonable interest on his capital."

Hon. G. S. CURTIS: Did he not say that he would bear the loss?

Hon. C. F. NIELSON: Yes; he also said he would bear the loss. Immediately upon reading that I went down to the Telegraph Office and wired to Captain Taylor, of the Baffle Creek Sugar and Trading Company, advising him of what was reported in the newspapers, and suggesting that he had better see the Government at once, because I had read in a Townsville paper that the mill with which he was associated was not

going to start crushing; and I did not think they would start under the terms of the award. He wrote to the Government and offered them immediate possession of the mill on terms to be mutually arranged at a conference between the company and the Premier. That was on the 5th July. They got a formal reply acknowledging receipt of the letter. As no appointment was made for a conference, Mr. Benjamin, the secretary of the company, on the 10th July wrote the following letter to the Premier:—

"Sir,—I am instructed by my board to approach you for a definite reply to the offer contained in my letter dated 5th instant, you only having acknowledged receipt thereof.

"The manager of the mill has been instructed to notify the farmers of the board's decision in placing the mill under offer to your Government.

"It is reported that already the frosts have occurred at Baffle Creek. Therefore, delay means loss.

"The board are anxious to assist the Government in accordance with the terms as expressed by you during your recent Northern tour.

"Anticipating a prompt reply,

"I have the honour to be,

"Sir,

"Your obedient servant,

"DAVID BENJAMIN,

"Secretary."

Hon. R. BEDFORD: They made that offer on a newspaper report.

Hon. C. F. NIELSON: Do not anticipate matters. The Premier did not repudiate the statement in the newspaper report. On 13th July, the Under Secretary of the Chief Secretary's Department replied as follows:—

"Sir,—Continuing my letter of 11th instant in further reply to your communication regarding the Baffle Creek Sugar Mill, I have the honour, by direction, to inform you that, in consequence of a confidential report received from the General Manager of Central Sugar Mills on the matter, the Government do not intend to avail themselves of your board's offer.

"I have the honour to be,

"Sir,

"Your obedient servant,

"P. J. McDERMOTT,

"Under Secretary."

It will be observed that the Premier did not suggest that the newspaper misreported him, but told the company that owing to a confidential report the Government did not intend to avail themselves of the offer. I would be pleased if the Minister in this House would have that report laid on the table of the House. Can it be said in all truthfulness that the Baffle Creek Mill proprietors flouted the award? I do not think there is an hon. gentleman in this House who would describe their action as flouting the award. They offered to hand over their mill, which was ready for work, and I have not the slightest doubt that the men employed in the mill, from the manager downwards, would just as soon have received a cheque from the Government as from the

Hon. C. F. Nielson.]

Baffle Creek Sugar and Trading Company at the end of the month. But the State declined to take over the mill.

HON. R. BEDFORD: The State does not take over anything that does not pay.

HON. C. F. NIELSON: I thank the gentleman for that interjection. I have explained that the mill could not pay the award rates. I have a fairly good knowledge of the commercial side of the business, and know as much about its ability to pay the rate as any man outside who has not a technical knowledge of the industry, and I say without any hesitation that that mill could not have paid the price for cane fixed by the board, or within 1s. 6d. per ton of that price, and come out with a fair balance at the end of the season.

HON. T. C. BEIRNE: What about subclause (1a) of clause 12?

HON. C. F. NIELSON: We can discuss that later. I do not propose to discuss everything in the Bill at this stage and go over it again in Committee.

HON. A. G. C. HAWTHORN: Don't let them bustle you.

HON. C. F. NIELSON: No, not a bit of it. Is there any man who can honestly say that the Baffle Creek Mill proprietors flouted the award? They did all that it was possible for them to do, except to rush in and lose money. I think the Minister should undertake to lay on the table that confidential report. If he will not, but will show it to me privately, I will give him my word that I will not divulge anything it contains. What will be the position if the report is not tabled? Will it not appear that the remarks which the Premier made at Mackay are mere bluff, and that when his hand was called he showed a "busted flush."

HON. A. G. C. HAWTHORN: Will you kindly explain to the House what is a "bustard blush"?

HON. C. F. NIELSON: For the benefit of the Hon. Mr. Page-Hanify I may say that a "busted flush" is such a flush on the cheek as he received when he found that the 6 o'clock closing movement was not as popular as he thought it was. The very first time that an offer was made to the Premier in accordance with the terms he laid down at Mackay, he turned it down, and he gave as a reason for turning it down that he had received a confidential report from the General Manager of Central Sugar Mills. If that report is not for publication so that it may be perused by outsiders, we should be invited to peruse it at the Chief Secretary's office, in the same way as we are often invited to peruse other official documents. I have never known a case in which a member of Parliament has broken the confidence that was reposed in him when he was allowed to peruse departmental reports. I want to see that report, because I do not want to have in my mind any shadow of an opinion that the Premier did not really intend to carry out the offer he made at Mackay. We have been told that certain mills flouted the award, and did not crush during the year 1916. The *Invicta* Mill did not crush. Did they flout the award? Did the growers flout the award? What did the mill proprietors do? They called a meeting of all the growers for the mill and discussed with them the situation. They told the growers that it

would be a mistake to run the mill, that if they had anything like reasonable weather and did not get any frosts worth speaking of during the year the cane could stand over, and they would get a good crop in 1917 without any further expense. The millowners were informed that some of the growers might require financing, and they said, "Very well, we will finance those who require it," and a number of the growers were financed.

HON. W. J. RIORDAN: We have been told that it was the fixing of the award that prevented that mill starting.

HON. C. F. NIELSON: Have I told you so? I have sins enough of my own to answer for. That mill did not start. The *Doolbi* Mill, I believe, did not start. But nobody expected those two mills to start. Was that flouting the award?

HON. F. COURTICE: When there is no cane to be crushed there is no use in the mill starting.

HON. C. F. NIELSON: And where there is no profit to be made, what is the use of the mill starting?

HON. F. COURTICE: The Central Board will look after that.

HON. C. F. NIELSON: I will show that the Central Board may so act that the owners would have to run the mills at a loss, and some of the worst cases are the Government mills. I will not give the reasons why they made a loss, but I will refer hon. members to the reasons given by the Government officials in a public document. Now, we are told that this Bill is necessary in order to prevent mills flouting the awards; and, accepting the interpretation of that expression as it was given this evening, just let us consider for one moment whether if this Bill were passed it would have any good result. I do not want to deal with that drastic amendment just now of its own, but just let us consider whether there is any necessity for it. The mere fixing of a price for cane is not the only duty of a central board, but it is the main duty; the main item that concerns the grower and the miller is £ s. d. I shall show this Council later on that the central board are quite capable of wrecking any millowner and driving him into the Insolvency Court. If it is the object of this legislation, by compulsion, by the confiscation of mills, or by a system of price-fixing which compels the mills to run at a loss or by a system of compulsory working of mills at a loss, to so depreciate the value of the mill assets as to allow the Government at a later stage to come in and resume them at that depreciated value, which has been created by the Government itself and the institutions it has provided, then I say there may be a necessity for the amendment.

HON. F. COURTICE: How has the inflated value been created?

HON. C. F. NIELSON: I want to know where the inflated value is first, and then you can trace back the history of that mill, and try to find out what created it, but I do not know of any inflated values.

HON. F. COURTICE: The reason is that they have had their own way in fixing prices.

HON. C. F. NIELSON: The fixing of prices cannot create any value except goodwill, and the value of goodwill is not an item which is taken into consideration under the present

[*Hon. C. F. Nielson.*]

Act. The only items taken into consideration are the value of the plant and machinery and the mill site.

HON. F. COURTICE: Who puts that value on it?

HON. C. F. NIELSON: There are two ways of discovering it—either by employing an independent valuator or finding out from the owner whether at any recent date he has had an independent valuation or purchased an article. For the information of the Hon. Mr. Courtice and other members of this Council, I might say that in some cases in which I have appeared we furnished valuations, and in one case the sum of £105 was paid to an engineer for a valuation. In two other cases very recent valuations were made by one of the top sugar engineers of Australia, a Sydney man, because it had been required by the insurance company who held the fire risk. Copies of those were furnished. In other cases books are kept and the capital value of the plant employed is entered and any additions which may be made. For instance, take the Babinda Mill, recently built. If the hon. member went to the Bureau of Central Sugar Mills he would be shown a ledger where the whole capital value of the mill is entered. On the other side they would be shown the depreciation on paper. I do not suppose that is a case where the value of the assets has altered very much since the date of its construction, because it is only recently completed. As a matter of fact, the other new mill at South Johnstone is barely completed. The Hon. Mr. Courtice is apparently driving at that provision in the Bill referring to valuations, and between this and Tuesday each one of us might profitably consider if that is the right basis or not. It is much more than likely, or at any rate not at all unlikely, that if a valuator went to the South Johnstone Mill to-day—a mill which cost in the vicinity of half a million—he would not value it at half a million or at the cost of the mill. The same thing might happen at Babinda, and yet it would not do away with the fact that the book entry cost of that mill has been paid out of public funds.

HON. A. G. C. HAWTHORN: What about the Proserpine Mill?

HON. C. F. NIELSON: The same thing happened up there. The point is that in some cases the valuation of the assets might be all right and in other cases it might work out very detrimentally to the Government and the general taxpayer. We are told by the Minister representing the Government that what is wanted is a competent engineer to go and value the mill. My experience is that an engineer is not always a competent valuator. I will just illustrate what I mean. There is a foundry in our town called the Eundaberg Foundry. I know something about it; I have been a director a good while there. Our engineer could not value a piece of machinery. He does not know the cost. If you wanted to know that, you would have to go to the office. He knows how to work it, and an engineer might draw a very fine plan of a sugar-mill, prescribe exactly the correct machinery and the correct method of installation and the sequence of the various processes, but he does not bother his head about the cost.

HON. W. J. RIORDAN: He would have a fair idea of the depreciation.

HON. C. F. NIELSON: Yes, he would have a fair idea of the repairs. He would sit

down and say, "This engine requires so and so to bring it into working order," or "If this boiler is to work another season it must have so many plates renewed," but as to the cost I do not expect him to know very much about it.

HON. F. COURTICE: Who else would?

HON. C. F. NIELSON: I am not suggesting anybody, but I would inform the hon. member that it would be perfectly competent for him to find out the cost of the various articles just as easily as the engineer, for the reason that every piece of machinery in the mill has been bought somewhere. Some of it has been bought in Queensland. Special pieces came from foundries in the old country which specialise in such things, and their trade catalogue would tell you the value of it, and their books would show how much they paid in freight and insurance and to land it.

HON. W. J. RIORDAN: He would have to go to the engineer to find out the amount of depreciation.

HON. C. F. NIELSON: Probably. The engineer could get that information.

HON. I. PEREL: My engineer knows more about my machinery than I do.

HON. C. F. NIELSON: But I venture to say that the hon. member knows the cost of it. Valuing your assets is not so simple a matter at all. We know that there are a good many hundreds of pounds in a small mill, and thousands of pounds in a large mill, that you cannot see at all—that is, the foundations underneath. The engineer is not going to mine alongside the foundations and put a cross-cut under them in order to make up the number of cubic yards of concrete and the number of steel rods, and so forth, which were put through it. He will simply have to go in and ask for the original plan and the contract price, if it was a contract job, and the accountant will tell him that cement cost so much a cask, and sand and gravel so much, but that to-day prices are so much higher. Are they going to take to-day's values or the book values? Where the Bill is deficient in that sense is that there is no basis provided for valuing. They merely say to a valuator, "Here, go and value that mill," without instructing him on what basis he should go on. He might say, "Well, in my opinion, the South Johnstone Mill, although it costs so much, is worth £80,000 less." And from that day out the Government will have to write £80,000 off the value of that mill, and the prices will be fixed accordingly. Will that be a fair thing to the taxpayers of Queensland who lent the money to the settlers of that district in order that that mill might be erected? We have to consider, when dealing with estates of this nature, that we are dealing with somebody else's money, and we must not leave such things to the common sense or caprice or want of common sense of any individual. It is the duty of the Government to specify the basis on which valuations have to be made. Reverting to the question of flouting awards, I have in my possession the actual figures of quite a number of mills, and at a later stage I shall give to this Council the aggregate result last season of fourteen mills, and just as the Government central mills, in the aggregate, showed a large loss, so these fourteen mills also showed a loss. I can say this without any fear of contradiction, that had it not been for the fact that the

Hon. C. F. Nielson.]

mills in the Bundaberg district grew a large proportion of their own cane—in one case 45 per cent., in another case about 40 per cent., in another case 50 per cent., and in another case 80 per cent.—had they been mills which treated merely bought cane, every one of those mills would have flouted the award this season in the sense which flouting has been mentioned in the Council to-night. There is no mill in the Bundaberg district that would have started this season under the award had they not grown a large percentage of the cane crushed. They are working to-day, and paying the award price out of the value of the cane grown by themselves. I asked, and got supplied to me, the total profit per ton of cane up to the 30th September last by one millowner, and it was given to me as 1s. 6d. per ton up to that date. If that ratio of 1s. 6d. per ton was maintained, and the whole crop treated, the mill could not possibly pay, because they have a limited quantity of cane to deal with. There are only so many 1s. 6d.'s to be got if they crushed all the cane.

I am reminded that it is Thursday night, which is supposed to be an early evening for us, as certain gentlemen like to get away to catch their trains. If the Council will do me the kindness to allow me to continue my remarks on the next sitting day, I will be only too pleased to accede to the request made to me, and discontinue my remarks now.

The PRESIDENT: It was intimated to me by the Minister a short time ago that he had made a promise, when the Hon. Mr. Hall's motion was withdrawn, that he would always endeavour to allow hon. gentlemen to get away in time to catch their trains. There is no precedent to allow a speaker to resume his speech on a future day, but there is nothing in the Standing Orders to prevent him from doing so, and there is nothing to stop us establishing such a precedent. I believe it is allowed in the Federal Parliament, and if it is the wish of the Council that the hon. gentleman be allowed to continue his speech when the Council meets on Tuesday, he may do so. Is it the wish of the Council that the hon. gentleman be allowed to continue his speech when the Council meets on Tuesday next?

HONOURABLE MEMBERS: Hear, hear!

The PRESIDENT: The hon. gentleman will be allowed to continue his speech on Tuesday next.

HON. T. NEVITT: I beg to move the adjournment of the debate.

Question put and passed.

The resumption of the debate was made an Order of the Day for Tuesday next.

ADJOURNMENT.

The SECRETARY FOR MINES: I beg to move—That this Council do now adjourn. The business on Tuesday will be the second reading of the Treasury Bills Bill, the resumption of the debate on the second reading of the Regulation of Sugar Cane Prices Act Amendment Bill, the resumption of the debate on the Land Tax Act Amendment Bill, and the resumption of the debate on the Income Tax Act Amendment Bill.

Question put and passed.

The Council adjourned at thirteen minutes past 9 o'clock.

[Hon. C. F. Nielson.]