

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 18 JUNE 1918**

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## QUESTIONS.

## SALE OF MOUNT HUTTON STOCK.

Mr. VOWLES (*Dalby*) asked the Secretary for Public Lands—

“1. Has the Government sold or agreed to sell any of the Mount Hutton stock to any person or persons?”

“2. If so, who is the purchaser?”

“3. What number and what description of stock have been so sold or agreed to be sold?”

“4. How many and what description of stock have been delivered to the purchaser to date?”

“5. Were the terms and conditions of this sale reduced into writing?”

“6. If so, will he table a copy of the agreement of sale?”

HON. J. M. HUNTER, for the Secretary for Public Lands, replied—

“1. Yes.

“2. J. Morrissey and Sons.

“3. 9,700 of both sexes.

“4. 7,858 of both sexes.

“5. Yes.

“6. It is not customary to table copies of agreements, but the hon. member can peruse this agreement if he calls at the Lands Department.”

## RESUMPTION OF SUNNYBANK LANDS.

Mr. HARTLEY (*Fitzroy*) asked the Secretary for Public Lands—

“1. Will he lay upon the table of the House the evidence, or authentic copies of the evidence, taken at the sitting of the Land Court, Brisbane, of the 7th of May, 1918, when determining the question of the compensation payable on account of resumption for soldier settlement purposes of areas of lands at Sunnybank township and in the parish of Yeerongpilly?”

“2. What were—(a) the names of owners; (b) area held by each; (c) amount claimed by owner; (d) amount allowed by the court?”

“3. Who are the directors and principal shareholders in the Airdmillan Land Company, Limited?”

HON. J. M. HUNTER, for the Secretary for Public Lands, replied—

“1 to 3. The hon. member may not be aware that his question will involve the typing of some 118 folios of evidence, which I consider would be a needless expense. If he will call at the Lands Department, the evidence and papers in the case will be available for his perusal.”

## LEGISLATIVE ASSEMBLY.

TUESDAY, 18 JUNE, 1918.

The DEPUTY SPEAKER (Mr. W. Bertram, *Maree*) took the chair at half-past 3 o'clock.

## ILLNESS OF CLERK.

The DEPUTY SPEAKER: I have to inform the House that the Clerk will not be in his place to-day, owing to illness.

The ACTING PREMIER (Hon. E. G. Theodore): I beg to move—That the Clerk-Assistant perform the duties of the Clerk during his absence.

Question put and passed.

## SOLDIERS' PROXIES.

Mr. SIZER (*Mundah*) asked the Assistant Minister for Justice—

“1. Was a proxy vote from Robert Alexander MacCracken, or Robert Alexander McCracken, a soldier in France, and whose name as aforesaid appears on both the Townsville main and supplementary rolls, in favour of his father, R. B. MacCracken, of Townsville,

or any person, advised amongst cables received in connection with soldiers' votes at recent election?

"2. If so, when was the same so advised?"

"3. Was Mr. R. B. MacCracken advised thereof, and had he an opportunity to exercise the vote?"

"4. If not, why not?"

"5. Is he aware that the proxy was given prior to 10th March?"

"6. If the advice was not received, or Mr. MacCracken had not an opportunity of exercising the vote, will he make inquiries as to the cause of such?"

"7. Was a proxy from Reginald Rhodes Wood, a soldier whose name was on the Kurilpa roll, in favour of James Shaw, advised by cable?"

"8. If so, when was the same so received?"

"9. Was Mr. Shaw advised thereof, and had he an opportunity of casting the vote?"

"10. If not, why?"

HON. W. N. GILLIES replied—

"1 to 10. Soldier proxy votes from both the soldiers mentioned were included in cables received on the 17th March last, and no action was therefore taken in the direction of advising the persons nominated."

#### COST OF RAILWAY COMMISSION.

Mr. GUNN (*Carnarvon*), for Mr. Morgan, asked the Acting Premier—

"1. The total cost of the Royal Commission appointed to consider and report on railway administration, including reporting, printing, travelling expenses, witnesses' expenses, and all other charges?"

"2. The amount paid respectively to each member of the commission?"

The ACTING PREMIER replied—

"1. The total cost to date is £2,430.

"2. A Dean, chairman, travelling expenses, £153; M. J. Kirwan, M.L.A., travelling expenses, £151; F. A. Cooper, M.L.A., travelling expenses, £149."

#### ALLOCATION OF DISTRESS FUND.

Mr. GUNN, for Mr. Morgan, asked the Assistant Minister for Justice—

"1. Was permission granted for the purpose of raising funds to alleviate distress alleged to be existing in New South Wales as a result of the big strike?"

"2. If so, to whom?"

"3. Is he aware that the money so raised was allotted for purposes other than the object for which it was subscribed?"

"4. In view of the fact that the money was obtained from the public by false pretences, will he make full inquiries into the matter, and take such steps against the promoters as the case merits?"

HON. W. N. GILLIES replied—

"1 to 4. It is not the function of the Department of Justice to grant or refuse permission for the purpose of raising funds to alleviate any kind of distress,

unless the applicants or promoters desire to do so by art union, raffle, lottery, or similar devices, and no such application to this department was made in respect of the 'big strike' referred to."

#### "RED TRIANGLE" INDUSTRIAL HUT.

Mr. SIZER, for Mr. Fry, asked the Acting Premier—

"1. Is he aware that in order to foster cordial relations between employers and employees, a 'Red Triangle' industrial hut has recently been formally opened at the works of the Mount Lyell Company, Yarraville, and that the employers found the money to build it, the Y.M.C.A. the trained staff to man it, same being administered by a committee of the employees?"

"2. If not, will he cause inquiries to be made with a view of having this splendid idea carried out by the Government on all their large centres of railway and other public works in the State, thus providing hot lunches for the workmen, costing them only about 1s. 11d. per week to each man, and providing a variety of games for the men during their leisure time?"

The ACTING PREMIER replied—

"1. I have no official information on the subject.

"2. The matter will be considered."

#### THE FISH INDUSTRY.

Mr. SIZER, for Mr. Fry, asked the Treasurer—

"1. Has his attention been called to an article appearing in 'The National Leader' under the headings—

State Enterprises

The Fish Industry

Fresh Fish for Town and Country

What the Returned Soldiers Propose?"

"2. If his attention has not been so called, will he consider the proposal, with the view of determining its adaptability to the State fish industry of Queensland?"

The TREASURER (Hon. E. G. Theodore) replied—

"1. Yes.

"2. The proposal will receive consideration."

#### PRICE OF ARSENIC.

Mr. GUNN asked the Minister representing the Secretary for Mines—

"1. What was the pre-war wholesale price of arsenic per ton?"

"2. What is the present price?"

"3. At what price do the Government consider they will be able to supply arsenic to customers from their State works?"

The ACTING PREMIER replied—

"1. In Australia the pre-war price fluctuated, but generally ranged between £15 and £20 per ton.

"2. Under the Commonwealth War Precautions Regulations the maximum price for metropolitan districts in Australia is now fixed at £60 per ton.

"3. At considerably less than present price."

## WATER FOR SOLDIER SETTLEMENT AT YARRAMAN.

Mr. GUNN, for Mr. Moore, asked the Secretary for Public Lands—

"1. Has the bore for providing water for the land open for soldier settlement on the racecourse paddock at Yarraman been completed?"

"2. How many men were employed on the work?"

"3. How long were they in Yarraman in the employ of the department before commencing operations?"

"4. What was the total cost of the bore per foot?"

"5. Was the time lost, if any, before commencing operations added to the cost of the bore, and how much was it?"

"6. If so, will the extra cost be a charge on the land, and have to be paid by the soldier settlers?"

HON. J. M. HUNTER, for the Secretary for Public Lands, replied—

"1. No. Present depth 280 feet.

"2. Three men.

"3. Four weeks.

"4. Not yet ascertained.

"5. No. Time before commencing drilling operations was occupied in over-haul and repair of plant.

"6. No charge at all will be made on the soldier settlers' land in respect of this bore."

## STAMP ACT AMENDMENT BILL.

## THIRD READING.

On the motion of HON. W. N. GILLIES, this Bill was read a third time, passed, and ordered to be transmitted to the Legislative Council by message in the usual form.

## CHILLAGOE AND ETHERIDGE RAILWAYS BILL.

## SECOND READING.

The TREASURER: This Bill also, with one or two other measures we have been considering this session, has been twice before the Queensland Parliament, and twice rejected by the Legislative Council. It certainly is a slightly different composition from the one which was submitted in 1916, though the Bill of 1916 proposed to ratify an agreement which would have had the effect of taking possession of the Chillagoe Railway, the Chillagoe mines and smelters, and certain leases, and was practically the same proposition as is embraced in the present agreement, but in connection with that Bill the Chillagoe Company was not a party. Last year, however, as a result of further negotiations between the Government and the parties concerned, certain concessions were made to the Chillagoe Company in the way of entering into an agreement with them to give them an advance in order to enable them to develop the Mount Mulligan coal mines, and certain other concessions were allowed, and they became parties to the agreement. They are signatories to that agreement and the advanced agreement, both of which are being ratified by this Bill.

The principles of this Bill, and the objects of the agreement, have been so fully explained

before in the Assembly that I do not think it is necessary for me to traverse the whole of the ground again.

HON. W. H. BARNES: A lot of us are new members.

The TREASURER: I shall deal with the salient points, and if the hon. member wants further information on any of the matters touched in the agreement, I shall be pleased to give it in Committee, or at some other stage, in order that members may be fully informed as to what is in the proposition we are considering.

The main principles underlying this proposal are these: the Government propose to purchase from the debenture-holders and the Chillagoe Company, the Chillagoe Railway, the Chillagoe mines—those are the leases which the Chillagoe Company had control over—and the Chillagoe smelters, and also the Chillagoe Company's right of equity of redemption in the Etheridge Railway. The Chillagoe Railway itself is about 110 miles in length from Mareeba to Mungana; and the Etheridge Railway 130 miles in length, from Almaden to Forsyth. Both those railways will then be controlled and owned by the Government. The Chillagoe Railway will be wholly owned by the Government without liability. The Etheridge Railway will be owned by the Government, but there will still be outstanding £225,000 worth of debentures which mature in 1921 and which will have to be redeemed. Those debentures will have to be redeemed whether we purchase the railways or not. That will be the only obligation then in connection with the Etheridge Railway. Both the railways will become State railways and be subject to the control of the Commissioner, under the same conditions as apply to every other railway in Queensland.

HON. W. H. BARNES: What are they likely to earn under Government control?

The TREASURER: That, of course, must be more or less problematical.

HON. W. H. BARNES: Approximately?

The TREASURER: Of course, hon. members will understand that the amount these railways are likely to earn will depend, to a large extent, upon the success of the Government in getting those smelters working again after the purchase is completed. That is a matter, perhaps, I should explain to hon. members.

Mr. GUNN: Can the smelters depend upon the amount of mineral in the earth?

The TREASURER: I think it depends more upon the amount of mineral that is taken from the earth.

Mr. GUNN: Yes. Is it there to take out?

The TREASURER: I think there is no doubt about the mineral resources of the district, the extent and proportion of the ore bodies, and the grade of the ore.

HON. W. H. BARNES: I suppose it will help to make good the Chillagoe electorate.

The TREASURER: No doubt it will bring population there, if that is any concern of the hon. member.

HON. W. H. BARNES: Oh, no! It is of more concern to you.

The TREASURER: The only concern it is to me—and I am free to confess it is of some concern to me—is to increase my majority. (Laughter.) At any rate, I hope hon. members will not think the Government

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are pushing this proposal, or that I am keenly interested in it myself simply for the political advantage I can get out of it as a result of the increased population of Chillagoe. The object is far larger than that, and the motives inspiring the Government are higher than personal motives of that kind. As I have already explained when we were talking about the Bill last year, the immediately adjacent electorates to the Chillagoe Railway, a few years ago had a population of about 20,000 people, and at the present time, I suppose, the population will not be more than one-quarter of that number. There is not the slightest doubt that if these smelters are reopened population will come again to these districts, and they will support probably an increased population as compared with any previous year, and the production of the district, no doubt, will be equal to that of any previous year in the history of North Queensland. I may say that the proposal is that after the railway is acquired by the Government, the smelters, and certain leases of the Chillagoe Company become the property of the Government. The most valuable property which will pass to the Government under this agreement undoubtedly are the two railways, but the smelters are not an inconsiderable asset in themselves. They are an up-to-date plant kept in efficient order and condition, and requiring no great expenditure, according to the opinion of the experts of the Mines Department, to bring them to an efficient condition for smelting purposes. The Government can start one or two furnaces there, and take ore supplies from the district—silver, lead, and copper ore—and thus supply what is at the present time a crying need in North Queensland. In the back country of Cairns there is not one solitary furnace working at the present time capable of treating copper or silver-lead ore. As I explained before, I hold no brief whatever for the Chillagoe Company, but I am free to admit that the Chillagoe Company met with extremely bad luck in their investment in North Queensland. They went along, as most members actually know by this time—it has been discussed so many times here—they went along for a number of years without earning a profit at all.

Hon. W. H. BARNES: At one time your party used to make it a political cry, and denounced it.

The TREASURER: I do not remember that. I remember that we did denounce the proposition to give the Chillagoe Company the right to build a private railway, and I regret that such right was given. If that had been a Government railway from the start, the district now would not be in such a bad condition as we find it. But the Chillagoe Company got the right to build that railway, and had a concession for fifty years of the country in which the railway runs, and the right to charge 50 per cent. higher fares and freights than those [4 p.m.] which were ruling at the time the Bill went through the House in 1896. And consequently the people in the company's country have been paying freights double in some cases the amounts charged on the Government railways.

Hon. W. H. BARNES: And apparently the company have lost millions of money.

The TREASURER: They did not lose it on the railway. I want to assure the hon.

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member that, adopting the company's own balance-sheet, during the five years just before the closing down of the smelters they made an average profit on the railways of £62,000 a year. They lost on their mining operations and on their smelting operations, but the railway was always a paying proposition, and a remarkable thing is that even now, notwithstanding that there is not a smelter working in that district, and that the mining districts have been almost at a standstill, there has been a profit on the working of the Chillagoe Railway.

Mr. SIZER: Has the Etheridge Railway been paying?

The TREASURER: No, it has not been making a profit. I am speaking of the Chillagoe Company's railway. It has made a profit of about £15,000 a year, net income over working expenses. I do not mean to say that they have made that profit after charging to the railway the cost of the interest on the debentures standing over the railway. That was notwithstanding the closing down of the smelters. Hon. members have asked, "What have they carried, then?" They have carried what ore has been mined in the district and exported out of it. A considerable amount of ore has been exported out of the district to Port Kembla and to Cockle Creek, and a considerable quantity shipped overseas. In addition, they have carried a considerable number of live stock to the Bibohra meatworks, and, of course, there is certain other traffic.

Hon. W. H. BARNES: What is the condition of the railway line?

The TREASURER: According to the Commissioner's report, the railway is not in a bad condition, and he thinks that with the expenditure of an amount which he stated to be somewhere about £5,000 it could be brought up to the standard of the Government railways.

Mr. SIZER: What was the date of that report?

The TREASURER: If my memory serves me, it was made about 1916.

Mr. SIZER: 1915, was it not?

The TREASURER: It may have been.

Mr. CORSER: Who made it?

The TREASURER: The Commissioner. And since that question has been mentioned, I may tell hon. members that the Commissioner reported on a proposition that had been placed before our predecessors in connection with the railway alone. In that case the price of £950,000 was asked for the railway from Mareeba to Mungana, not including the Etheridge Railway nor any of the subsidiary assets which are included in the present agreement. Strangely enough, the Railway Commissioner was rather inclined to recommend the purchase of the railway at that price. He thought that the future development of a large belt of country depended on ordinarily cheap traffic and transit, and apparently he was a little disposed to recommend the purchase at that price. At any rate, it is common history that the Government would not purchase at that price, and the proposal now is boiled down to the terms embodied in the agreement, which amount to the purchase of the Chillagoe Company's railways, the company's rights over the Etheridge Railway, the smelters, and all the subsidiary plant in connection with the smelters, and the mines and leases of the Chillagoe Company, not includ-

ing the Mount Mulligan leases—all for the sum of £476,000. The Commissioner for Railways has stated that the value of the rails and fastenings of the Chillagoe Company's railways are worth about the price we are paying for the whole of the assets.

Mr. ELPHINSTONE: What weight of rails?

The TREASURER: I am not able to answer that off hand.

Mr. SIZER: 60-lb. rails.

The TREASURER: Probably 60-lb. rails. The hon. member will understand that the railway has been in a very efficient condition, because when the company were carrying on operations a very considerable traffic ran over it. They were carrying coal and coke and other fuel to Chillagoe, and carrying metal away to Cairns, and then there was a heavy traffic, heavy rolling stock, and so on, and consequently it had to be quite up to Government standard for that class of railway, and the Commissioner has stated in his report that with the expenditure of a few thousands of pounds on sleepers and bridges, and so on, it can be brought up to Government standard now.

Now, there is a wonderfully large district dependent on the line as its means of ingress and egress, its means of transporting goods in and out of it, and it will be a great pity if this Parliament refuses to do anything to assist that district. There can be not the slightest doubt as to the mineral wealth that exists there. The district has not had any thing like a fair opportunity. I have already stated, in a speech on the Bill when it was before the House last year, that in my opinion the district has literally only been scratched in regard to its mineral wealth. The deepest shaft in the Chillagoe area, or in the Chillagoe and Etheridge areas for that matter, is 900 feet, but the lodes go to a considerable depth.

Hon. W. H. BARNES: A great amount of money must have been spent in scratching.

The TREASURER: Yes. The Chillagoe Company itself expended a considerable amount. I grant that they did not put it out with a desire to be magnanimous to the community. No doubt they were inspired by the same motive which inspires all business undertakings—the desire to get a fair return for the investment. But they met with bad luck. That interjection reminds me of an argument which I intend to use, but which I may as well develop now. When they closed down, the copper market was at £63 a ton, and lead at £18 a ton. The price now is £110 for copper and £29 10s. for lead. When they closed down, the price of silver was about 1s. 11d. per ounce; to-day it is nearly 4s. If you take the mineral production of the Chillagoe district for the year prior to the time they closed down—in April, 1914—and calculate what it would realise at present metal prices, deducting the cost of working, you will find that the Chillagoe Company at the same rate of output would have had a surplus for that year of £200,000. I only mention this to show the extremely bad luck with which the company met. If they had only been able to continue for a few months, until Mount Mulligan had been opened up and the metal market had firmed a little, they would have been in an excellent position, financially and in every other way. Not only would they have been able to realise the high prices ruling, but they would also have been able to get their fuel at about

half the prices they paid in 1914. Since then the Mount Mulligan coalfield has been opened up, and the Commissioner for Railways at the present time is purchasing his coal at the pit mouth there at 17s. a ton. He had an agreement with the Chillagoe Company to purchase it at 14s. per ton, until the Edmunds award increased the price all over the Commonwealth by 3s. per ton. However, take the present price, 17s., and compare it with what the company had to pay. About the time the Chillagoe Company closed down they were paying 44s. per ton for coal at Chillagoe, and 75s. per ton for coke at Chillagoe. At the present time coal and coke will not cost them any more than half those prices, and that is a very important factor making for the success of an enterprise of this kind.

Mr. SIZER: What wages were they paying?

The TREASURER: They were paying lower wages.

Mr. SIZER: How much lower? Was it not 7s. 6d. when they closed down?

The TREASURER: No; there was no 7s. 6d. The minimum on the smelters was 9s. or 10s.; I am not quite sure which. It is now 12s. for surface labourers, so that there has been an increase of 20 or 25 per cent. I do not think there has been that increase all round.

Hon. W. H. BARNES: I think you are altogether wrong so far as the increases are concerned.

The TREASURER: Well, I had before me only the other day the Macnaughton award which applies in that district for miners and surface workers, and I am sure it is not more than 12s. a day for surface workers, and it was 10s. at that time.

Mr. SIZER: Is not a new award expected at any time which will raise it to 16s. 4d.?

The TREASURER: No. The hon. member is misinformed. He may be speaking about the Cloncurry district. There is no award providing for wages in the Cloncurry district which fixes the rate for surface work at 16s. 4d. As a matter of fact, the rate for machine miners underground is 15s. 2d. per day.

Mr. SIZER: What was underground labour paid at the time the company closed down?

The TREASURER: Eleven shillings for dry work and 12s. for wet work.

Mr. SIZER: Now it is 15s.?

The TREASURER: For machine work.

Mr. SIZER: What was the wage for the same class of work when they closed down?

The TREASURER: The hon. member could put hundreds of questions of that kind which I could not answer offhanded. There was no award at that time. There was an agreement between the Australian Workers' Union and the various companies, and we could only arrive at what the hon. member wants by comparing them item by item. But, supposing the increase was 25 per cent.—which would be the outside limit—the fact remains that in smelting, especially copper and silver-lead smelting, the main factors are cheap coke and fuel and high prices for metals. The price for lead has practically doubled since 1914, while the average price for copper was £59 per ton in 1914 and now is £110 per ton. That is a point I want to deal with later on when considering the

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prospect of future development, which will largely depend on the production of copper or silver-lead or other types of industrial metals.

Mr. POLLOCK: They have cheap fluxes.

The TREASURER: Yes, any amount of cheap fluxes, because the Chillagoe works were particularly well situated in that regard, having ample supplies at the Mungana mines, only 10 miles away by railway. That district is rich in industrial metals, and any mining man will bear out that statement. The future of mining in Australia will have to look to North Queensland for its development. That is where the large bodies of ore are; but in the past they have been looked at but not worked, because the ore was considered low grade—4 per cent. or 5 per cent. of copper, and the company were never able to touch ore of that grade. The solution of the difficulty as to the stagnation and lack of progress will come when the difficulty of treating low-grade ore is solved. The difficulty can be solved if metal can be sold for fair prices and fuel and coke can be got at reasonable rates; and I say that the future is assured because there is an assured high price for silver, lead, and copper, and reasonably low prices for coal and coke.

Mr. SIZER: Under normal conditions, what is the lowest-grade ore it is possible to treat profitably?

The TREASURER: I call the present conditions normal conditions.

Mr. SIZER: I mean at the time they closed down.

The TREASURER: They were treating fairly successfully 4 per cent. ore from Einasleigh mine and carrying it 100 miles. At least I do not know that they were treating it successfully because they had been working at a loss. But I do not know that a consideration of that kind would lead us anywhere. The question is—what can be treated there in the future? I have already stated that in 1914 conditions were abnormal. Prices were falling off. Fuel prices were twice what they are to-day in that district. Every ton of coal used in Chillagoe had to be brought from Newcastle. But since then they had a very extensive coalmine, easily worked, producing a high-class coal at half the price it cost the company before. That is a matter I intend to deal with further as I progress with my speech. Now, some persons have cast doubt upon the future of the copper market. I confess that the success of the Chillagoe proposition depends very largely upon the future of the copper market and the market for industrial metals generally. The district does not solely depend upon copper; there are vast deposits of silver-lead ore. The Mungana mines are extensive silver-lead mines, and there are other metals in the district, so that it does not solely depend on one class of metal, but it does depend upon industrial metals generally—silver-lead, copper, and munition metals such as molybdenite and wolfram. They exist in large quantities, and the market for them is assured for many years to come. There was some doubt, when we were discussing this question before, as to whether the bottom would fall out of the copper market immediately the war was over. There is a high price for copper now—£110 per ton—because of the necessity of that metal for munition purposes. Any person who has been in-

terested in this question and has read the mining journals from different parts of the world must have been struck with the unanimity of opinion on the question of the future of the copper market. The copper market is assured, according to high opinion upon this matter, for many years to come. The world's copper production is at its very highest point to-day. America, of course, is the great copper producer of the world. Australia is not an unimportant factor in copper production, but its production is far in a way exceeded by that of the United States. I think last year the United States produced about 800,000 tons of copper. That was a record production for any year, and the authorities in America hold out the opinion that the market is bound to be sustained, because the demand for copper is bound to be sustained and to increase. As a matter of fact, when the war is over there are such enormous arrears of work in connection with industries that make use of copper—arrears which have accumulated because of the necessity of giving attention to munition production—which must demand the attention of industries immediately the war is over in such a manner as to ensure an enormous demand for copper for a great many years to come. Copper will never be less than £100 a ton again. This is a metal that is used in practically every form of industry. Anyone who studies the history or the development of the copper industry and the manifold uses it is put to, must be struck by the remarkable progress which is being made. Thirty years ago the total consumption of copper for the whole world was somewhere in the vicinity of 30,000 tons. Now it runs into almost a million tons a year. Enormous quantities are used in shipbuilding. I was reading an article only recently in the "New York Engineering and Mining Journal," in which it was stated that in every 10,000-ton iron ship which is built they use 150 tons of copper in connection with various fittings, tubes, valves, brasses, wiring, and electrical work. That demand represents practically the demand of all industries where metals are used. Copper is the most useful metal, and, as a matter of fact, the fear is now expressed, not that there will be an over-production of copper, but that there will be a copper famine within measurable distance. The large mines of America which are producing copper are operating upon a very low-grade ore. They are working upon 1.4 per cent. copper ore in the largest copper-producing mines in the United States, and very few large mines have an ore which would average more than 3 per cent. or 4 per cent. copper. The largest mines in America have a very limited life, according to the opinion of an eminent mining authority published in one of the Chicago journals only a month or two ago. He said that the average life of the largest copper producers in the United States is about twenty-three years. They express the wonder as to where the supply of copper to furnish the world will come at the expiration of that time. They anticipate a serious copper famine, and they are exhorting chemists and others to use their best intelligence to try and find a substitute, if they could, for copper in electrical work, which is expanding in every industry in every country. I mention these facts because they have an important bearing on the future for North Queensland and upon such a proposition as this, as to whether it is worth considering. If it were thought that a year after the war there would be no sale for copper, that the

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bottom would drop out of the copper market, then it would be questionable whether it would be worth while purchasing this railway. But I maintain that there is not the slightest possible danger of that kind of thing occurring. As a matter of fact, there should be the greatest desire to facilitate copper production in Australia and increase it, because it is one of the most important of the industrial metals, entering very largely into the industrial life of the community and furnishing a very important munition of war at the present time. Just to quote another authority upon this subject; "Sperling's Journal," which is a London publication, in its issue of January, 1918—a few months ago—stated this—

"The demand for copper, which has been mounting in great upward leaps for the past thirty years, has been immensely stimulated by the war, and after the war will develop into a world-wide and most ferocious scramble. We are not faced with any immediate prospect of the disappearance of the metal. We are faced with the certainty of a shortage that, among the nations which do not look ahead and guard themselves in advance, will be little less than a famine."

All the opinions seem to coincide that we are not faced with any possibility of excess production, but with a certainty of reduced production and a constancy of prices. Therefore, as far as prices are concerned, the copper market is assured. So far as the future of North Queensland is concerned, there will always be a market for the copper that can be produced there. Now, in America, the big mines are working on low-grade propositions of  $\frac{1}{2}$  per cent., and less in some mines. In North Queensland there are illimitable supplies of copper ore that will probably go 3 per cent. or 4 per cent. So far we have not solved the problem of working those ores, because in the past, when the Chillagoe smelters were working, the costs were high because of the high price of coal and coke, which enter very largely into the cost of working the smelter; and because also the price of metal was low. Those two main factors are removed. The price of metal is high and satisfactory. The price of coal and coke are low, and the quality is high. Therefore, with reasonable management, a couple of furnaces can be worked in Chillagoe highly profitable to those who own the furnaces, and to those who are working the copper shows in the whole district. That is why I am so anxious to see the Bill go through. It will lead to increased activity up there: it will give renewed hope to mineowners, claimowners, and prospectors to develop the leases and the proposition that they own, and to send their ore to the central smelter. I firmly believe the thing will be highly prosperous and a profitable undertaking for the Government—the smelter itself. There is not the slightest doubt about the profitableness or the future of the railway, which, even in the present depressing times round the Chillagoe district, is a paying proposition. Under Government ownership, with a renewed activity in the district, with its low capitalisation, it is bound to be an increasingly profitable undertaking.

Hon. W. H. BARNES: And with its low freights.

The TREASURER: It will have to have lower freights. Notwithstanding that, I say

it will be a profitable undertaking. Not only will it be profitable in itself, but it will bring increased capital to the Cairns system of railway, and will in a hundred ways add to the prosperity of the State. You cannot calculate the amount of good that is brought to the State by the starting of an enterprise of this kind. You cannot calculate in pounds shillings and pence the amount of revenue you derive from the railway. The railway earnings are not the whole measure of benefit brought to the State, because there is also the extra traffic on the Cairns Railway and along the coast, the additional number of men employed in Cairns and elsewhere, and handling the goods and products, which all help to make for the prosperity of the State. Now, with regard to the coal and coke proposition itself. Doubt has been cast upon the statements that have been made from time to time as to the quality and quantity of coal which exists at Mount Mulligan. That was a matter raised by an hon. member from the other side in opposition to the proposal. He said it depended upon getting cheap coal and coke from Mount Mulligan, and it was thought the seam was too small, and it was doubtful if the coal was a coking coal, and therefore the success of this was even more problematical than was contended for. I want to deal with that question, because it has an important bearing upon the proposition. I have always asserted, since the Mines Department and the Railway Department conducted their investigations about 1912 in regard to the Mount Mulligan coalmine that the coal was of high quality, and there was a sufficient quantity to furnish all the needs of the district for a very long time to come. I have some reports that were made at that time in regard to the quality of the coal and coke, which I intend to quote in order that members may have the information before them; and also with regard to the coking qualities of the Mount Mulligan coal. The Railway Department was first interested on behalf of the Government in regard to the quality of the coal, because, as pointed out by the Commissioner, if they could get cheap coal in the district it would save them all the freight they had to pay from the South or Newcastle. As a matter of fact, they found the Southern Queensland coal quite unsuitable for railway purposes on the Cairns Railway. They had to have coal of a high quality: therefore, all the coal used in the Cairns Railway system was shipped from Newcastle before the opening of the Mount Mulligan mine. Certain very elaborate and extensive tests were carried out in 1911 and 1912, and I have these reports before me. As a result of those tests, the Government entered into a contract with the Chillagoe Company to take all the coal required on the Cairns system from the Mount Mulligan coalmine, and that contract is still in operation.

Hon. W. H. BARNES: Are they using that coal now?

The TREASURER: They are using that coal now. The only thing at the present time is that the company have not been able to supply all the needs of the Commissioner, and occasionally a shipment of coal has to be sent up there from Newcastle in order to make up the full quantity of coal required for the Cairns district. The Commissioner has offered to the Chillagoe Company a slightly higher price if they will undertake

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to supply all the coal he needs in that district. There is no doubt the coal is there, and the company is opening out wider on the seam in order to increase its production. These are some extracts from the reports in regard to the quality of the Mount Mulligan coal on the trial which we held on 3rd October, 1911. This is the report made by the mechanical engineer—

“Cairns to Mareeba full load up range, engine steamed exceptionally well. Full head steam maintained throughout. Coal reported excellent, equal to average Newcastle. Only 34 cwt. used as against 2 tons usually carried over this section.”

The next test was on 15th March, 1912—

“Cairns-Mareeba. Boiler steamed exceptionally well the whole trip. Ran Cairns to Mareeba without either cleaning fire or ashpan. Full head steam maintained throughout. Consumption per ton mile .36 as against .47 lb. Southern coal.”

Then in August, 1912, further tests were carried out—

“The Commissioner’s special train was run with Mount Mulligan coal from Cairns to Babinda and back, and over the Government and Chillagoe railways with most satisfactory results.”

On 19th September—

“A sample of coal branded No. 2 tested on this date is reported to be superior to the general run of Newcastle coal used on the Cairns Railway, and infinitely superior to contract coal from the Southern Division. In running a full load to Mareeba with Southern Division coal it is always necessary to rake out at Stoney Creek and Kuranda, and with Newcastle coal at Kuranda only, whereas in this test the fire was in good order after arrival at Mareeba. The excellent results given by this sample confirm the opinion previously expressed by the Chief Mechanical Engineer as to the suitability of Mount Mulligan coal for locomotive purposes.”

So much for the quality of the coal for steaming purposes.

Mr. SIZER: Is there not a rather high percentage of dust and ashes?

The TREASURER: Well, you will see from that report that there was not a high percentage of ash. There was no necessity to clean the fire nor the ashpan on those tests.

Mr. KIRWAN: Anyhow, it is only half the price of the Southern coal, and far superior.

The TREASURER: This question of ash comes into the question of cokemaking. Geologist Ball reported as to the suitability of the coal for cokemaking. He says—

“The coking qualities of certain of the Mount Mulligan coals have been fully demonstrated, and it has been shown in the laboratory that even the unpicked coal from the 2 ft. 3 in. working section of No. 2 seam yields a coke with ash contents below commercial limits; and with washed coal a coke much lower in ash would undoubtedly result.”

At half-past 4 o’clock p.m.,

Mr. FOLEY, one of the Temporary Chairmen, took the chair as Deputy Speaker.

The TREASURER: I hope hon. members will understand that these tests were carried out by thoroughly impartial officers, who had no interests to serve except in the interests

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of the State. They were Government experts who carried out tests on an extensive scale, and their report should be convincing. Not only that, but the sample of coke was made in a very primitive beehive oven. I think 15 tons were made in the experiment at Newcastle for smelting purposes, and found to be excellent. With regard to the area and extent of the coalbearing country, I have Government Geologist Ball’s report on this subject also. He says—

“The coalfield is estimated to have a total area of 14 square miles, of which the Chillagoe Company in 1917 held 4,000 acres under coalmining lease.

“In a total thickness of 111 feet of measures, it is estimated that there is a grand total of 27 feet of coal, broken up by bands of greater or less importance. The steam coal section of No. 1 seam shows 4 feet of coal as worked, and No. 2 seam shows a working face of 2 feet 3 inch coal.”

Those are the two best seams—

“The coal reserves of the Chillagoe leases alone—that is, 4,000 acres out of 14 square miles—are estimated at 7,000,000 tons in the 2 ft. 3 in. seam, and 12,500,000 tons in the 4 ft. seam.”

Consequently there are 20,000,000 tons in those two seams in the Chillagoe leases alone; and if you take the average rate of consumption for years past there is sufficient coal in the Chillagoe proposition to last for seventy years, and there are 14 square miles of coalbearing country which have proved satisfactory to the test of the geologists. There is no doubt about the supply of coal and coke suitable for smelting purposes. Therefore there is no doubt that there will be cheap fuel and coke for the Chillagoe operations when the smelters are working again. There is not the slightest doubt that, for years to come, there is an assured market for copper, silver, and lead, which will be produced in large quantities at Chillagoe under this proposition. But the thing I want to stress is this: that, apart from the smelters which are being purchased, or the leases and mines of the Chillagoe Company, the railway itself, according to the Commissioner, is worth more than we are paying for the whole proposition.

Mr. VOWLES: On war prices?

The TREASURER: At present prices. He says, taking the present value of the railway and plant, they are worth alone over what we are paying for the whole proposition. I think there can be no doubt that the proposal is worth the £476,000 offered, and if it will have the effect of starting a smelter and a couple of furnaces at Chillagoe, and bringing the vast district of the Chillagoe and Herberton fields again into active production, that is worth accomplishing. In the past, £400,000 has been spent in propositions not one-tenth as important as this is, and spent without the slightest question by Parliament. This is a proposition which Parliament can accept without the slightest hesitation or fear that it will not be justified in the future. I believe it will have the effect of bringing a large population to that district, renewed prosperity to North Queensland, and of assisting in the development of industries in Queensland by producing industrial metals of great value in a number of industries. I move—That the Bill be now read a second time.

GOVERNMENT MEMBERS: Hear, hear!

Mr. VOWLES: I think the Minister is to be congratulated on the amount of detail he has given us; but I think it is to be regretted that he did not go further, particularly in view of the fact that a Select Committee has sat in connection with this very Bill and discarded the proposal for the very good reasons set out in the copy of its report, which I have here. They complain that there is certain very important evidence and material which was not put before them. If it was in the possession of the department at the time the committee sat, it was the duty of the department to produce that evidence. If they objected to do it on that occasion they have had a long time between February, 1917, when the report was formulated, and the present date—about fifteen months—to gather information to bring before this Chamber, so that when this measure goes eventually to the Upper House, at any rate, the queries they raised would be to some extent satisfied if the material was to be got. The Select Committee, first of all, complained that during the progress of the negotiations for purchase there was ample time for official and other expert reports to be obtained on certain vital matters—namely, first of all, the mineral prospects of the field. Now, all the Minister has done is to tell us something we already know, and to give us a few extracts from the report of a Government geologist as regards the coal in that locality. But we are not dealing with coal areas; we are dealing with ore, and there is no evidence before us to show that there is ore in sufficient working quantities surrounding Chillagoe to justify us in expending even £1,000.

The TREASURER: Surely the report of the geologist ought to satisfy you on that point!

Mr. VOWLES: I propose to read the report of the Government Geologist, and he will tell us distinctly that, in his opinion, it is purely a matter of speculation, and that he would not advise his own friends to go into it, although he thinks it is a different thing for the Government. Are we justified, as custodians of the people's money, in gambling with it in socialistic enterprises? The object which the Minister says he is setting out for—that is, keeping those smelters and the railway line going—can be dealt with from many points of view. Mount Mulligan can be dealt with so far as the coal supplies are concerned.

The TREASURER: It is no use unless there is somebody to use the coal and coke.

Mr. VOWLES: The question is: Are we justified in borrowing £476,000 for this purpose? It is another sample of Government finance. Are we justified in the present financial condition of the country in going in for a "wild-cat" scheme like this, when not thousands but millions of money have already been sunk by big syndicates and companies, who were possessed of the best brains of scientists in connection with the business, and they were never able to pay a dividend, notwithstanding the fact that some millions of money were expended. We would not be doing our duty to the people of Queensland if we did not voice our objection on that showing alone.

Personally, I am opposed to this socialistic enterprise of the Government. Here is a "show" of which the eyes have been picked out. The company and prospectors have got all the good out of this locality about the railway line. What we are asked to do is to

pay for a lot of improvements which were valued in 1915, and to buy a railway which, according to the report of the Commissioner for Railways, was depreciated to the extent of £9,000 at that time because it had been neglected. Yet we are asked to pay that amount, for the sake of getting these holes in the ground. The value has been taken away from the surface. I am glad to know that the difficulties between the debenture-holders and the shareholders of the company have been settled among themselves. On the last occasion we were placed in a very invidious position. We found that the Government had circumvented the shareholders and had gone to the debenture-holders direct.

The HOME SECRETARY: Does not that prove that it was a good property that was offered us?

Mr. VOWLES: The debenture-holders were glad to get rid of it at any price and to make a breach of the moratorium regulations and take the risk of it and get it on the Government. If that was so, and they were so glad to get rid of it and get this £476,000 out of the Government, should we not be careful to see that we are getting a fair deal?

Mr. HARTLEY: Your Government would have bought it for a million.

Mr. VOWLES: When it was brought before our Government that proposal was not accepted. Mr. Ryan went to the old country, and, in some way, circumvented the shareholders and got to the debenture-holders. But that difficulty is settled, and we cannot be accused of being a party to some underhand trick. The parties have come together, and those very shareholders who thought they were being badly dealt with—the men who wanted £950,000—are now glad to see it go for £475,000 if the Government is prepared to take it.

What do we find as regards the mineral prospects of the field? Let us look at the evidence of Mr. Ball, as given before the Select Committee—

"235. If a man bought it with the view of working it for five or ten years, he would have to buy it for speculative purposes, hoping that other lodes would turn up?—That is how they would run it in future.

"236. It would be a speculative business altogether?—Yes.

"237. There is nothing there to make it a success?—No.

"238. It would have to be run on speculative lines?—Yes.

"239. By Mr. Macrossan: Do you suggest that the State might go in for this proposition as a mining speculation?—No.

"240. By Mr. Stephens: Seeing that it is of a speculative nature, would you recommend your personal friends to invest their money in it at the price?—No.

"241. I know this is not geology, but I am looking at it from the business aspect?—You might ask the State to do something that you would not ask your friends to do."

If he, or anybody else, were asked to enter into this undertaking they would not ask their personal friends to do it, because evidently the State has more capital and is better able to do it. Apart from that, going back to the Government's experience in the short time it has been dealing with ventures

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of different kinds, what has its fate been? Look at the revelations about Mount Hutton. There is a sample of Government enterprises. The Government started out, purchased a property, and they are running it—at what expense we know not yet. They tell us they have made a profit of £35,000, and we now discover that they lost 4,400 head of stock which they paid £7 a head for. That represents about £30,000 of a loss, instead of a profit.

Mr. HARTLEY: Now, look out! You may be asked to prove that.

Mr. VOWLES: I have had it proved by the Minister. I suppose the Government wouldn't be game to appoint a commission.

Mr. H. J. RYAN: You did not prove your Wando Vale case.

Mr. VOWLES: Going a little further, look up the history of the joinery works, look up the history of the State sawmills, and look up the revelations which were made so far as the State butchers' shops were concerned and their fictitious profits. There are some of the samples we have of Government enterprises, and if the best brains of the country are unable to make successes, with all the money that they have behind them, and they have more capital than the Government are likely to have for some time—

Mr. H. J. RYAN: Were they the best brains?

Mr. VOWLES: They were the best brains to be got. I think that even the hon. member admitted in his evidence that they were the best brains, but he said that theoretical men were not as good as practical men. I suppose he would set himself up against the best engineer because he is a practical man.

Mr. H. J. RYAN: I did not suggest that.

Mr. VOWLES: Another thing which has been carefully omitted by the commissioner in his report to this House is that some of the mines which it is proposed to take over or some of the mines which are supposed to be worked in connection with this proposal are flooded mines and others are on fire.

Mr. RIORDAN: What mines do you say are flooded?

Mr. VOWLES: The hon. member will be able to look it up for himself. I think he will find in Mr. Ball's report, appendix 2, page 87, that—

“Zillmantou is in a flooded state, but the company's manager speaks of big possibilities.”

It is also said that the Lady Denman is on fire.

Mr. RIORDAN: It was closed down two years before that.

Mr. VOWLES: Yes, but that is one of the propositions the Government propose to work for the purpose of making this line pay. The Minister has gone to a great deal of trouble to show what is going to happen in view of the prospects of better prices for metals after the war as compared with present prices, and it is rather a remarkable thing, too, that the Minister in the Upper House, in making his minority report, made the “king pin” of his claim that the proposition should be adopted, the fact that it would produce large supplies of metal for munitions. Now that seems to be dropped

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altogether. The Minister has gone on a new tack. He tells us that there has been a very large increase in the price of copper as a result of the war, but that it is going to maintain its value afterwards. He quoted from “Sperling's Journal” and “The Engineering and Mining Journal.” He told us that the latter said that the price was going to remain higher for years after the war. Here is what he said in answer to question 22, page 4 of the report—

“I have a quotation from the ‘Mining and Engineering World,’ Chicago, of 22nd July last, which says—

‘If the war continues well into next year there will be such an accumulation of postponed work in the United States as will sustain the copper market at high prices—say, around 20 cents—for many months after the close of the war.’”

The TREASURER: That is two years ago.

Mr. VOWLES: For many months—that was in 1917.

The TREASURER: That was quoted from the July previous.

Mr. VOWLES: The war had been in progress for two years then and the expectation of the writer then was that the price would remain high for many months after the war.

The TREASURER: As a matter of fact it is probable that the Imperial Government will make a contract for Australian producers' copper extending for eight or ten years.

Mr. VOWLES: We heard something about a contract of that kind when conscription was being discussed—of 48,000 tons of copper which were to be supplied to the Imperial Government. That achieved its object and the matter has been allowed to drop, but now we are told that if we are good boys and pass this railway, as the Minister asks us, the Imperial Government will come round and buy it at a fixed price.

The TREASURER: No. I say that the Imperial Government are treating with the whole of the copper producers of Australia.

Mr. VOWLES: What has become of that contract for 48,000 tons? Why should not the Minister be claiming that the reason why the House should pass this measure is because we will be able to get munitions for carrying on the war.

The TREASURER: I have no doubt we will be able to assist in that way too.

Mr. VOWLES: It is purely a mercenary matter now, as to what we are going to make out of it. We are told, on account of what coal and coke can be got from Mount Mulligan, that the smelters can be worked at much less than in the past, that is, that as compared with the prices which the company had to pay to get fuel from Newcastle the price which the company is going to charge in the future will be much less. But the Railway Commissioner tells us also that if he takes over the line the schedule of rates will have to come down to the same schedule as on the ordinary Government lines. The company were charging 30 per cent. over the Government rates, with the right to charge up to 50 per cent. more than Government rates. The Commissioner was asked—

“By the Chairman: I suppose that if the Government took over this line the

fares and freights on it would be the same as on the rest of the railways?—There is nothing in the Bill with regard to increasing fares and freights, so that it naturally follows that the Chillagoe Railway would be under the same schedule as the rest of the railways.”

That is to say, you cannot take into consideration all the profit that has been made in the past by the Chillagoe Company; you will have to reduce it by 50 per cent. And you have to realise that since the Chillagoe Company have been working there have been enormous increases in the cost of services. Wages have gone up. I propose to give you the history of our own railways during the last three years, where losses have gone on to such an extent that last year the Commissioner lost 1s. 4½d. for every train mile he ran. We must take that matter into consideration as this is a business proposition. If you cannot run an existing line where you can regulate rates without a loss of 1s. 4½d. per mile, then I ask how you are going to run railways in the North, where there is no traffic, because it is all “my eye” about this stock. There is no stock traffic on the portion of the line that is proposed to be purchased.

The TREASURER: Nonsense!

Mr. VOWLES: What there is of them go by the other line, and most of them go by hoof. If you look up the records you will see that it goes to the other railway.

The TREASURER: All the stock for the Bibohra meatworks go over the line from Almaden to Mareeba, nearly 100 miles.

Mr. VOWLES: For one works only, and a very small works at that. If you take into consideration the cattle industry in the North you will find that most of the stock travelling in that locality travel on the hoof. Just to show why we should not indulge in an enterprise such as this, I will quote the State railways themselves—

“In the year 1914-15—the last of the Liberal regime—the railways earned £3,832,003, and after paying working expenses, etc., had a net revenue of £1,430,324. This was equivalent to £4 0s. 8d. per cent. on the capital invested in open lines, or £3 16s. 7½d. per cent. on all lines. The railways were practically paying. Last year the gross earnings totalled £3,831,967, that is to say, very little less than in 1914-15, but after deducting the working expenses, there remained only £837,780. This was equivalent to a return on the total capital expended on opened and unopened lines of only £2 1s. 5½d. per cent. There was a deficiency of £734,997 on the year's operations. It cost the Commissioner £593,508 more to work his department than it did in 1914-15, when the gross earnings were very little more. It is clear, therefore, that the loss is not due to a falling off in the earnings, but to the mounting cost of working. The volume of traffic was less, but the freight charges and fares being higher, the earnings were almost maintained. According to the Commissioner's last report, he lost 1s. 4½d. on every train mile run.”

A GOVERNMENT MEMBER: Deliberately.

Mr. VOWLES: Well, he has lost it, and why should we go and purchase further lines

of railway at such a great amount of expense for the purpose of running them at a loss, too?

Mr. HARTLEY: Do you suggest that we should pull up the other lines, too?

Mr. VOWLES: If the company refuses to run trains, the Commissioner has a right to run trains. If the proposition were to advance a small sum so that they could get the mines working, as proposed in the agreement in that second schedule, and to take the railway line and the smelters at their reasonable value, it might be a sound proposition, but why should we be asked to take all the mining machinery—which, after all, if you have no use for it is only scrap iron—and pay for leases which will be either worked by private individuals or forfeited to the Crown? We know that we have got to buy the Etheridge Railway in 1921. We know what the basis of purchase is. The Commissioner tells us that that value may be inflated by the companies running trains with material, because for every pound earned in freight there is in bonus, as it were, an amount of £5 added to the price.

The TREASURER: It might be £1,000,000.

Mr. VOWLES: But two years of that five years has already gone. The period runs out in 1921, and the basis of purchase is the last five years. We have got a good idea of what the profits of those two years are, and there are no profits at all as far as I understand. That being so, we are going to get a very cheap railway if we sit tight and let it fall into our hands.

The TREASURER: We are going to get a cheap railway under these proposals.

Mr. VOWLES: No. We are not. It is no good the Minister telling us that the value of the railway and material is £475 alone. What will they be worth twelve months after the war is over?

The TREASURER: Probably much more.

Mr. VOWLES: No. We know that rails are being manufactured in the Commonwealth. They can be got at Newcastle, and it is only on account of war time conditions that the value is so high at present. So soon as the demand ceases for the material, it will come down to normal prices, and the scrap iron will decrease in value in proportion. Now, the report goes on to say this—

The TREASURER: That report is out of date. It is nearly two years old.

Mr. VOWLES: That does not matter. The fact is that the Select Committee asked for certain information that was procurable or not procurable at the time. If it was not procurable then, it should have [5 p.m.] procurable now. What is the good of bringing this Bill back to the same House. Were they going to stultify themselves and turn round and say they would pass this railway without further information?

The TREASURER: They have all the information on those points.

Mr. VOWLES: Where is it?

The TREASURER: In my evidence.

Mr. VOWLES: I have read the hon. gentleman's evidence, every word of it, but he is not a geologist nor an expert. He

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had practical experience as a miner, and he was giving his own personal opinion as to the possibilities of that district.

The TREASURER: That is all anyone can do.

Mr. VOWLES: What was asked for here was the mineral prospects of the field. What did the geologist say? He told the Committee it was not the sort of "show" he would advise speculators to tackle. My experience is that although the Government are good speculators, they are the very worst class of business men. What information have we to-day on the present condition of the mines themselves? There is no word said about that, or the approximate value of the machinery. That machinery has depreciated, surely, during the last two years. What is the present value of it? Are we justified in paying to-day for unused machinery as much as we would have been justified in paying twelve months ago?

Mr. KIRWAN: You go down the town and try to buy second-hand machinery.

Mr. VOWLES: I know this much, that once machinery on mining fields gets out of date it is only worth its value as scrap iron. If hon. members look in the report of the engineer, they will find what he said on page 83 with regard to the permanent way—

"The road generally has a fair line and surface for the authorised speed. From my examination and a detailed inspection by the District Engineer in May last, I consider the renewal of sleepers is a little behindhand, also the number of loose dogspikes (9 per cent.) is high. A large proportion of the spikes are also not in contact with the rail, and the sleepers should be rebored and respiking effected throughout where necessary."

Then he went on to say in conclusion—

"I consider the maintenance of this line is somewhat behind, and if taken over by the Government an expenditure of £7,500 will be required to place the way and works in a fairly satisfactory condition.

"In regard to depreciation for the two years that has elapsed since Mr. Bell's inspection, I approximately estimate this at £8,900."

The depreciation was going on all the time, on the Government's own estimates. The Upper House, through their Select Committee, asked for information as to the value of the railway, and they had not got it, and hon. members have not got it to-day. Then, again, another very important question they asked: What is the estimated returns, the expected profit of the enterprise? Hon. members had not even got that information, although, I believe, it is in the platform of the present Government that if they get control of the line they will run it under the Commissioner—develop the mining resources, work the smelters and do the whole thing as a Government concern. The committee had not investigated the legal rights nor the effect of the moratorium on the proposed purchase. The committee, however, said this—

"The evidence actually given did not satisfy the committee that payable reserve ores exist in sufficient quantity to

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justify the State in embarking on what may be considered a speculative enterprise."

What additional evidence has been given by the Minister to-day? Has he read any report dealing, not with coal, but with what was asked by the report and the resources of the areas, and whether they were sufficient to justify the State in taking it over with the prospect of the mines not "petering out" for a number of years, but keeping on for a reasonable number of years to give them a reasonable chance of making a profit on the money invested.

Dealing with the Mount Mulligan agreement, we are asked to sanction an advance—which is to be secured by a bill of sale—of a sum not exceeding £90,000. I would just like to point out how that money is to be used. It says in the agreement—

"Whereas the company is the lessee of or entitled to certain coalfields (specified in the schedule hereto) at Mount Mulligan in the State of Queensland and has applied to the Minister to advance to the company or at the option of the company to guarantee the account of the company with a bank for a sum not exceeding ninety thousand pounds to be expended by the company for the objects and for the work and for the purposes and to the extent hereinafter set forth which the Minister has for the considerations herein appearing agreed to do upon the terms and conditions hereinafter contained:—"

£90,000 has to be furnished, and that is going to be expended as follows: First of all £60,000 in the purchase and erection of coke ovens, machinery, plant, and accessories, and the conservation and laying on of water at the mines; £5,000 only was to be expended in underground development work, but £25,000 of that money was to be given to the company for the purpose merely of discharging their present liabilities. That £25,000 is going out of action altogether. In addition to that, there were minor expenses. The Government had to pay the secretary of the debenture-holders the salary of £250 a year. As far as Mount Mulligan is concerned, the Government is taking a security which might be reasonable security, judging by the reports of the Geological Department as regards the coal areas over which the company have a right. If they develop the mine and prove the coal and the Government have the first right to it, it will be good business for the Government to find the money for that purpose alone, because it will serve their railways, even if it does not serve the smelters. If the Government came up with a proposal for the purpose of taking over Mount Mulligan and for the purpose of working the smelters and doing that portion of the work it would be a reasonable proposition.

The TREASURER: It would cost almost as much as to buy the whole thing.

Mr. VOWLES: Why should we not know what could be done in that direction? I do not want the Government to enter into these ventures, particularly in view of what they have done in other directions. Something has been said about the population of that district, and how it has fallen off. I would not like for one moment to suggest that the Hon. the Minister was influenced in

his zeal from that point of view, because I think that there is some hon. member patriotic enough to make room for him if his electorate is done away with. I can quite imagine the hon. member for Brisbane taking the Railway Commissionership and making room for the Minister. (Laughter.) I look at the question from this point of view. We have to regard the matter purely as a post-war proposition. We cannot take into consideration the inflated price of copper and the present value of the material in the railway line. We have to look ahead and see what the value of that property will be five years hence, when we all hope the war will be over.

The TREASURER: It will be worth £3,000,000 then.

Mr. VOWLES: If that is so, is it not a remarkable thing that the company and the individuals who have all the money behind their backs should be so keen to get rid of it? Why should they object to the debenture-holders spoiling the deal they were bringing off?

The TREASURER: They had not the power to do it.

Mr. VOWLES: Does the hon. member mean to tell me they could not get that power to produce copper for munitions? Would the Commonwealth Government refuse the company the right to produce copper for munitions? I know that those shareholders two years ago were keen on their rights, but now they were jolly glad to get out of it because they had a "mug" to buy it in the Government. I am opposed to the Government carrying on these socialistic enterprises.

The TREASURER: The railways?

Mr. VOWLES: No. Developing mining areas, smelting, and digging holes in the ground, like these companies. I am opposed to that on principle, and I am opposed to it more so as the result of the experience we have had of past dealings with the Government. Judging by their business activities as far as those public enterprises are concerned, I have not much faith in their management in such an undertaking as this. For those reasons I propose to vote against this measure on the second reading, and I sincerely hope that the members of the Opposition will look at it from my point of view and not encourage the Government in going into these "wild-cat" schemes. Almost a quarter of a million of money is involved, and it will not stop at that, because all the money necessary for carrying on this venture is appropriated. If they carry it to a success, they will be in a happy position, because a company with more money than they have failed to make a success of it. If it is a failure, it will not be the hon. members opposite who will be footing the bill, but it will be the taxpayers of Queensland, because I do not believe there are half a dozen members on that side who are taxpayers.

Mr. RIORDAN (*Burke*), who was received with Government "Hear, hears," said: I have listened to the hon. member for Dalby and I am very much surprised at the little knowledge he has shown of mining. He was speaking about the flooded Zillmanton mine. That mine was not worked for twelve months previous to the Chillagoe Company closing down, and naturally it would become flooded. In any mine not worked during a holiday vacation the pumpers are kept on the whole round of the shifts keeping the water down.

That is necessary in all mining fields. With regard to the fire in the Lady Jane mine, if the hon. member for Dalby had any knowledge of mining he would know that from the time the Lady Jane has been flooded the water must have put the fire out. I am sure that with the water in the Lady Jane mine the fire is not burning now. Previous to the company closing down they were not depending on the Zillmanton and Lady Jane mines for their ore. The Binisleigh mine was opened up, and it would not take very long to get that mine producing again. The Girofla mine was also supplying the company with ore. The Chillagoe Company from 1902 until March, 1914, when it closed down, produced 608,623 tons of ore, and produced from that 23,272 tons of copper, 317,508 tons of lead, 4,345,309 oz. of silver, and 23,911 oz. of gold. That was for the twelve years' operations from 1902 to 1914, and they were closed down through a shortage of coal—through not being able to get coal from Newcastle—on many occasions. While the company carried on operations in Chillagoe they were unlucky in many ways. There was the slip on the Cairns line which closed them down. It is a big expense running smelters down and opening them up again and keeping the mines unwatered for a month while there was a slip on the Cairns Railway. Then they were closed down on occasions through not being able to get their coal from Newcastle. Since then the Mount Mulligan mine has opened up and largely cheapened the treatment of ore from Chillagoe. Previous to the company's closing down they were paying 44s. a ton for coal and 75s. a ton for coke, and if they had been able to tide over for, say, another six or nine months, at the time they closed down, they would have been able to draw coal from the Mount Mulligan mine at the rate of 12s. a ton. I think it was in 1913 or 1914 that the Chillagoe Company approached the Government, then led by Mr. Denham, for a loan of £30,000, but that Government turned down the request. Had the Government granted that £30,000 to go on with, I have no doubt the Chillagoe Company would be carrying on operations in Chillagoe to-day.

GOVERNMENT MEMBERS: Hear, hear!

Mr. RIORDAN: The last twelve months during which the Chillagoe company worked, the smelters treated and produced approximately 51,607 tons of ore; for copper 1,950 tons, lead 2,472 tons, silver 264,260 ounces, gold 2,876 ounces. The average prices of metals at that time were—Copper, £60 10s. 4d. per ton; lead, £19 15s. 3d.; silver, 2s. per ounce; and gold, £4 4s. 11d. Now, at the above price the average value of those metals produced at Chillagoe during the year ended 20th March, 1914, was—Copper, £118,057; lead, £48,853; silver, £27,527; and gold, £12,219; or a total value of £206,655. Now, in 1914 the company was carrying on under those conditions—low price of metal and high price for fuel to treat their ores in Chillagoe. If you take the London prices of metals for 1917 and compare these with the prices ruling in 1914 you will find the following:—Copper per ton in London in 1917 was £130 5s.; lead was £30 10s. per ton; silver, 3s. per ounce; and gold, £4 4s. 11d. per ounce. So on the basis of production the value at January prices would be £381,000, instead of £207,000, the difference in value being £174,000, which would have tided the Chillagoe Company over their crisis. During the last two months the

*Mr. Riordan.]*

company carried on operations in Chillagoe they produced 11,683 tons of ore. Now, anybody who has any practical knowledge of mining cannot say, on those figures, that the bottom had fallen out of the Chillagoe mines. The company did not close down because of any shortage of mineral; the mineral "shows" were there.

The TREASURER: Hear, hear!

Mr. RIORDAN: There were fields there that had not been touched. The Percy mine had not been touched. The company proposed building a line to the Percy, a matter of 35 miles from the Etheridge line, and they would have opened up this field. But just then the war broke out and the company could get no further money, and they were forced to close down. Now, I think if the Denham Government had seen their way in 1913 or early in 1914 to grant the Chillagoe Company that loan, they would have been paying dividends in Chillagoe to-day. There is no doubt Chillagoe has never been tried. The field is practically just scratched at the grass. The Girofta mine, which is the only deep mine and is down 900 feet, was one of the best producers the Chillagoe Company had, and I think that is the deepest mine there was on the whole three fields. That proves that all the mines in and around the Etheridge, Chillagoe, and Herberton districts are down to a depth of 200 to 300 feet; and I am sure, if these mines are sunk to a greater depth, they will give the same result as the Girofta. On the Chillagoe Railway, no doubt, the company have the right to charge 50 per cent. over and above Government rates. On an average I think it works out at about 33 per cent. over Government rates. I heard the hon. member for Dalby saying that the company had made large profits and that the Government could not make their lines pay. Well, the company charges 55 per cent. more. But they were paying, anyway, from the time they started up to 1914, or up till Judge McCawley delivered his award in Townsville, higher rates than the Government for railway workmen. Railwaymen employed by the Chillagoe Company, right up to the time of the McCawley award, I think, were the best paid railway-men in Queensland, and the company showed a profit on paying their men high salaries, for five years' working previous to the close down, of £52,000. For the twelve months after closing down their profits on the line were £15,000. Now the hon. member says that the cattle from around the Chillagoe district all go overland and that there is very little cattle traffic going over the Chillagoe Railway. During the meatworks seasons at Bibbohra there are two and three trains of cattle a day going along the Chillagoe line, independently of ordinary traffic; and I think if the stockowners get their cattle carried at Government rates there will be a lot more cattle travelling over there; they will come a further distance to be trucked over the Chillagoe line. I think it is a very good idea for the Government to take over this railway and work it in conjunction with the smelters. I have no doubt the Government will make a success of it.

The TREASURER: Hear, hear!

At twenty minutes past 5 o'clock p.m.,

The DEPUTY SPEAKER resumed the chair.

Mr. RIORDAN: The mines around the Chillagoe and Etheridge field that had been worked include the Einasleigh mine. Previous

[Mr. Riordan.

to the smelter closing down this mine was sending 100 tons a day of 6 per cent. ore to the Chillagoe smelters, and right up to the eve of the smelters closing down. So this mine is fully developed, and there are large bodies of ore in sight. Now, the Queenslander mine is one of the mines at Forsyth—the only working mine there. When the Etheridge Gold Mining Company took the mines over they were owned by a gentleman on the field. They bought the mines and raised capital to develop the mining industry in and around the Etheridge. They erected a large electrical plant at Forsyth and put up a lot of unnecessary buildings and never went down their mines to try and develop them until the whole of their capital was gone. When they got down they found out that the man whom they had purchased the mines from had picked the eyes out of them and they had no money left to develop. In a report which I got out of the "Bulletin" it says—

"The Queenslander, the only working mine belonging to Etheridge Gold Mines, Limited, Forsyth, has its days numbered. Available ore will be exhausted in eight months or so. The reef is not cut out, by any means, but is strong underfoot; and what is more, it is the best-defined lode on the Etheridge field. It is 700 feet long and averages 3 feet in width, with 1 ounce gold and a silver-lead concentrate to help. To sink the shaft and open up No. 4 level the company sold its fine electrical plant, and since then no development has been undertaken. When this bit of ore is removed the to-let notice will be posted up, as the company has no more plant to dispose of and cash is its weakness."

Now, the company raised money for the development of this mine, and used it for other purposes; and after they had got into a bungle with the "Queenslander," the general manager from Chillagoe was sent out to make inquiries into the whole of the bungle. He sold out homes that had been built up there, with electric light laid on to them, and used that money, in addition to that which he received for any machinery which he found was unnecessary around Forsyth.

Hon. W. H. BARNES: What year was that?

Mr. RIORDAN: In 1915 they sold up that machinery and those houses to develop this mine. The Chillagoe Company's manager went out and made inquiries, and sold up those houses, and they have been working the mine successfully for the last two years. They have been showing a pretty good profit on the mine, yet now they intend to put nothing back to develop the mine after dragging the face out of it. That has been practically how the whole of the mining industry has been carried on around Chillagoe by private enterprise. The whole thing has been dug out for gain, and when they have made a fortune out of it they have cleared and left it.

Mr. VOWLES: Did you say they made a fortune in Chillagoe?

Mr. RIORDAN: They did not make a fortune in Chillagoe; you know that as well as I do. I heard you say they lost a million of money. (Laughter.) The same applies to all the mines in the Burke. There are mines within 40 miles of the railway which have never been touched by Chillagoe. There are the individual miners, the prospectors;

all those men were practically ruined when the Chillagoe closed down. The whole of the North was carrying a population of about 20,000, and the whole of the mining industry in the North was paralysed through the action of the Denham Government in not granting to the company £30,000 to tide them over their difficulties. Yet not too many months later the same Government, on the eve of an election, granted £16,000 to a man in Croydon, or to a syndicate, to go "blind stabbing" for gold on a borehole where it is well known there never was an assay got out. There was supposed to be an assay got out of it. The £16,000 was only a sop, as there is no man alive to-day who assayed it, and the assayer in Croydon who was supposed to have assayed it says there never was any assay got out of it. Yet the Government granted a man a sum of £16,000 to go away and sink a shaft 1,200 feet. He got down 230 feet, and there is about £5,000 of the money left. The people of Croydon, or the taxpayers of Queensland, or the Northern portions of Queensland, want to know why this money was not expended in the right direction. There is about £8,000 or £9,000 worth of old machinery on this mine, and they have not got an ounce or even a colour of gold. They are down now 230 feet after working on it for about three years. I think the

[5.30 p.m.] Chillagoe Company should have been given some opportunity and granted a few pounds at the time—not that I have any brief for the Chillagoe Company; I would be only too pleased to see the Government take it over, as it is a good proposition, and it must come. If there was a referendum taken to-morrow for the abolition of the Upper House, the Council would not get one vote in North Queensland on account of the rejection of that Bill alone.

GOVERNMENT MEMBERS: Hear, hear!

Mr. POLLOCK (*Gregory*): I rise to give the Bill my benediction in as few words as possible. I realise that it is time the Government did something for North Queensland. I realise, too, that the reason for only taking over the Chillagoe and Etheridge Railway, and the mining assets which also come within the scope of the Bill, is really because of the attitude of the Upper House. This afternoon I listened to the hon. member for Bulimba putting up his pitifully weak objection to the taking over of these assets by the Government. One of his objections was that the Government had not the required information as to the value of the mines which it proposed to take over. Despite the fact that the Commissioner for Railways, in his report, stated that the railway assets alone were worth the value that the Government were going to pay for the whole of the assets of the company, the hon. member still insists on saying that the Government had not sufficient information as to the mines. He said, too, that the Select Committee did not furnish, in his opinion, the information which was necessary in order to show that the mines could be made a payable proposition. The hon. member knows that the Select Committee appointed by the Upper House was not a committee appointed for the purpose of getting information, but to furnish excuses as to why the railway should not be bought.

Mr. VOWLES: The Government was represented by counsel.

Mr. POLLOCK: The hon. member knows that no information of this sort can be obtained except by recourse to the ordinary "Mining Journal" published every month. That journal gives a correct report of the progress of every mining field in Queensland. It may not do that in connection with every field in every issue; but it gives a correct report from time to time on every show of any consequence in Queensland, and had those "Mining Journals" been searched the evidence would have been found. But those gentlemen did not want to find that evidence; their whole attitude was that they did not want to get the information. Nobody could expect that that information could be obtained by any other method than by a commission or some body of competent men getting those reports at the time they were issued. If they did not want to resort to that method, they must appoint a travelling commission of experts to find out the standing of the various mines in that district. But no report can be obtained in Queensland from official or unofficial sources which will give the positions of the mines in any one district in Queensland. The hon. member knew that, and he, together with the members of the Upper House who formed that committee, was not urging honest and valid objections to the taking over of these assets, but merely giving excuses as to why they should not be taken over.

Hon. W. H. BARNES: If they were only excuses, they were marvellously strong.

Mr. POLLOCK: The excuse for taking over these assets would not be necessary if the hon. member for Bulimba had carried out his obligations as Treasurer and assisted those shows when they needed assistance. The sole reason why the Chillagoe Company is not being made a success is because the hon. member refused to allow them sufficient money to carry on with until the price of copper improved, as it was doing at the time. He, more than any other individual in this State, must accept the responsibility for the closing down of the Chillagoe Company. I want to say that there is a necessity for the Government to open the show because of the desire that must exist in the heart of any man who is a genuine Queensland-er to see the small men in the mining industry given a chance. There were hundreds of men—copper gougers—in the Chillagoe district who were making a good living prior to the closing down of the Chillagoe Company. Those men were able to send in their ore to the Chillagoe smelters for treatment, and it kept an army of small men, who were their own bosses and earning a good living, in and around the Chillagoe district. To-day practically all those men have left the district, having been compelled to go elsewhere in search of employment. In many cases these men—and when I say these men I mean the copper gougers who found the copper before the big companies came to develop the shows and who made the advent of smelters possible—

Mr. KIRWAN: The pioneers of the industry.

Mr. POLLOCK: The pioneers of the industry, as the hon. member says. These men are being compelled to earn a living, away from their families, in the sugar industry, and the shearing industry, and in other parts of Queensland, where it is not possible for them to have their families with them. For the sake of giving these small men the chance of living with their families, and to educate their children, this Bill should become law.

*Mr. Pollock.*]



I am not going to say anything with regard to the future of the copper industry in Queensland. I say that of my knowledge—and I speak as a practical miner who has worked in most of the Chillagoe mines—most of these mines are good paying shows. But, in addition to that, most of the country in the Chillagoe district has barely been scratched; most of it has never been prospected, and will never be successfully prospected until smelters are again in working order in Chillagoe or some other centrally situated place, so as to give these gougers an opportunity of getting the stuff treated at a reasonable price. I hope that, if the Opposition has any genuine arguments to advance as to why this company's assets should not be taken over by the Government at this price, they will give them, and refrain from merely giving excuses. Every argument that has been adduced on the other side this afternoon, and during the whole of last session when this Bill was before the Chamber, is more in the nature of an excuse for not doing something they do not wish to do than as a reason for not doing it. I hope that this Bill will speedily become law, and that the people of North Queensland will be given a chance to carry on in the way they carried on before the Chillagoe Company closed down its works.

GOVERNMENT MEMBERS: Hear, hear!

HON. W. H. BARNES (*Bulimba*): The hon. member who has resumed his seat and the hon. member who previously spoke—and especially the latter hon. member—gave the very strongest argument why this Bill should not be carried by the House. The hon. member for Gregory distinctly stated that the territory, from a mining point of view, had only been scratched.

MR. POLLOCK: That applies to the whole of Queensland in connection with the copper industry.

HON. W. H. BARNES: The arguments used by the previous speaker were also, of the same nature, and his arguments, very carefully prepared as they were, could be immediately turned round to show that it would be absolutely unwise to go in for this particular business. One of the first objections I ought to reply to was an interjection made by one hon. member with regard to the Denham Government refusing to advance a sum of £30,000 to the Chillagoe Company. I think the country ought to be congratulated upon that Government taking the course which they did at that particular juncture.

HON. W. N. GILLIES: It was quite in keeping with their usual attitude towards mining.

HON. W. H. BARNES: I shall show later on that it was only in keeping with the attitude which should have been adopted by a Government which was out to safeguard the best interests of the State. To me it is a most amazing thing to find that some hon. members opposite are advocating the giving of money to private enterprises when at one period in the life of the party opposite—it may be that the hon. members who have spoken are not responsible for that—they would have attempted to down any Government which, for one moment, proposed to advance a sum of money to a private enterprise.

THE TREASURER: What do you mean by "advance a sum of money"—do you mean to make a purchase?

[*Mr. Pollock.*]

HON. W. H. BARNES: No, I am dealing with the question of the £30,000 which has been introduced into the debate.

THE TREASURER: I think your refusal on that occasion has resulted in the loss of production to Queensland of thousands of tons of copper.

HON. W. H. BARNES: The hon. gentleman only thinks. He knows that the Chillagoe Company were not only in trouble then, but had been in trouble for many years, and he knows that they had gone to the debenture-holders and had received fresh moneys from them and adopted fresh methods in order to try and carry on. Is it not a fact that between four and five millions of money have already been spent in those particular districts by the Chillagoe Company for a period of about twenty-seven years, and yet hon. members opposite say the country has only been scratched? Is it not a fact that men who go in for enterprises of this nature—whilst I admit that everybody may make a mistake—generally speaking, employ the best brains possible in order to carry out their enterprise? I do not suppose that anyone will say that the very best brains were not used in connection with this mining enterprise.

I do not intend to deal with the report of the Select Committee to-night, as the hon. member for Dalby has dealt efficiently with it. It has been contended by some hon. members opposite that this party are against mining development. I hope that every hon. member, whether on this side or the other, will realise that there is a duty cast upon us, as representatives, of always taking the wider view of the needs of Queensland, and trying to adopt the very best methods in connection with that view. I think that every hon. member will come to a conclusion, after having looked at the different phases of this Bill according to his conscience, and will vote accordingly.

I want to look at the matter, first of all, from the side of the company, because, I should be inconsistent if I did not say, what I have repeatedly said on the public platform, that I believe that the Chillagoe Company were very largely responsible for helping to develop North Queensland, especially in regard to its mining interests. I believe that they very largely contributed in helping the State, and it will be admitted that they must have contributed very largely in helping the Cairns Railway line more particularly. That railway would not have been the proposition which it is if it had not been backed up by this enterprise. I know that members of the Government may say that that is a strong argument for this Bill, but this company certainly was a factor in helping in the development of North Queensland. And I suppose, notwithstanding what our views may or may not be with regard to private enterprise, I believe it should be a source of deep regret that any person who honestly tries to develop the country or any of the districts of this State should fail. I believe, as I do not hesitate to say to-night, that in my judgment it is a good thing to encourage private enterprise with proper safeguards. I know that is a theory that some members on the opposite side will not endorse.

THE TREASURER: Why did you not make that advance in 1914?

HON. W. H. BARNES: The hon. member knows that if it had been made it would

have been one of the most unsound things done by any Treasurer of Queensland, because it would only have been adding to the company's troubles, without getting them out of the difficulties they were in. And the hon. member knows, or he ought to know, that some members of that company travelled to the old country and tried to get relief and were not successful.

The TREASURER: The war prevented that.

HON. W. H. BARNES: No; as a matter of fact the hon. member has forgotten that a certain gentleman in this city went home to London before the war and sought to do certain things.

The TREASURER: They were then making arrangements to get additional capital.

HON. W. H. BARNES: Micawber-like, they were waiting for something to "turn up" some day, and if the Denham Government had done what was asked they would have done a very unfair thing to Queensland, and it would not have helped to continue the life of this company. Assuming that the arguments of hon. members opposite are correct, possibly they will say that it is a good thing that the company did not get the advance, because in refusing it we were probably opening the door for them to follow some of their venture-some schemes which are going to add to the burdens of the taxpayer.

HON. J. M. HUNTER: You were an accessory before the fact?

HON. W. H. BARNES: The hon. member who interjects was never an accessory before any fact. I am sorry to say, so far as a grip of things is concerned, he is behind the times. Certain sums of money have to be found to help the company out of this difficulty.

The TREASURER: No; to help the district out of its difficulty.

HON. W. H. BARNES: Well, then, shall we put the two together? Is it not a fact that £90,000 is to be advanced by the Treasurer? I think he is committed to that whether the Bill passes or not.

The TREASURER: What makes you say that?

HON. W. H. BARNES: The hon. member knows I am on pretty safe ground when I say that.

The TREASURER: It is perfectly erroneous.

HON. W. H. BARNES: I will accept that statement. At any rate, I am safe in saying that in the event of the Bill passing, he has to find £90,000, and £60,000 of that is to be used in certain directions, and then certain moneys have to be found to pay back debts.

The TREASURER: Yes, and we are well secured and we get a very good quid pro quo. The hon. member for Dalby admitted that it is good security.

HON. W. H. BARNES: The hon. member for Dalby is responsible for what he says, just as I am responsible for my own utterances. That is one of the advantages of being on the Opposition side—at any rate you can express yourself, and you are not tied up in that regard. Now, I want to ask what proportion of that £90,000 is going to be left for the working of the company? Is it going to be only some little sum that is going to tide them over? Am I not right

in thinking that a very few months will go by before they come along for another advance?

The TREASURER: You must know that they are a producing concern now.

HON. W. H. BARNES: Yes, I admit that, but I also admit that, notwithstanding that, judging by the Treasurer's own words, they are apparently not able to finance themselves.

The TREASURER: If they could finance themselves, we would have no chance of getting the railway on these terms.

HON. W. H. BARNES: For twenty-seven years that has been the condition of things with regard to Chillagoe. I say that it is regrettable that it has been so. The Treasurer told us what would have happened if they had been in operation now. He said that even now the railways are paying.

The TREASURER: That there was a net profit over working expenses.

HON. W. H. BARNES: I take it that he was probably not allowing anything for interest.

The TREASURER: No; I said that.

HON. W. H. BARNES: That weakens his own argument.

The TREASURER: I said that they had some interest to debit against the profit. I do not know what that would be.

HON. W. H. BARNES: Judging by the hon. member's interjection, that argument would indicate that the company, with a 50 per cent. higher schedule than on the Government lines, was not able to pay its way.

The TREASURER: I think the interest charged on the proportion of the debentures would be about £15,000 or £16,000 a year. The net income was £60,000 a year.

HON. W. H. BARNES: The Treasurer now shifts his ground again, and says that they were probably making about £44,000 a year, but the fact remains that for all these years, for some reason or other, the company have been in such difficulties that they have not been able to carry on in an active way. Am I not right in saying that repeatedly, in Melbourne, meetings were held—I do not know whether the Treasurer has had the experience I had when Treasurer—and that the practice was frequently, after those meetings, to try to look up the Treasurer, or some of his colleagues, to see if further sums could not be advanced?

The TREASURER: You never advanced them a solitary loan.

HON. W. H. BARNES: The hon. member knows what has been done, because he has most carefully gone through the papers in the Treasury Office, and in his heart of hearts he knows that the policy pursued by the late Government was the only policy that could be pursued in the interests of the community generally.

The TREASURER: Very short-sighted.

HON. W. H. BARNES: I am prepared to admit that when the Treasurer gets on his feet he generally puts before you a case to which every man in the House must listen, but I am afraid that with the usual sound judgment of the Treasurer he kept back some of those things which were dug up by the hon. member for Dalby. Probably he was affected in his judgment because there

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are certain electorates included in a group which as a matter of fact have, perhaps, three or four representatives in this House, whereas according to the democratic principle he knows they ought only to have approximately one. In my judgment he is concerned more about that, and probably his ordinary clearness of vision is clouded because he has a fear of what may happen in that regard when the Government do their duty and face the question of redistribution.

The HOME SECRETARY: Do you think for one moment that the Treasurer would commit the country to a loss of over half a million for a reason like that?

HON. W. H. BARNES: The hon. member asks a very straight question. I do not hesitate in saying that my judgment of this Government is that they would not hesitate one moment, whether it was half a million or a million, if they had some wild enterprise they wished to carry out, and they would leave "the other fellow" to pay for it.

The HOME SECRETARY: I think you think more of the companies who pull the strings than the Government.

HON. W. H. BARNES: I cannot admit the statement of the Home Secretary. He asked for the information, and I have given it. Boiled down, these proposals are not so much for getting railways or what may be got from them, but in the direction which has been hinted at by the hon. member for Gregory—that the proposals are going in the direction of further State enterprise, so far as smelting is concerned.

Mr. POLLOCK: I did not hint at that, but it might not be a bad idea if we were.

HON. W. H. BARNES: Possibly I have drawn "a bow at a venture" and not failed. My own opinion is that behind it is a desire that the Government may have the opportunity to embark still further in State enterprises. It does not matter whether they pay or not.

The TREASURER interjected.

HON. W. H. BARNES: I am glad to hear the Treasurer say that, but I am afraid he does not realise that there is positive danger for the State, and behind the whole scheme there is a disposition to embark on this enterprise so that there may be for the community, as represented by the Government—who do not seem to care one iota about the expenditure—further opportunities for exploitation in that particular regard.

The TREASURER: You do not dispute that it would bring population to the Northern districts?

HON. W. H. BARNES: I do not. Of course, the Etheridge Railway is included in the agreement. The Acting Premier knows that in about three and a-half years that will have to be taken over by the Government, and I want to know why there is this great anxiety on the part of the Government in connection with this Etheridge Railway, especially, as was pointed out by the hon. member for Dalby, when certain clauses provide for the taking over of the line on certain conditions. There can surely be no risk in leaving it to mature.

The TREASURER: There is risk.

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HON. W. H. BARNES: The hon. member will have an opportunity in his reply to show where the risk comes in. I have no hesitation in saying that there is no risk in leaving it to mature, and the Government—whether this Government or any other Government—would then have to take over the line whether they liked it or not. But they do not want to wait, and, as I said before, there is something else behind it. I want to ask what is the condition to-day, because we have to face it? It is not a question whether high wages are right. And let me say that this party do not stand for low wages.

HON. W. N. GILLIES and GOVERNMENT MEMBERS: Oh, yes!

HON. W. H. BARNES: No, this party do not stand for low wages.

Mr. BARBER: Since when? They always have done so.

HON. W. H. BARNES: But I want to ask whether the question of wages does not come into the consideration of any enterprise of this kind, because whether we like it or not we have to face it. Especially after the war, we shall have to view the position from the standpoint as to how we will stand outside. The Treasurer says that they have advanced only 25 per cent.

The TREASURER: That would be the outside limit.

HON. W. H. BARNES: As I interjected at the time, the hon. member is altogether wrong. Wages have advanced, in my judgment, more than 25 per cent.

The TREASURER: I was speaking of the Chillagoe district.

HON. W. H. BARNES: Yes, I am, too, and I think it will be admitted that, whether we do or do not like it, for a considerable time the prices of certain commodities will be bound to go up. That will continue until the war is over, and perhaps some time after. The late Secretary for Public Lands will know that there are commodities which he deals in, and which we deal in, that are increasing in price every year.

With regard to the question of labour conditions generally, I would like to emphasise that point further. It does seem to me that in connection with propositions [7 p.m.] such as this and other conditions that will probably exist whether we like it or not in competition with outside countries, I am quite sure that this is one of those matters that must appeal to hon. members.

The TREASURER: So far as wages are concerned, in America copper miners get higher wages than they do here.

HON. W. H. BARNES: I am not suggesting that copper miners should work at a lower rate, because if there is one calling more than another where men should be well paid it is mining. Conditions are such that miners should be well paid. I notice, in connection with the proposal to pay the Etheridge Company £225,000, the clause in the Bill gives the Government a very wide option indeed, both with regard to the currency of the debentures which, I take it, are to be issued and also as to the rate of interest and other matters.

The TREASURER: Not as to the rate of interest.

HON. W. H. BARNES: Probably I misread it. I certainly thought both matters.

were left in the hands of the Treasurer. However, the Treasurer says that it is not so, and I accept his statement. The question of currency and the question of the Bill probably arise very largely from the fact that the Government are anxious to be able to pay this £225,000 at a certain period. The Treasurer, however, will be able to let us know about that later. With regard to these proposals, there are some questions which I would like to ask. First, I want to ask, is it a business proposition put before us in this Bill? I think anyone who has carefully gone through the evidence must at once realise that it is not a sound business proposition. It is not a proposition which the ordinary individual would go into. It is altogether opposed to business principles. We find the Government put in the position of practically relieving people who find themselves in difficulties. I again say that I have no desire to say one word against men who have spent a very great deal of money in the country, but it is their venture, and I take it that the Government should not be asked to come along and see them out of their difficulties. I am not going to suggest that the amount proposed to be paid is going to compensate the company or the debenture-holders for the money they have put into the concern, but the Government should not be placed in the position of coming to the rescue of a company that finds itself in difficulties. I would like to ask another question: From a railway standpoint, should it be gone on with? I think every hon. member in this House will admit that there are propositions in connection with railways which have to be considered from the broad and national standpoint, and we will all agree that every trunk line in particular, and every feeder to trunk lines, is an important essential towards the development of this State; and I would like, therefore, to ask the question: Is this particular proposal to buy up these lines, quite apart from the mining enterprises, essential from what you might call the national standpoint in connection with the development of this State?

The TREASURER: Undoubtedly.

HON. W. H. BARNES: I am very glad to hear the hon. member say that, although I do not altogether agree with him.

The TREASURER: This railway is bound to be linked up in the line that will some day go towards the Gulf.

HON. W. H. BARNES: The fact remains that at the present moment it is not a line that is likely to pay under the conditions that will apply, namely, the reduced rates of carriage. The third question I would like to ask is: Is it essential to the mining industry?

The TREASURER: Yes.

HON. W. H. BARNES: The Treasurer says it is. We have been told to-day by some speakers that the district has only been scratched. Well, if it has only been scratched, someone has been scratching it at very great expense, and it seems to me, judging by the report furnished to the House, that in the scratching it has been demonstrated that, as far as the existing mines are concerned, they have been, to a very great extent, worked out, and if the Government succeeds—as I have no doubt they will succeed—in carrying the proposals in this Bill, a very large sum of money

will have to be spent to develop the district from a mining point of view. We on this side are not opposed to development as far as mining is concerned, but we do say that it is essential to see a way out, because if the proposals are not proposals that commend themselves and are not likely to work out well, then it is eventually going to bring disaster to the State. Then there is another question: Will it assist the development of the lands in the North? I take it the feeling of every member in this Chamber is that it is essential, as far as possible, that we should seek to develop our land. As far as I can gather with regard to the proportion of land suitable for pastoral pursuits at least, there are not very many which are not directly linked up already. They are not sufficient, apparently, to make the line a payable proposition. I know it has been suggested this afternoon that probably a lower rate would induce a very much larger cattle trucking. I think that was the statement made, but I do not think that that counts for very much. It seems to me that, apparently, the owners of stock are so near the place where they are treated that when they are on the move it does not matter very much which line they go to.

The TREASURER: I do not think that one head of stock goes on hoof to the Bibbohra meatworks.

HON. W. H. BARNES: I am quite prepared to accept the Treasurer's statement. I do not hesitate to say, in connection with these proposals, that very largely this Bill is introduced in order to make secure the starting of the smelters in that particular district in order to give the Government another opportunity of embarking upon State enterprises, although we know of cases which have not been very successful. Already nearly a million of money has been put into enterprises, and, judging by the experience of the Chillagoe people and the expenditure of between £4,000,000 and £5,000,000, apparently not to any great success, behind the proposals which the Government are making now the object is primarily to begin the business of smelting in the North, and I am very much afraid we are going to embark upon a policy in that particular regard which is going to lead to the expenditure of very large sums of money and an inadequate return.

The TREASURER: If we do not spend money there will be no increased production.

HON. W. H. BARNES: I believe in increased production; but I believe in obtaining it by sane and honest methods, and the proposals of the Government will not bring it about. Then, again, I want to say that the proposals are not financially sound. The position is absolutely financially unsound, and it is a leap in the dark. Let me again emphasise the point that, as far as the railways are concerned, all the Government are seeking to get they already have—namely, the power to run trains over those lines. If the company make default the Government have that power. The greatest objection, it seems to me, in connection with these proposals is that the Select Committee—someone interjected this afternoon it was a prejudiced committee, but I do not believe in that; I believe the Select Committee from the other House was anxious to get information, and I want to emphasise the point made by the hon. member for Dalby when he drew attention to the fact that, in February, 1917, certain questions were asked and

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certain objections were raised, and they were detailed in that report unanimously, with one exception; and yet, as far as I have been able to gather, no attempt has been made to get evidence to answer those objections.

The TREASURER: All the particulars which should be adequate to furnish any formation were in the hands of the members of the Select Committee and the members of this House.

HON. W. H. BARNES: I take it that, in connection with a proposal such as this, the mere statement from the Minister, not backed up by anything else, should not be taken, nor should we be expected to take it.

The TREASURER: The Railway Commissioner's report was there, and other reports.

HON. W. H. BARNES: Those reports were not altogether in the direction of endorsing these proposals. As far as the railway proposition and the actual cost they do; but I say the reports do not altogether endorse these proposals.

HON. J. M. HUNTER: Did you read the Commissioner's report and recommendation?

HON. W. H. BARNES: Yes. I read it as closely as the hon. member, and anyone who has gone carefully through the report must come to the conclusion that answers should have been given to the Select Committee; and I am quite certain that if they had been capable of being got the Treasurer would have been only too ready to have got them.

The HOME SECRETARY: These proposals will go a long way towards helping the people in the North.

HON. W. H. BARNES: I am pleased to hear the Home Secretary say that, because in the past there has been a disposition not to help in that regard. This side of the House is just as mindful of the necessity of peopling the North as hon. members opposite, and we realise how important it is from our close proximity to other nations; but we are not going to people the North by proposals such as this—by proposals which are financially unsound, and which eventually are going to bring unsatisfactory results to the community as a result of embarking on them. I shall certainly vote against the second reading of the Bill.

HON. W. N. GILLIES: The attitude which the hon. member for Bulimba has disclosed by his speech to-night is quite in keeping with the attitude his Government had to North Queensland and the great mining industry generally.

GOVERNMENT MEMBERS: Hear, hear!

HON. W. N. GILLIES: The hon. gentleman says he perused the report of the Select Committee, and I would like to call his attention to a statement made in that report by Colonel Evans, appointee of the late Liberal Government. The member for Burke, in his very able speech this afternoon, called attention to the fact that had the late Treasurer (Mr. Barnes) granted the £30,000 to the Chillagoe Company, which they required during 1913-14 when he was Treasurer—and the people of the North, almost to a man, demanded, that that should be done—probably the Chillagoe works would have been going in full swing to-day.

The TREASURER: Hear, hear!

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HON. W. N. GILLIES: This is what Mr. Evans said at question 320, page 24, of the Select Committee's report—

"I should imagine that if the company asked for a loan of £30,000 it was only a reasonable request. The Government would have had a lien on the rolling-stock and the railway itself as a security. I was not asked to give any report, but I mentioned the matter at the time to Mr. Paget, who told me casually that the company were after a loan of £30,000, and I said I thought they should get it because we always had rolling-stock, buildings, and the line.

"As security?—Yes, if we wanted it."

Now, the hon. gentleman has intimated by interjection that we would have lost that £30,000. Well, I intend to ask him whether, having shown so much concern about the £30,000, he might not have been a little bit more concerned about the money taken from the taxpayers of Queensland in connection with the matter which the member for Brisbane called attention to the other night in his speech and which is referred to in the Auditor-General's report for 1914-15 in connection with the resumption of certain land at Hamilton. I am almost tempted to read what the hon. gentleman had to say with regard to those two portions of land that were resumed on that occasion, to show how liberal-minded the Treasurer was when it came to a matter of lading out money in Southern Queensland—in the metropolitan electorates—as compared with a reasonable request from the Chillagoe Company to lend them £30,000 to keep that great works going in North Queensland.

HON. W. H. BARNES: They were improved properties.

HON. W. N. GILLIES: Well, the Auditor-General knew what sort of properties they were, and these were his remarks. I am quoting from the Auditor-General's report for 1914-15, page 30, in dealing with properties resumed for harbour improvements on the Brisbane River. First of all there is question No. 63. He points out that while this property was offered to the Government in 1911 at £30 an acre, amounting to £21,000 for 700 acres, the Government purchased 526 acres for £70,979 8s. 6d. That was one item. The next item, according to the Auditor-General, is that included in the properties purchased during 1914-15 was one comprising 4½ acres 7 perches in the county of Stanley, parish of Toombul. The Auditor-General says—

"I note from the papers that in 1912 this property was valued by Treasury at £2,115, being house, etc., £545 and land £1,570. An offer of £2,000 was then made by the Treasury, but it was not accepted. Notice of resumption under the Public Works Lands Resumption Act was published in the 'Government Gazette' of 25th April, 1913, but was subsequently rescinded owing to some informality. On 22nd February, 1915, however, the solicitor for the owner advised that he would accept £6,000 and a five or ten years' tenancy at a fair rental. On the authority of the Treasurer (Hon. W. H. Barnes) this offer was accepted, and an amount of £6,000 was paid for the property in May, 1915."

I am not suggesting for a moment that the

hon. gentleman received anything himself, but I am pointing out that the hon. gentleman, as Treasurer, refused to lend the Chillagoe Company £30,000 on probably the best security that could be obtainable—that is, the security of a railway with 60-lb. rails in good working condition. Even if there were no further security it would have been a good proposition. I was in North Queensland at the time and practically all the supporters of the then Government—chambers of commerce, local authorities—held meetings and passed resolutions urging that this advance should be made in order to keep this great national concern going. Had that amount been granted to the Chillagoe people at that time it is quite possible that the Chillagoe works would have been working to-day.

GOVERNMENT MEMBERS: Hear, hear!

HON. W. N. GILLIES: We hear a lot about patriotism. We know that nothing is wanted to-day to a greater extent to help win this war than copper. If it were not for the "dog-in-the-manger" attitude of the late Government one would not worry so much about it. The Chillagoe people—the shareholders, the debenture-holders—are not able to restart these works themselves, and the Opposition and the Upper House appear in the past to have been determined to prevent the Government from taking over the Chillagoe works and the railway at what I submit is a reasonable price, because the price is just half what was contemplated by the previous Government—£900,000 as compared with £450,000. The proposition, from the point of view of North Queensland—and I speak as a North Queenslander—is a good one. (Hear, hear!) Not too much money has been spent in the past by previous Governments to assist to develop the industries in North Queensland. I cannot conceive of anything that would be a greater boon at the present time, quite apart from the necessity of the nation or the Empire as far as copper is concerned. I cannot conceive of anything that could be done by this Government at the present time to help to rejuvenate the mining industries of North Queensland than the taking over of the Chillagoe works. I represent an agricultural district, and I am satisfied that a number of the selectors who went North to take up land on the Atherton scrub to grow foodstuffs, did so because they realised that that great mining cupriferous belt at the back of Atherton would provide them with a ready market. Since the closing down of those works the population has been driven away to the city. If the Government will take over this concern I am sure the farmers will be able to get a ready market for their produce. We are able at the present time to produce more butter than can be consumed north of Townsville, and we do not want to send that South if we can get the people up there to use it. There are quite a number of questions and answers in this Select Committee report quoted freely from by the member for Dalby. Some of the questions and answers were not suitable, and being of a legal turn of mind of course he simply picked out that which suited himself. I suppose the only real expert who was examined, and who could give information with regard to the mineral value of the proposition, was Mr. Ball. Mr. Ball—though, I believe, quite an honest man, is regarded as the pessimist of the Mines Department; but even some of his answers were quite

encouraging so far as this proposition is concerned. The hon. member for Dalby quoted some of the questions and answers by Mr. Ball to show that Mr. Ball was uncertain as to what the proposition was underground. In reply to question 243, Mr. Ball said—

"The State can make up in other ways. It is a benefit for the people in the district, and that is a benefit to the State."

Further on he says—

"I could not estimate the quantity of ore in sight."

Question 252—

"Are they flooded?—Yes, the more important mines are flooded."

Now, if the more important mines were flooded it was impossible for Mr. Ball, of course, to estimate the value of the ore underground. Another question was—

"Your idea is that to a large extent the 'eyes' have been torn out of the field and the low-grade propositions left?—No."

Those are some of the answers of Mr. Ball.

HON. W. H. BARNES: There is nothing committal there at any rate.

HON. W. N. GILLIES: The member for Dalby endeavoured to lead this Chamber to believe that the evidence of Mr. Ball, as disclosed by the reading of the Select Committee report, was all against the undertaking by the Government. I say it was not so.

HON. W. H. BARNES: Why don't you finish the answer?

HON. W. N. GILLIES: The hon. gentleman can read the whole lot if he likes and get it into "Hansard," if he so desires. I could quote a good many more answers that would help me, but it is not necessary for me to do so. What I want to speak particularly about in support of this proposal is the effect which the taking over of the railway and the working of the mine will have on North Queensland generally. I don't think anyone who knows North Queensland will deny what I am about to say. It is a very unfortunate thing for North Queensland that every member in this Chamber has not visited the "magic North." There are a great many members in this Chamber who have been here for years. I don't say it is their fault, but every member ought to make himself familiar with the whole of the State. There are a number of public men who have never seen North Queensland, and consequently they cannot form any estimate of the value of that great fertile territory beyond Townsville. We had a Cabinet Minister up in the Atherton district before I got into Parliament, and he thought he was paying the people a great compliment by saying the Atherton district would be a second Darling Downs. In my opinion there is absolutely no comparison between the great Atherton district and the Darling Downs. The Darling Downs, I admit, is a fertile spot when it gets the rainfall. We get the rainfall in North Queensland; we have the soil there; and we want to get for the people a little bit of assistance from the Government, and the patch of country north of Townsville is capable of carrying a great deal more than the present population of Queensland. A man who had travelled the world said to me some time ago in Atherton, that taking 100 square miles from Atherton—which would

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include Cairns and the sugar lands of the Mulgrave and the Johnstone River, take in the Palmer Goldfields, the Chillagoe and Wolfram Camp, the Herberton, Atherton, and North Johnstone scrub—take in that 100 square miles of country it was safe to say there was no other part of the world with such a great variety of natural wealth. First of all, there was the great mineral wealth, which was ably dealt with to-night by the Treasurer and the member for Burke. Then we come to the great agricultural possibilities—the soil, which I say is equal to anything in any part of the world; the sugar-growing soil; and not forgetting the important deep-sea ports provided by nature free of charge.

MR. PAYNE: And the timber?

HON. W. N. GILLIES: My friend the member for Mitchell interjects regarding the timber wealth of North Queensland. That alone is such as to justify a very large expenditure of Government money in order to develop and establish industries there. It is a well-known fact that the Queensland maple is becoming known throughout Australia, and is fast taking the place of cedar. The maple growing in North Queensland is a timber that is not to be found in any other part of the world. We have lovely maple there. We have great quantities of kauri pine and hardwoods. The timber wealth alone in North Queensland is such that it would justify a large expenditure. Now, these industries can be assisted by the bringing into existence again of the great copper mining industry. Timber will be required for those mines, and for buildings. As I have pointed out already, the farmers on the Atherton scrub who are growing food-stuffs will have a ready market for their produce if the mining industry is again rejuvenated. Now, with regard to cattle. It is not generally understood, perhaps, that the Chillagoe district is also a valuable cattle-producing district right away to the Gulf, and the large meatworks at Bibohra, which is only 4 miles from the terminus of the Chillagoe Railway at Marceba, is working now every year for long seasons. Nearly all the cattle brought into those works are brought in by the Chillagoe Railway. I say the railway alone, even if we had to pull the rails up, would almost justify the paying of the money, seeing that these are 60-lb. rails, which are wanted—because all the new railways that are being sanctioned are being built with 60-lb. rails. That alone would justify the Government in paying the money that they propose to pay.

We have to remember also the great coal deposits at Mount Mulligan. We were told by the last Government that there was a coal supply there for 200 years. I have learned since then that the coal [7.30 p.m.] at Mount Mulligan is good coking coal, and, as the Commissioner for Railways pointed out in his evidence on the Select Committee, they were getting all the coal they required from the Mount Mulligan mine at that time. I hope that on this occasion the Upper House will see the fairness and wisdom of allowing the Government to acquire this proposal. No one else is able to work the concern, and the Government are prepared to take it over. The offer is a reasonable one, and nothing to my mind can be of greater advantage to North Queensland at this time. I think it is about time that something was done for the

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mining industry of North Queensland. The Federal Government have done all they could to cripple it by, first of all, passing the agency for metals on to Dalgety and Co., and giving a monopoly to the Thermo Electrolytic Company in connection with rare metals. I hope this agreement will be ratified, and that the Government will in a very short time be able to re-establish the Chillagoe works to the benefit of Queensland generally.

GOVERNMENT MEMBERS: Hear, hear!

MR. GLEDSON ( *Ipswich*): As one of those members who have taken an opportunity of visiting the district and judging it at first hand, I desire to say a few words in connection with this Bill. The Assistant Minister for Justice has said that that district, in regard to agriculture, stands ahead of anything in Queensland. I think that is to be taken for all that it is worth. I have visited the district, and there is no district I have seen, either in Queensland or any of the other States, that can compare with that district so far as agricultural land is concerned.

Taking the evidence in connection with the whole of the mineral fields in the world, there is no mineral belt which is so huge as that in North Queensland above Cairns. The mineral fields there not only produce copper, but also the raw metals which are not found in other parts of the world in such abundance. I am interested in this Bill, and I have inspected the district, having taken an interest in mining matters for the purpose of trying to help the mining industry in Queensland.

I think the leader of the Opposition, when speaking on the introduction of the Bill, was perfectly fair. He said that this House wants all the information it can get in connection with the Bill. I am going to endeavour to give the House the information I have at my disposal, and my experience of mining is life-long. I have done nothing else but work in connection with mining and mining machinery. The hon. member for Dalby has a mine in his district, and can therefore be taken as an authority on mining, and on watered stock. (Laughter.) The hon. member for Dalby said, "I am opposed to this because I am opposed to the socialistic schemes of the Government." He does not consider whether it is going to be a good thing for the people of Queensland. All he considers is how he can oppose the Government because he is in Opposition. The people in the country will be able to take that for what it is worth.

MR. VOWLES: Did I not give reasons?

MR. GLEDSON: The principal reason he gave was that he was opposed to this because it was one of the socialistic schemes of the Government. If it had not been for the Government the hon. member supported in the past allowing this railway to go into the hands of private enterprise there would have been no need for this Government to come along to raise money to buy back the railways of this State. It is a crime for any Government to allow our railways to go out of the hands of the people and get into the hands of any private company and let them charge 35½ per cent. over the Government rate of freights to the producers and farmers and others living around the district. If it had not been for the past Government allow-

ing the railway to get out of the hands of the people there would have been no need for this Bill.

The hon. member for Bulimba also wants information, and he practically asked the same questions as the hon. member for Dalby. He asked if this was going to be a business concern. Then he answered it, and said it was not going to be a business concern. The only way we can get to know whether it is going to be a business concern is by hard, matter-of-fact evidence. The previous Government were asked to advance £350,000 for the purpose of allowing the Chillagoe Company to develop the coalmines in the North of Queensland, and enable them to produce fuel so that they would be able to smelt their ore at a reasonable cost. The coke to smelt ore at that time was costing £5 15s. per ton. Having to pay those prices, they were unable to carry on. They had spent a considerable amount of money on the field. They desired to make it pay, and therefore asked for this advance. The previous Government did not go into the matter to see whether or not it was going to be a good concern for the people of Queensland. They said, "We are not going to advance any money to help the mining industry." That was their attitude all along the line. They were quite prepared to help the produce dealers; but when it came to help the mining industry they would have nothing to do with it.

After that, this Government came into power, and negotiations were opened up with the Chillagoe Company for the purpose of taking over the railway and the share that the Government had not got in the Etheridge Railway. Another fine piece of legislation which the Liberal Government passed was the Etheridge Railway Bill, under which the Government was tied up. After fifteen years the Government would have to pay on the basis of the receiving year's revenue of the railway when they bought the line. That meant that the company could inflate their freights so that the Government would not know what they were going to have to pay for the line. The present Government, in order to prevent that and put the matter on a good basis, said, "All right, if we negotiate for the taking over of the Chillagoe line we must also negotiate for the part of the Etheridge line we have not already got, and have the control of the whole of the railway." Messrs. Thynne and Macartney, who at that time were the representatives of the company, negotiated with the Government and wanted £1,200,000 for the Chillagoe Railway. Then they dropped from that to £950,000, then to £900,000, and subsequently came down to £800,000. The Premier then went away to the old country, and there got into touch with the debenture-holders. He asked them what they were prepared to take, and he got an offer from them to let the whole line go practically for £500,000, taking debentures. There was a great row about that here. The Opposition said the Government were trying to get in behind the shareholders—trying to steal this property from the Chillagoe Company and get it without paying for it. Let us see what Mr. Thynne had to say about the matter. Speaking in connection with this railway, he said that the Government were trying to take this railway from the company without paying them the proper price, and went on to point out that the Premier was getting in behind the

shareholders and arranging with the debenture-holders to do them out of the property at that price. Afterwards the shareholders and the debenture-holders got together, and came to an agreement with the Government that the whole of the property—the Chillagoe Railway, smelters, machinery, and appliances, and the part of the Etheridge line referred to—should be taken over for £450,000. One of the conditions was that £300,000 should be provided by the Government for the purpose of enabling the company to work the Mount Mulligan mines. I visited the Mount Mulligan mines. They have four seams of coal there, one above the other. One seam of coal—No. 2—which they are working at the present time, is a very good steaming coal, and they are able to work it profitably for steaming purposes. The other three seams of coal will not be worked so easily for steaming purposes; but they will be profitably worked if the company can get the money to lay down the up-to-date coke works they intend to put down. The company have already spent something like £400 in cutting out a foundation for the coke works; but they had to stop their work then because they could not get further money to carry on with. It is proposed to put in a washing plant and utilize the seams that are dirty for coking purposes and keep the other seams for steaming purposes, and so be able to utilize the whole of the coal and work the mine profitably. We find that that can be done. The company have the field for the purpose. At the present time they are working right down in the mountain on two seams, and they will be able to work others when they get the money. They have spent a considerable amount of money. They have an up-to-date electrical plant—in fact, Mount Mulligan is one of the most up-to-date towns we have. When I was there they had the electric light on, so that the men could play quoits at night, and they have the township lighted up, and altogether they have set out to make Mount Mulligan what it ought to be.

The hon. member for Dalby, who set out to oppose this Bill, said that mining machinery is not so good to-day as it was twelve months ago. I can tell the hon. member for Dalby that the mining machinery in the Chillagoe works has been stored and cared for and it is not in the same condition as it would be if it were lying out in the weather rusting, nor the same as if the boilers or anything else were being used and were deteriorating. The whole of it is stored and in first-class order. In fact, nearly the whole of the smelters are ready for starting at once. Very little more would be necessary before putting them in operation. They have one of the finest assay rooms in Australia, if not the finest, with some of the most up-to-date instruments, which it is practically impossible to obtain in Queensland to-day. There is sufficient electrical equipment there to bring in a large amount of money to the Government if they wish to sell it, because of the high prices one has to pay now. All these things are there and are specified in this Bill. From the evidence of the Commissioner, we know that the value of the materials, rails, and so on, is £300,000. That in itself gives you a considerable sum, without the sidings and plant thrown in. Then you have the Etheridge line in addition to that. The Chillagoe line is well laid and well cared for, right from Mareeba up. The Etheridge line is

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not so well laid; in fact it looks as if it were thrown down and it is not in so good a state at all as the Chillagoe line.

Then again, we find that there are great possibilities in the district. Some of the ore was submitted to me and I brought some down with me. The assay showed that it carried 20 oz. of gold to the ton, 30 per cent. of copper and 40 oz. of silver.

Mr. CORSER: Was there any salt in it? (Laughter.)

Mr. ELPINSTONE: You must have got the cream.

Mr. GLEDSON: If the hon. member for Oxley likes to go to the North he will see the results of the assays of it. We have the Girofla, the Mungana, the Einasleigh mines, all producing in 1914, and producing ore at a profit if fuel could have been got to work the smelters. What would they have been producing there up to the present time if the previous Government had enabled the company to carry on their work? Not only would those mines have been working, but it would have meant that something like 6,000 or 7,000 men just in that district alone would have found work. Not only would they have found work, but they would also have been producing metals most required by Britain at the present time, of which there has been such a dearth that they have not known where to go for them. If that Government had done that they would have been doing something to carry on the war.

The hon. member for Bulimba, I think, said that there was no proof that there was any cattle country in that district. I had the pleasure, while I was there, of being present at something like ten or twelve deputations from different people in the district. One man, a Mr. Atherton I think, who had come out of the Gulf country, did nothing but engage in the stock and cattle industry. He was one of the big cattle men, and he told me that if the Government were to take over the Chillagoe and Etheridge railways and carry cattle and other produce for the people of the North at the same rate proportionately as the Government carried them in other parts of the State, there would be continual supplies of cattle coming down. I find that the hon. member for Burke was well able to speak on these matters, because he was running the trains down and came into touch every day with the traffic along that line. They were starting at the Biboohra Meatworks and the cattle had to go down the Etheridge and then along the Cairns Railway to those meatworks, so that quite a big trade was done during the cattle season in that way. One thing that has taken my attention is that we find in this report that only since the building of the Chillagoe Railway has the Cairns Railway paid. We say that if one portion of the line is able to make another portion pay it is good for the whole of the district. If there is any information that I can give in connection with the matter I should be glad to do it. I have been through the district and seen its mineral possibilities and they have everything in North Queensland in the way of minerals from coal right up to wolfram, molybdenite, scheelite, and so on. All those minerals are there in abundance, and, in fact, in the paper yesterday I noticed that a company has been formed with capital of £150,000 for the purpose of working one of the mines the Treasurer and I visited when there. That

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capital is being expended and that mineral will have to go over the railway, and if there is one thing which should make the Government push on with the taking over of this railway, it is that the whole of the railways should belong to the people of the State who should control them and work them in the interests of the producers and the people of the State.

Mr. CORSER (*Burnett*): I am fortunate in being a member of the Opposition in that I am permitted to obey my own conscience and follow my own judgment in dealing with any matter that comes before this House. In endeavouring to do my duty to the country, I am able to say that I view this proposition as being to a great degree in the interest of the State. Whilst there may be many things we do not agree with, still there are many arguments and many facts which may be adduced in regard to this Bill showing it to be to the advantage of the State. I consider myself fortunate in having listened to the hon. member who has just resumed his seat. It is generally a pleasure to listen to a member like the hon. member for Ipswich when he is discussing a matter pertaining to mining, but I can assure him that there are members of the Opposition who have had the opportunity to visit the North and are pleased to be able to say that they regard it as a part of the State that requires fostering as much as any other, and that it has great possibilities which are probably not known to the greater part of Australia. Since I feel that, I would not for one moment stand in the way of making available for the development of the great richness in the North any means that should be used for that purpose. Everybody must admit that the Treasurer in his second reading speech on this Bill made the most of his case. Everybody will agree that any points in favour of the introduction of this measure were certainly expounded fairly well by the hon. member and that the information he has collected since he last met the House with this proposal was certainly to the advantage of his scheme. But had it not been for interjections from this side he would have failed and presented a very sorry spectacle from the front Government benches. Whilst I admit that he has done so much and made the best of his case, I do say that he has very faithfully omitted to mention those points which are to his advantage, and there are some of them. In dealing with a matter like this, we should look at both sides of the question and allow our consciences to be our masters in every respect. We have discussed the railway possibilities and they are very great, even greater than one would believe at first sight. It is not only from a mining point of view that the Chillagoe or Etheridge Railway is going to be of advantage to the State and particularly to the North. It is one of the necessary main trunk railways upon which we depend for the development of Queensland. Right throughout the State we are proud of our system of railways from east to west, and in the North we have this as another link in the line that some day must span to the Gulf. We sincerely hope that whatever may be the outcome of this Bill it may do something in that regard, because it is in the development of our railways that we must look for the development of our primary industries. Whilst we are developing mining by a proposition like the one we are discussing, we cannot help also developing the agricultural possibilities of

the rich North, and if there is any part of Queensland where there is rich scope for developing the agricultural industry—outside of the Burnett—it is this district we are considering at the present time.

Mr. O'SULLIVAN: There is an iron mine up there.

Mr. CORSER: We do not want to have everything up there. I am not saying that I am opposing this up to the present. (Hear, hear!) The mining possibilities are great on the face of it. The mining possibilities of the Chillagoe district have meant that very many people are very pleased to get out of it at the present time. A great amount of

money has been spent, and I [8 p.m.] think no dividend paid. There are mining propositions in South Queensland, and you have not to go out of the Burnett for them. You will find in Mount Perry Mines and smelters that have paid dividends right along, and which, had it not been for faulty management, would have been paying dividends at the present time. Unfortunately, this mine at Mount Perry has received £3,000 or £5,000 from the Government in assistance for work that has been accomplished, and the mine is now held up. If we are out for copper alone, and if this proposition is to be considered for copper alone, we should not go further than the mine to which the Government already own the railway, as they do to Mount Perry. If copper alone is to be considered, copper can be secured from a mining field that has paid dividends right along, without going to a district that has not paid dividends at all. We certainly know that copper is at a very greatly increased price at the present time, but we hope that the war is not going to last much longer.

The HOME SECRETARY: The price of copper will hold up after the war.

Mr. CORSER: It may, but there is no certainty about that; and, if it does, other commodities are going to hold up, too. You cannot bring the world's market down; but we are talking about what is happening in Queensland.

Mr. CARTER: We brought you down.

Mr. CORSER: You brought us down to Opposition again, but we are quite happy about that. Not very much money has been spent on the smelters in the Chillagoe district, but what has been spent will, I think, be to the advantage of the scheme. From what I can see of the machinery that is available, there is fair value in the machinery.

Hon. W. N. GILLIES: Then you are in favour of the Government taking it over?

Mr. CORSER: I am in favour of what I am saying, and probably the Assistant Minister knows what I am in favour of.

Mr. RIORDAN: There is not much machinery in the Chillagoe district.

Mr. CORSER: I will give you all that in detail later on. We know that the Minister in charge of the Bill is very anxious about his roll, and we know that this will probably relieve the Government of the redistribution of seats in regard to the Chillagoe electorate. The Minister admits that he is interested in the population of the Chillagoe district, and with a roll of 1,700 people, not all of them in Chillagoe, I certainly think it is to his advantage to inflate the roll in some way.

If this proposition does increase the population of the Chillagoe district as is anticipated, we have the possibility of the greater development of the agricultural industry in and around that district. We find, as an argument used to the advantage of this proposition, the fact that the Mount Mulligan coalfield is now open, and it was not in operation when the smelters were working before, and probably the price of coal and coke will be half the price it was in those times. I think you will agree that that will be a great asset to a company operating at the present time, and I think it is an argument that must bear an amount of weight in considering this proposition. There is another argument that probably does not altogether stand to the credit of the proposition, and that is the increase of wages of 25 to 50 per cent. since the smelters last closed down. There is something else that has to be considered, and that is the fact that the working hours of the mines will be reduced by two hours, or 25 per cent., compared with what was operating a year ago, let alone when the mines closed down in March, 1914. It is known that the Gympie Scottish Mine very recently had to close down because the miners' hours were cut down two hours, and gold is a much more valuable asset than copper.

Mr. DUNSTAN: Was that the only reason for the Scottish closing down?

Mr. CORSER: That was the reason the directors gave. It was "the last straw that broke the camel's back." When the miners secured this award, it made it impossible for the directors to carry on, and they were simply thrown out of work, to the detriment of the shareholders and of the workers and the people of Gympie, and the hon. member for Gympie knows perfectly well that it was that action of advanced unionism at a time of stress, when mining operations could not be carried on, which closed down the mine, and it is apt to close down Gympie, too.

Mr. DUNSTAN: Are you speaking for your friends, the exploiters?

Mr. CORSER: I am not the friend of the hon. member.

The DEPUTY SPEAKER: Order! Will the hon. member deal with the Bill?

Mr. CORSER: I will endeavour not to be drawn aside. I was trying to show that at the present time the hours of mining had been reduced by about 25 per cent. as compared with the hours worked when the Chillagoe mines closed down. All these things have to be faced. Up to the present, I have not said I am opposing the Bill. We, on this side, have an opportunity of criticising and of summing up as our conscience will permit us, and that is denied to hon. members on the other side. There is another detail: Has our Commissioner for Railways made our railways pay? Has he endeavoured to make them pay? To-day one hon. member said he did not endeavour to make them pay—that he was responsible for allowing them to provide a deficit in our railway workings for the year. One of the arguments used by the Treasurer in favour of this Bill was that the report as to the value and maintenance of this railway was the report of that Commissioner who is despised by hon. members opposite to-day. What are we to believe when they say the name of the Commissioner of the Railways in a report is an asset in an argument on one side and then

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we hear by interjection a member of the Government say the railways did not pay because the Commissioner tried not to make them pay?

**THE TREASURER AND GOVERNMENT MEMBERS:** Who said that?

**MR. CORSER:** A member on the Government side, unless I am greatly mistaken. If the hon. member for Toowoomba did not make that statement, I withdraw the remark.

**A GOVERNMENT MEMBER:** You do not know what you are talking about.

**THE DEPUTY SPEAKER:** Order! Order!

**MR. CORSER:** Up to the present I have said nothing against the Bill. The position is that the Government are responsible for the Bills which they introduce. They are responsible for the development of the State, they are responsible for the spending of the loan money, and they are responsible for the credit of the State. Are the Government prepared to say that in taking over this mine and these railways, they have taken into consideration what will be required for the necessary development of the mine during the current financial year? Are they prepared to finance those concerns which are absolutely essential for the development of Queensland? If they have taken these things into consideration, then I cannot see that there is very much against the proposition. But I must add that they are responsible as Ministers of the Crown for the carrying out of the urgent railways that must be built in the Burnett and other districts for the development of our hinterland throughout the State. If there are not sufficient loan funds available for these purposes, then any blame in connection with this matter must certainly rest on them. As far as I can see, the assets of the company do not appear to be very valuable. The values set down for the various items are as follows:—

Cost Chillagoe Railway, 110 miles	£335,509
Cost Etheridge Railway, 145 miles	463,575
Cost branch lines	6,165
Telephones	3,426
Reduction works	97,587
Smelting works	12,642
Rolling-stock	22,644
Buildings	14,379
Plant, tools	30,677
Machinery	6,717
Stocks	28,720
Einasseigh	111,316
Other expenditure	9,117
	£1,142,174

**MR. FOLEY:** All that for £450,000!

**MR. CORSER:** The reports which have been received seem to indicate that the proposition is good business, but I should like to say that if the Government had secured the full information required by members on this side of the House, this Bill would have had an easier passage. I believe the proposition is a good one, that the investment is a good one, and that the Government are receiving their pound of flesh right through. Providing they have sufficient money after taking over this railway to build other railways that are required, the proposition might be approved, though probably it will be necessary to spend a considerable amount of money to bring the railway up to date. The 60-lb. rails are valued at £510,140, but there is also the value of the plant and the mine to be considered, and the mining possibilities

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of the North. It is the desire of every member of the Opposition to give this matter fair consideration. I am free to support this proposal, and I understand from the remarks of hon. members opposite that every provision has been made for the development of the agricultural districts of the State, and that there will be sufficient money available for that purpose.

**MR. SIZER:** I have listened with a great deal of interest to this debate, and I quite agree that we have to look at this measure from a very broad standpoint. From the railway point of view, I am inclined to agree that it is essential, seeing that the State own other railway systems, to take over this Chillagoe Railway. At the same time I agree to a great extent with the hon. member for Dalby as to the desirability of giving us all the necessary information concerning the proposition. I am one of those who believe that the Government should develop the North as well as other parts of Queensland. There is no doubt that if we develop these mines successfully, that will mean a tremendous thing for Queensland, and will open new sources of wealth for the State. But, although in the main we should possibly be inclined to accept this Bill, still there are several points which members of the Opposition desire to have cleared up, and one point in particular is, what is the actual state of the mines? The reports before us are of a fair age—some of them go back to a date prior to 1915—and I think it would not have cost the Government a great deal to have had a complete inspection made of the whole district, and have had reports prepared for submission to the House. Had the Government done that, I am sure that, as the hon. member for Burnett has said, this measure would have had a much easier passage, provided the reports were satisfactory. The Minister, in his opening speech, admitted that the most valuable of the company's assets was the railway. There is no doubt that the railway is absolutely dependent upon the mines, and that if the mines remain stagnant the railway will practically be of very little use. That is one reason why I think members on this side of the House are justified in endeavouring to secure further information. The Minister admitted before the Select Committee that it is essential that the mines should be worked in order that the railway may be a success. Therefore, this House should be given the fullest information obtained from the best experts as to the actual state of the mine and the prospect they have of producing sufficient ore to keep the smelters going, not for a year, but for a considerable number of years.

**THE TREASURER:** The smelters did not close down because of a shortage of ore.

**MR. SIZER:** I understand that. We have to consider that the Chillagoe Company have lost a considerable amount of money in this venture, and that the Government are going to get a great advantage from their misfortunes—the Government are going to get all their assets at a considerably reduced rate. The company worked under great difficulties, particularly with regard to coke and coal. The Government will have increased wages and other charges to meet as a set-off against the reduction in the cost of coke and coal. There is no doubt that it was the cost of the coke and coal which greatly hampered the company, and now that we have got

over that difficulty we have to realise, as the Treasurer admitted, that there has been an increase in wages of 25 per cent. I am inclined to believe it is more, and that has to be considered. We have also to consider the increase in the cost of running the railway as a set-off against the greater advantage we have by the working of the Mount Mulligan mine. On that point we should have had more information, so that we could come to a conclusion as to whether we have a sufficient set-off in the advantage from the Mount Mulligan mine.

Mr. FOLEY: Are you in favour of increasing the rate?

Mr. SIZER: I am only saying that it is information which it is essential for the House to have. If it is shown, after allowing for the increased cost of running, that there is sufficient margin for it to be carried on as a profitable concern, then the Treasurer's case is infinitely stronger than it is at present. In all fairness, we should have some information in regard to certain of these mines. I have been in the district, but I do not claim to have the knowledge of the district that hon. members opposite have. At the same time there are so many conflicting reports in the district that one is inclined to press for something definite on that point, considering how Mr. Ball was so indefinite. He was more definite that it could not be made a success rather than the other way. At any rate, he emphasised that it was a great speculation, and this House should be assured to the greatest extent possible before the Government, of all people, should enter into a mining speculation. We should at least know the ground we are going on, and we should have everything clear before we make such a venture. The Treasurer has impressed upon us that this is a very important matter. It is an important matter, considering that approximately £800,000 are involved.

The TREASURER: Where are the £300,000?

Mr. SIZER: Take the £476,000 and the £225,000.

The TREASURER: That is not involved.

Mr. SIZER: It will be in a few years' time.

The TREASURER: This does not take on that obligation.

Mr. SIZER: That obligation will arise, and then we have another £90,000, which practically means that we will have £800,000 involved. Therefore it is a serious matter. Anyone will agree with that. I am inclined to think that it would assist the Government all round to get this information. We have heard many points of the report of the Select Committee quoted, but there is one point which has not been quoted, but which, to my mind, should be quoted, and it is one of the points in regard to which I intend to ask the Treasurer for an explanation, and I am inclined to think that he will agree that we on this side of the House are entitled to some information on this particular point. The Select Committee's report, page 39, reads as follows:—

"[Letter from S. Horsley, inspector of mines, Mareeba, to Jas. Horsburgh, general manager, Chillagoe Limited, Chillagoe, admitted, reading as follows]:—

"On the 22nd I received a wire demanding an urgent reply from the Under

Secretary for Mines. The wire read as follows:—

In the event of the Chillagoe Company's smelters resuming operations is there reasonable certainty of sufficient ore suitable for treatment being available to keep the smelters going, or is there any danger of them again closing down in the near future through insufficiency of ore supplies? Which will be the principal ore-producing mines supplying to Chillagoe smelters when they restart? Reply fully by urgent telegram.

"To this wire, after consulting returns, my memory, and Mr. Phillips, of Lempriere's, I replied as follows:—

There is not sufficient ore available or likely to be developed throughout these districts to keep Chillagoe smelters going even for campaigns of moderate length of time."

The TREASURER: He was replying on behalf of the Herberton district. Read Mr. Horsburgh's letter in reply to that.

Mr. SIZER: He is a Government official, and certainly, looking at the report or the findings of the Select Committee, they viewed the matter in the serious light which possibly I view it in. The Select Committee, in their findings, state—

"That some of the evidence had no practical bearing on the chief question referred to the committee, but part of it was of value, including the statement with regard to the report of Mr. Horsley, the Government inspector of mines in the Chillagoe district."

They evidently placed a considerable amount of weight on that report, and there is no doubt that one would have to pay heed to such a report coming from a Government official, and from a man who had sixteen years' experience.

The TREASURER: Did you say he was inspector for the Chillagoe district?

Mr. SIZER: In that district.

The TREASURER: In the Herberton district.

Mr. SIZER: That is a mere quibble.

The TREASURER: No.

Mr. SIZER: As a matter of fact, if the Government or Under Secretary for Mines wanted information in regard to that district, and this man could not give it, why did the Under Secretary send him to make a report?

Hon. W. N. GILLIES: Not only him; we sent others to report.

Mr. SIZER: We have not the other reports, and to my mind the Minister has opened up more ground for suspicion. He has impressed on my mind much more strongly the necessity to have further information on this point, because it is most peculiar that the Under Secretary should send to this particular official, and he sends an adverse report, and we are then told that they sent other officials to inspect, but for some reason we have not their reports at all. Under those circumstances one must come to one of two conclusions—either that he did not reply, or that he replied and the reply was not favourable.

The TREASURER: Who did not reply?

Mr. SIZER: The other inspector you sent.

The TREASURER: Which other inspector?

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Mr. SIZER: I do not know whom you sent. I am referring to the one mentioned by the Assistant Minister for Justice. That is a point that has to be answered by the Government, and it is no use for the Treasurer or any other hon. member opposite to state that such and such a thing is correct. We want evidence to counteract that report from that official, in which he says there is not sufficient ore.

Hon. W. N. GILLIES: Not sufficient ore in his district.

Mr. SIZER: Then, we have the Minister's statement that if the mines are not worked the railway will not be a success, because it is dependent on the mines. Therefore, we are justified in asking that the fullest information as to the state of these mines be given to us, in order that we may know exactly where we are going.

Mr. RYORDAN: You will have to get all the water out first.

Mr. SIZER: Some hon. member informs me that we will have to get all the water out. There is no doubt that some of those mines are on fire, and we want to know something about that. We have the admission that they are on fire, and the hon. member for Burke says the fire may be put out by now by water. We are between two evils—either fire or water—and the House should know something as to the cost of clearing these mines and making them ready for working. The Treasurer said that it would cost £100,000 afterwards to carry on developmental work and get the mines ready for working. We want to know what that £100,000 is going to cover, and if that will be all, because I am inclined to think we will want more than £100,000.

The TREASURER: A hundred million.

Mr. SIZER: I am afraid as far as Chillagoe is concerned, that would not frighten the Treasurer. At any rate I am inclined to think we have to go on and get this information. The Government may think [8.30 p.m.] there is no need for it, but the fact remains that the gentlemen of the Select Committee thought so, and they had the power to override the Government's opinion. Therefore, it should have been the Government's duty, and you would have thought it would have been in their own interests, to have got everything possible to have set their minds at rest in order that, when they presented it again, they would have been able to bring such a strong case before the Select Committee that they would have accepted it, and the Bill would have gone through. That has not been done. It has been said that the earth has only been scratched. As the hon. member for Bulimba said, it has been a very expensive scratching. The field has been worked, according to the evidence, since the sixties. Well, that is quite a considerable time, and a considerable amount of money has been spent. They have been a good while in the district spending it. I think that is another very strong cause why we should have more information on this point. Although I have mentioned these things, I am not going to say that I am opposed to the Government going on with this particular line. I am only endeavouring to point out some things which I believe should be cleared up in the minds of the public before this large amount of money is sanctioned. Much has been said with regard to the prospect of travelling stock over the line. There is no doubt a fair amount goes to Bibohra. The Treasurer has

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said that none of the cattle has been sent travelling on the hoof to Bibohra.

The TREASURER: I said from Chillagoe.

Mr. SIZER: I probably agree with him. But from information I have, there is also a considerable number of cattle go down on to the other line on the hoof, and into Townsville.

The TREASURER: The point I made was that all the cattle killed at Bibohra came on the Chillagoe railway.

Mr. SIZER: Then I am going to say that all the cattle killed at Bibohra would not be sufficient to make the railway pay, even if they carried them all.

The TREASURER: It is a very important factor.

Mr. SIZER: It is an item, it is true.

Mr. FOLEY: A considerable item too.

Mr. SIZER: It is a considerable item, but it is not such a big item as the Treasurer has made out. It is a factor. He led us to believe also that it was a very material factor.

The TREASURER: You don't seem to understand how material a factor it is.

Mr. SIZER: I do understand how material a factor it is, but, as a matter of fact, the quantity is not so great as it was. I think that we should also have had a little more information in regard to the Etheridge railway. Going through the Etheridge returns I see that from the 5th February to the 30th June, according to the Select Committee's report, the sum of £51,862 17s. 4d. was lost. We have had no information from the Treasurer as to the prospects of the Etheridge line being made to pay, apart from the Chillagoe line. I think we are justified in asking his idea and opinion of the prospect of wiping out that loss, which had taken place automatically month after month during the period I have mentioned, or if there is anything fresh which is likely in any way to reverse those figures and make a profit.

The TREASURER: We will have to bear that loss whether this goes through or not. If there is any change it must be for the better.

Mr. SIZER: I don't know. I have heard that many things have changed from good to bad, and from bad to worse. I am inclined to think that if the Chillagoe Company, on the mines, have lost millions of pounds—(Government laughter). I see in this report that the returns they have got for cash sales—

The TREASURER: That is their turnover.

Mr. SIZER: It is lost. If you make it and then you put it in again, and then the concern is a failure—you lose it.

The TREASURER: On the same principle that if you back a horse and you win—

Mr. SIZER: If it does not win, the money is not in your pocket; it is a loss. You have to take it in that way. They have spent the capital in development, wages, and so on, up to about £4,500,000. They had in return that which the Government proposes to take over, with the exception of Mount Mulligan, valued at £476,000 for Chillagoe and £225,000 for the Etheridge. I think myself that if those people who exploited the field for all it is worth have lost on it, at least it is an instruction to this House to consider its past history. That amount of money has gone, and we have now to take into consideration—

The TREASURER: The price of metal.

Mr. SIZER: What is the prospect of the Government turning round under these circumstances and making it a success?

Mr. PETERSON: Because the price of copper is twice as much as it was.

Mr. SIZER: The price of copper, no doubt, is a great point. There is no doubt, also, that everybody will have to admit—even the Treasurer admits it—that after a while the price of copper will come down.

The TREASURER: I did not admit that. I am thoroughly convinced it won't.

Mr. SIZER: I think if we read through the Treasurer's evidence, he was of the opinion that after the war copper would come down to, say, about £90 per ton, and there it would stand.

The TREASURER: That was based upon the evidence before the copper authorities two years ago. What I said this afternoon was that the copper authorities are thoroughly convinced there will not be a drop.

Mr. SIZER: The Minister has not assured us of what made him change his mind from then to now.

The TREASURER: We don't stagnate, as you people do.

Mr. SIZER: We have to base any calculations we make in this direction on a high price of copper, because if copper falls very low the whole thing would be a failure. I agree with the Treasurer in believing that copper will stay up for a good many years after the war. I don't think there is anyone who will disagree with that. But the question which you have to bear in mind is, is that copper going to stay up long enough for the Government to recoup that which is laid out? If it is going to fall afterwards, we have to look at it in a very different light.

The TREASURER: Copper will never be cheap again.

Mr. SIZER: I don't think it will be so cheap for a long time. If copper stayed up for five years—assuming that the war lasts only a reasonable time—I doubt very much if the Government would recoup itself in five years.

The TREASURER interjected.

Mr. SIZER: That is another one of those things I am talking about. There are so many things "in the air" which never come down to earth.

The TREASURER: Apparently you don't know all the facts.

Mr. SIZER: If it is a fact, and the Treasurer gives it, I will have to take it. We cannot accept it as a fact until the agreement is signed. Unfortunately, reading through this evidence, a lot of other people thought it was a fact that an agreement had been signed long before it was; and no one was more surprised than the people connected with this deal when they found it was not a fact.

The TREASURER: Do you know that the Federal Government has just concluded a contract for the purchase of all zinc produced in Australia?

Mr. SIZER: I was not aware of that. We are dealing particularly with copper, and I do not think any mention was made of zinc to-night till the Treasurer mentioned it. At any rate, there is running right through

this report a doubt as to the actual value of these properties. The Assistant Minister for Justice made a great point of the fact that he answered the question of the hon. member for Dalby, and he read to us question No. 262. We asked him if the eyes had been picked out, and he said, "No." He did not read the whole of the answer. The answer he should have read was—

"No, the known eyes have all been picked out, but I believe that a fresh deposit will be found."

He only believes. He admits that all the known eyes have been picked out, but he believes there might be some more found. Are we going to sanction such a big transaction on what a man believes? Those are the things I want cleared up in my mind before entertaining this proposal. The hon. member for Ipswich said it was a terrible crime that the Government should ever allow private enterprise to build these railways. It is such a crime that Canada has been developed through it, and, although we regret it we have to admit it, it has been developed better and faster than Queensland through privately owned railways.

Mr. PETERSON: There is no comparison in population.

Mr. SIZER: The railways have brought the population. If you build a railway the people will come. They take the railway out first, and the people follow it—it is not the people who go first and the railway after. We have to bear in mind, too, that America has also developed very well on privately owned lines; and, although I am not advocating privately owned lines, I think it only shows the absurdity of the remarks of the hon. member for Ipswich when he says it is a crime. The Treasurer knows that if it had been left to a Government to develop even the Chillagoe district it would not have been developed to the same extent as it was developed by the Chillagoe Company. The same hon. member went on, although it is not relevant to this matter, to refer to the manner in which the Premier made a deal in England, and rather applauded the fact that he was able to make such a great financial stroke. Although he may have saved some money, he no doubt went behind the back of the company to the debenture-holders to do it, and the question is whether he was wise, for many reasons. We have to depend to a large extent upon the London money market for our development to-day, and we shall have to depend upon it in the future when money is available, and one of the main things which we have to do is to keep good with the people on the London money market. I will quote an extract from a letter from Mr. Clifford Johnston to one of the trustees for the debenture-holders, Mr. Hanson. He said—

"I feel sure that in the circumstances any action by the Government in the nature of expropriation of the mines would be resented by the financial world, and probably lead to influential appeals to the British and Commonwealth Governments

"This would create an atmosphere in the city unfavourable to Australian securities, which we, at any rate, as large holders of Australian investments, would be extremely sorry to see brought about."

I only mention this point for this reason: I

Mr. Sizer.]

wonder whether it is really wise on the part of the hon. member for Ipswich to claim that the amount we saved at that time is going to be beneficial in the long run, if we have—and I sincerely trust we have not—lost the confidence of the London money market. I express the same pleasure as the hon. member for Dalby that the Government have been able to come to a satisfactory understanding with the debenture-holders, and I sincerely hope that no friction exists between them. Unfortunately, I am afraid if we went into that matter very deeply we would not do much good. We might stir up a lot of dirt which would not reflect to the advantage of Queensland, and I think it is better to let sleeping dogs lie.

The TREASURER: You are talking in conundrums.

Mr. SIZER: If I am talking in conundrums, the Treasurer can interpret them very well, as he knows all about them.

Another matter which has been brought into the Chillagoe business is that if the late Government had advanced £30,000 to the company something beneficial would have happened. Hon. members opposite are decrying the late Government on the one hand because they did not do that, and the hon. member for Burke is decrying them on the other hand because they only gave £16,000 to somebody else. Judging by their attitude, I am sure that if they had given £30,000 on the top of the £16,000 a great outcry would have been raised.

Mr. RIORDAN: I never complained about the £16,000.

Mr. SIZER: The hon. member's attitude was most peculiar if he was not complaining about the £16,000. It only shows the way the Government are going on to try and carry this proposal through, when in asking for information on big questions they are inclined to give us ridiculous things like that. I think another point, which was noted by the hon. member for Bulimba, and which is not consistent with the Government's policy, is a method by which they intend to pay for these assets. They are going to pay in debentures. That is all right, and I do not seriously object to it. But only a few days ago we were hearing about taxing the big man and hon. members on this side of the House were pointing out that they were not hitting that man but were hitting the smaller man. Now we take up this agreement, and we find that this £475,000 is exempt from taxation. Is it going into the pocket of the big man or of the small man?

The TREASURER: What interest?

Mr. SIZER:  $4\frac{1}{2}$  per cent.

The TREASURER: Less than the ruling rate.

Mr. SIZER: The Government have forced them into it and they could have forced them into paying taxation. Hon. members opposite say they are taxing the big man and making a paradise for the little man. These men are at least wealthy men, and they are exempt from taxation. In that the Government are not quite consistent. At any rate, I am inclined to think that the Treasurer should take into consideration the representations which have been

[Mr. Sizer.

made by members on this side of the House. I do not think any of them have been made in a spirit of condemnation of the Government's action so far. The whole tenor of the speeches from this side has been to solicit further information, and I think that when we are dealing with such a large sum of money we should have every particle of information possible, especially when we know that the Government contemplate working the mines as a State concern. Of all the things with which the Government should not interfere, mining as a State concern comes first. The hon. member for Cook in his evidence admitted that the whole thing was a speculation and a gamble, and it was that element which more or less took people into it. There is no doubt that the gambling spirit is a very important factor in regard to mining. Surely we are not going to sanction the State's going into a big concern involving we do not know how much yet, simply as a gamble. We should not go gambling with the people's money. We should know something more definite than that before we sanction any measure which might involve the people in the expenditure of a million of money.

The TREASURER: It is a million now.

Mr. SIZER: I think I am very modest when I say a million. When the Government get these things working we shall see very plainly that we will want more money for this and more money for that. The unexpected always turns up in mining, and so you go on, and it is the man who can keep going on who, as a rule—

The TREASURER: Goes on.

Mr. SIZER: Or, like Macawber, he waits for his turn up. When he does get his turn up he is all right, but if he does not—

The TREASURER: He is turned down. (Laughter.)

Mr. SIZER: He is turned down and ruined very quickly. We know that the Government can go on and on and spend money. They have not to pay for it out of their own pockets. I think that before we sanction this proposition, in view of the experience we have of State enterprise, we should have more information. In spite of the evidence we have regarding other State enterprises, despite the idea of hon. members opposite that socialism is going to bring us the millennium, despite the experiments that have been made in other parts of the world to bring this socialism into operation which have failed, the Government are asking us to sanction the expenditure of a large amount of money in order that they may go further into a scheme which, at the present moment, they are not making a success.

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

Mr. ELPHINSTONE (*Oxley*): The few remarks I have to make on this proposition are in the nature of a business criticism of what I consider to be a purely business matter. It is a proposed development which, in my opinion, deserves the consideration of both sides of the House without any party passion whatever.

HONOURABLE MEMBERS: Hear, hear!

Mr. ELPHINSTONE: It is proposed to enter into what, to my mind, is a business enterprise with very great promise in certain directions, and I think that those of us who can assist the Government in discussion and criticism should do so. The few remarks I shall make are not for the purpose of killing time, but with a view to assisting and throwing light on the proposal from my point of view. The one complaint on this side of the House is as to the question of having more information regarding the nature and extent of those deposits. I look at the matter from this point of view. We are investing Queensland's money in this particular proposal. If I, as a company promoter, purpose inviting subscriptions to a mining enterprise of this description, the first thing I have to do is to get elaborate expert reports as to the nature of the proposition and as to the nature and extent of the deposits. Having satisfied myself, I then have to submit the matter to the Federal Treasurer to get his consent, the object being that no "wild-cat" schemes shall be launched on the investors of Queensland. Having obtained that consent, the matter is put before the investors for their support or otherwise. One cause of complaint we have—and I think the Treasurer should consider it—is that we are simply asking for more information regarding the nature and extent of these deposits. If they are not there, the scheme falls to the ground. If they are there to the extent that the Treasurer points out, then, in my opinion, the enterprise has many admirable features in it. (Hear, hear!) I have tried to look at this question from the point of view of the Treasurer, and it seems to me that he has very many big arguments in favour of the proposition. In the first place, there is no doubt he is buying this property at a very low price. No man with any business experience or brains can contend that the price which the Government propose to give is an exceedingly low one, and I only wish that I had the money at my disposal and the opportunity. I go further, and say that another argument which the Treasurer has in his favour is that this line to Mount Mulligan is largely a waste of money, unless the mine is worked to such an extent as to make it profitable. I can see the Treasurer arguing in this way—that it is part of our railway system, and by developing the mine we shall make part of our railway system a profitable concern. I appreciate also the desire of the Treasurer to increase production of metals. (Hear, hear!) Queensland is in the deplorable state of seeing its mineral production decreasing, and that is a thing which we must arrest, because in my opinion the future depends to a very large extent on its mineral development. Therefore, I sympathise with the Treasurer in his desire to encourage production of minerals in Queensland. I also see his point as to the Cairns Railway. It has been pointed out, and I know it for a fact, that without this railway the Cairns Railway would not be profitable, and therefore it is necessary to encourage feeders to the Cairns Railway. The Treasurer also points out that this will form part of the system of the Great Western line to the Gulf which is part of our railway proposals, and I can

[9 p.m.] sympathise with him in his suggestion in that direction. I can also sympathise with him in his desire to people the Far North. To anyone who is interested in Queensland it must be apparent

that the peopling of the Far North is a great problem we have to face. And I also see that the question of employment in the very near future is going to be one of Queensland's problems, and anything we can do to meet that problem must win our sympathy. I have exhausted what seemed to me to be the favourable sides to this proposal, but my case would be quite incomplete unless I launched what seemed to me to be the outstanding criticisms of the Government proposal. A business man wants to hear both sides of the question. The Treasurer may tell me that I am playing into his hands to a certain extent by admitting what I know to be facts. On the other hand, I am certain he will not object to my launching reasonable criticism of the proposal.

The TREASURER: I am sorry to hear you spoil a good case.

Mr. ELPHINSTONE: There are two sides to every case. I have given the one, and hon. members should now be prepared to hear the other. It seems to me that there is a little mystery as to what is going to become of the smelters. As one who claims to have business experience, I contend that in the conduct of the smelters is to be found the crux of the whole position. If the field is to be developed in a proper way, if the railways are to be properly worked, if the Mount Mulligan mine is to have such an output of coal as will make it profitable, are all considerations in the case, and depend on the conduct of the smelters. The Treasurer has not told us yet whether the Government intend running the smelters as a State enterprise, or whether it is their intention to give private enterprise an opportunity of working them. I have pronounced views upon Government enterprises. I contend, and always have contended—and I am glad to see that the Premier has admitted the fact recently—that it is the duty of the Government to govern and not to trade; and it seems to me that there are directions in which the Government should not enter into trade. I am not going to say that this smelting enterprise is or is not one of those directions until we hear further about it. If it is the duty of the Government to develop enterprises where private companies will not go, then it is the duty of the Government to go there and develop those enterprises; but whether these Chillagoe smelters come under that category remains to be seen. I have a few remarks to make regarding this, and they are criticisms which I would launch at any business enterprise of this description. I would ask whether the Treasurer is taking into full consideration the fact that these smelters were worked for many years by expert men, and whether he thinks that the Government—and I presume it will be the Government—can hope to succeed where those experts have failed.

The TREASURER: There is a great difference between the price of copper now and the price when the smelters were working.

Mr. ELPHINSTONE: So far we have not had any great exemplification of the ability of the Government to manage enterprises. I am not saying this because it is a Labour Government. I believe it applies to any Government, it does not matter what colour it may be, regarding State enterprises.

Mr. PETERSON: What about insurance?

*Mr. Elphinstone.*]



Mr. ELPHINSTONE: The hon. member should know that that is not a State trading enterprise.

The TREASURER: What about the railways?

Mr. ELPHINSTONE: If the hon. gentleman wished to assist me in my argument, he could not have given a better example. During the last three years the loss on the railways has been, approximately, £1,000,000 a year. If the railways are to be held up as an example of State enterprise, there is little need for me to say a word more in condemnation of State enterprises.

The TREASURER: Do you say that you would rather see private enterprise in charge of the railways than the Government?

Mr. ELPHINSTONE: I would like to answer all the conundrums that are being propounded, but I cannot attend to them all at once. Possibly at a later stage we may have an opportunity of discussing the railways at greater length. I would ask the Treasurer if he has given full consideration to the question of the increased wages and shorter hours that will have to be granted? These are merely business questions which must be considered in dealing with a proposition of this sort. I would also ask the hon. gentleman whether he is absolutely convinced that the price of copper is going to be maintained at the figure he has stated? In this connection I would remind him that the Secretary for Mines, in making a proposal regarding an arsenic mine in the Stanthorpe district, was not foolish enough to take the present price of arsenic as the basis of his calculation. He took the pre-war price, and contended that he was taking an ordinary business precaution. I hold that he was quite businesslike in that contention. If the Treasurer is basing his calculations upon the present price of copper, then he is resting upon a very frail basis indeed. The next question that seems to require consideration is that of cheap fuel. We are led to believe that the Mount Mulligan mine can supply cheap fuel, but it has not been demonstrated that the Mount Mulligan coal will make coke. It is not every coal that will make coke. I admit there is a saving clause in that, if the Mount Mulligan mine will not turn out good coking coal, we have the Bowen River coalfield, which is not very far away, from which good coke can be obtained to make up any deficiency which may arise in that respect. I should now like to refer to an inconsistency which is standing out a mile, and that is with regard to the attitude of the Government in connection with the Mount Chalmers mine. I remember that only some fifteen or eighteen months ago the Mount Chalmers Mining Company made application to this Government for a little assistance to permit them to continue mining operations. I would like the Treasurer to listen to this because certain criticisms have been launched against the hon. member for Bulimba, and it is only fair that we should point out inconsistencies that may occur on the other side. The Mount Chalmers Company was sold up fifteen or eighteen months ago for the reason that the Government would not assist the company with a small loan to assist them further to develop their mine.

The HOME SECRETARY: That is not true.

[*Mr. Elphinstone.*]

Mr. ELPHINSTONE: It is quite true.

The TREASURER: A small loan of how much?

Mr. ELPHINSTONE: It is quite true. We are asked in this Bill to assist to develop the Chillagoe district, and I ask why should a district like Mount Chalmers be allowed to go down when a little assistance given at the right time would have allowed it to be in existence at the present time?

Mr. PETERSON: The Government made an offer, and you know it.

The HOME SECRETARY: An offer was made.

Mr. ELPHINSTONE: If I were to attempt to answer every inane interjection that emanates from the other side, I should be here all night.

Mr. PETERSON: If you don't know it, why say it?

The DEPUTY SPEAKER: Order! Order!

Mr. ELPHINSTONE: I would like to know who is making this speech. There are a few remarks that I would make in closing. It seems to me that there are four "If's" in connection with the proposal. The first "If" is, "If" the expert reports regarding the mineral deposits are satisfactory. That seems to me to be the crux of the whole thing. The Treasurer may have this information. If he has, I contend that it is only right that we should have it also, because it would enable us to form a conclusive opinion, and possibly to support the proposal. The second "If" is, "If" the price of copper is going to remain at the present high level for many years after the war has come to an end. The third "If" is, "If" the Government have given evidence of their ability to manage such an enterprise; if the Government contend that they can manage these smelters in the way they will have to be managed to make the enterprise profitable. The fourth "If"—and it is a very important one—is, "If" Labour will free itself from the present shackles which are causing it in the North to "go slow" in many directions. We shall want efficient and honest service from the State employees if this is to become a State enterprise, and I hope that the Government, if they start developing these deposits and putting these smelters into operation, will take care to see that the whole enterprise is not shackled by labour conditions which will prevent their employees from giving full service for the money which is paid to them.

Mr. FOLEY: More slander of labour. Poor old labour every time!

Mr. ELPHINSTONE: It is not slander. We hear the same old phrase from the other side every time—"slander of the working man." I contend it is a slander on the working man to associate him with this "go slow" movement, and, until we face the situation properly and get a proper return from labour, we cannot get the service which both sides are entitled to look for. So long as hon. members opposite are convinced that there is no "go slow" policy associated with the Labour movement to-day, so long will that position continue. If we face the position fairly and squarely, and I think when hon. members know me better they will appreciate that I have just as much interest in the employees as they have, when

they appreciate the fact that these elements have to be wiped out of the movement, and we have an honest day's work, we shall have that honest development that Queensland is crying for at the present moment.

Mr. BAYLEY (*Pittsworth*): The Treasurer made a very good case from his own standpoint, but he took altogether too much for granted. He was followed by a number of speakers on the other side of the House and they made the same mistake. They look at the good side of things and fail to look at the reverse side. We are told by the Treasurer that the railway is cheap, and on this side of the House we are all prepared to admit that the railway is certainly cheap when we take into consideration the cost of construction. But what is the good of the railway if it cannot be used at a profit? What is the good of having a Dreadnought in the middle of Sahara desert; what is the good of having a Royal Commission to inquire into the working of the railways if there are no railways, and what is the good of having State butcher shops when a man is out of work and has no ready cash to buy meat? What is the good of having the Chillagoe Railway when there are no goods to be carried to make the railway a paying proposition? Although the railway may be dirt cheap, even though it may be given to us for nothing, it is not worth very much if it cannot be run as a payable concern. We are told that even if the mines are not working there are large numbers of cattle bred in the Chillagoe district. We know perfectly well that the Chillagoe country is only second or third class grazing land.

The TREASURER: What nonsense!

Mr. BAYLEY: Although it is highly desirable in the best interests of the country and the people of Queensland, and more particularly the people of the North, to open up the mining lands as much as possible, provided it is payable. I think we want to go very carefully indeed and to make quite sure of the fact that it is going to be a payable proposition. We have nothing before us to lead us to believe that the mining industry is going to pay in the future any better than it did in the past. We know perfectly well that the company came here with millions of pounds. Several millions of pounds have been spent in exploiting these mines and making development, and what is the result? That company, with all its money, with all its brains, with all the expert knowledge it had at its disposal, is practically bankrupt. Does the Treasurer mean to tell us as a Parliament that if it were a paying proposition that company would not persevere in its work? Would not the capitalists from across the seas bring more money here and persevere in their undertaking?

The TREASURER: They could not get permission from the British Government.

Mr. BAYLEY: Do they not know about the Mount Mulligan coalfield? Do they not know that copper is a big price just as well as we know it; and knowing, as we do, that Mount Mulligan coal is good and is there in large quantities, and that copper is going to remain a big price indefinitely, is it not very apparent to each one of us that they would come here with more money and take advantage of the natural advantages which are there. The Treasurer has utterly failed to show us that the mines are capable

of expanding with any possible degree of success. We know perfectly well that not long ago a gentleman who was warden of the goldfields there for a number of years gave a report, in which he stated the mines had been worked thoroughly. The Treasurer has told us that they are only scratched. Well, if those mining fields have only been scratched, they succeeded in squandering a great deal of money in doing so. That mining warden, with all his experience in those fields, has told us very decidedly that those mines have been well worked at great expense, and it has been absolutely proved that that is so.

A GOVERNMENT MEMBER: You have never been there.

Mr. BAYLEY: I have never been there, and some of those who are interjecting have never been there except with the pick and shovel, and they know just as much of it as a mining venture as those who have never been there and never heard of mining. If this was the first State enterprise the Government had entered upon, we might say, "Well, give them a chance and see what they will do." But, unfortunately, this is not the first time they have tried their hand at meddling with commerce and industries. They have shown us time after time they have absolutely no knowledge of these things, but that they are simply squandering the money of this country which is needed for so many other and better things at the present time. That makes us very careful indeed that we should have ample proof that we have good grounds for believing that this venture is going to prove a successful one before we agree to this money being spent as is proposed. Instead of spending the money in this way, instead of borrowing hundreds of thousands of pounds to put into these "wild-cat" schemes, if the Government made it their business, by careful, sympathetic administration, to attract capital from overseas, we would find they would have a far better way of expanding the country and opening up the mining fields. But they do not do that. On the one hand, they are bringing forward legislation week by week, month by month, and year by year, evidently doing all they possibly can to drive capital away from Queensland. (Government laughter.) They talk very disparagingly about boodlers and profiteers and say they do not want them here in Queensland, but if they endeavoured by sympathetic legislation and regulation to entice capital here they would be doing very much more for Queensland than by introducing such a measure as we have before us to-night. It seems to me that about the only proposition that is going to pay is being held by the present company, and that is the Mount Mulligan mines. We know that the coal there is of good quality, and we have reason to believe it is there in great quantity, and this portion of the property is being retained by the company. We take over the other mining ventures which are only of problematical value, and we are leaving in the hands of the private company the Mount Mulligan coalfields, which we cannot do without if the mines and smelters are to be worked, and which coalfields are bound to be absolutely successful in working. I do not intend to keep the House waiting any longer.

GOVERNMENT MEMBERS: Hear, hear! and laughter.

*Mr. Bayley.]*

Mr. BAYLEY: The matter has been discussed at considerable length, and the views of the members of the Opposition have been placed before the House in no unmistakable way, and whilst one and all are only too ready to support any proposal that is going to make Queensland better and wealthier, at the same time each and every one of us has made up his mind that we will not allow the money of Queensland to be squandered in any way the Government think fit without any control whatever.

Mr. GUNN (*Carnarvon*): I do not wish to take up much of the time of the House, but this is a very important matter that we are asked to give a decision upon, and the evidence before us is very conflicting. When you read the report of the geologist and the report of the Commissioner for Railways, you do not know which way to vote on the question. We had a very able introductory speech by the Treasurer—the most instructive speech we have had during the whole debate. The hon. gentleman always introduces a Bill in a manner that one can understand, and I give him credit for that. In this measure we are practically asked to vote away half a million of the people's money.

The TREASURER: Not half a million.

Mr. GUNN: Well, £476,000, to be exact, but I am sure it will amount to half a million before we have done with the matter. If we buy these railways, I suppose we do not intend that the smelters shall be allowed to lie idle. They will be the property of the Government, and they will have to spend £2,000 or £3,000 at the very least to open those smelters. Some of them will be obsolete. Then, again, the whole success of the proposal will depend upon the mines. If the minerals are there when the mines are opened, the proposition will probably be a success. I remember that when the present Premier sat in opposition, and Bills of this nature were put before the House, he used to say, "I should like to give an intelligent vote on this question, but we have no Royal Commission to hold an inquiry and report on the matter; if ever I come into power, I shall see that we have an independent Works Commission who will make reports to the House, so that members will understand what they are doing when asked to vote on matters of this sort." When the Premier came into power he appointed a Royal Commission, but, unfortunately, it was a political commission, and it costs the country about £3,000 a year. And yet the Government have never sent that commission to report on this proposition. They have sent the commission to examine some proposed lines in prickly-pear country between Juandah and Chinchilla, and to report on the proposals; but the commission have not sufficient time, I suppose, to report on a big proposition like the one now before the House.

Mr. FOLEY: There are no 'possums up there.

Mr. GUNN: Probably there are no 'possums up there; 'possums are falling off, and we shall soon have none, as the friends of the Labour party are killing them off with cyanide. The least the Government could have done would have been to have sent that Royal Commission to report on this proposition. There is no doubt that the population in the Chillagoe district has fallen off,

[*Mr. Bayley.*]

as the Treasurer admitted; but, if the Government buy these railways, that does not mean that the population will come back. The mines have to be opened and worked, and I am fearful that, if the Government take over the mines and smelters, they will spend no end of money on them and will have no ore to smelt. The next thing they will do will be to start mining, and we do not know where the end of the thing will be. If there were no mines or smelters attached to this proposition I should like it much better. We are getting the railways at a wrecker's price; the material is worth the money; and if we work them as railways, they may prove a profitable proposition. But if we are going to open up the mines and bring the smelters up to date, the venture may be a sink for all time. The Treasurer said that zinc is one of the minerals that we require at the present time. I have in my electorate at Texas a mine called "Silver Spur" which has hundreds of tons of zinc near the surface, and that mine is languishing for want of a railway which would cost only a few thousands of pounds. Yet the Government can find money to buy a railway costing £475,000. I understand that the difference between the two cases is that to build the railway I allude to the Government would have to find the money, while in the present instance they are going to pay for the railway with debentures, or paper. Many people think that as long as you pay in paper the debt is paid, but that is not the case. Interest on the money has to be met by our children or our children's children, and it will be mounting up all the time. Then, these debentures are free from income tax. Our State stations have been bought with debentures free from income tax, and if we go on buying and paying for things in that way, the consequence will be that after a time a great number of people will have investments free from income tax, and that will throw the burden of taxation on those persons who do not hold Government debentures. The Commissioner for Railways says that it would be a very good thing if the mines were opened up, while the geologist says he would not like to risk his own money in the venture. But it appears that it is all right to risk the people's money in it. Here is a letter which appeared in the "Brisbane Courier" on the 20th November last—

"I was warden of the Walsh and Tinaroo mineral field, which included Chillagoe, for four years, and I visited the latter centre once every month, and it was part of my duty to observe and report on this portion of the district; consequently, I took a great interest in its welfare. During my regime the present Treasurer lived somewhere in the district, before he became a member of the Assembly. When referring to the Chillagoe Railway and mines in the House, he is reported to have said that the Chillagoe district had not been scratched over, and that its potentialities were enormous. It is a pity that there was not some member in the House that knows more of the real facts than the Treasurer; at any rate, one who would give a faithful account of the actual prospecting work that has been faithfully done by the Chillagoe Company. I have never seen any company in this

State that endeavoured to exploit its field more thoroughly than did the directors of this company.

"In the Mungana mine, about 12 miles from their smelters, an enormous amount of work was done by competent managers. The mine itself, which I often visited, was well worked, but was a most expensive proposition to handle. Thousands of tons of ore were taken out of the mine, and in the mine were millions of feet of timber; the water was terrific. Enormous plungers were erected and worked well, but the water continued to flow. A "creep" in the mine practically ended operations. A railway line from the mine to the smelters conveyed the ore, which was treated by the very latest machinery, under the skilful management of one of the hardest-working men I have come across (Mr. James Horsburgh). He had the full confidence of his directors, who constantly visited the works. Quite close to the works a silver-lead mine was worked by the company, and numerous other mining properties in the district were worked in a systematic manner, the ore from which was brought by rail to the works. Wherever the directors had offered to them a property that was considered worth developing, it was given a thorough trial.

"No company could have done more for the district than the Chillagoe Company, but it had to shut down, which is much to be regretted, for the directors spent an enormous amount of capital in endeavouring to work it at a profit, but failed. They were deserving of better luck."

That letter is signed by F. E. Parkinson, Maryborough.

GOVERNMENT MEMBERS: We all know him. (Laughter.)

OPPOSITION MEMBERS: A good man, too.

Mr. GUNN: He was good enough to be warden of the field. He was good enough to put his letter in the paper, and sign his name to it. Surely that is good enough for us to take some notice of what he [9.30 p.m.] says. There is the evidence on one side, but we have no evidence on the other side. We have a Public Works Commission costing £3,000 a year, and it is not worth their while to inspect a mine like this before the proposal is brought before the House! I do not know what we are to do in a case like this; but, when it is a question of throwing away or spending nearly half a million of money, I must hesitate. I hesitate before I spend other people's money. It is the people's money, and they have sent me here to look after their interests, and I am doubtful that it is to their interests that this money should be spent before we have more information. I intend to vote against this proposal until we have more information.

Mr. SWAYNE: As a Northern man, I should like to see something done to prevent this district being depopulated, and it seems to me that that is very likely to happen. I think the Government are to blame. I do not think they have done their best to answer the natural questions that arise to the people in the South when a proposition such as this is put before them. It has been pointed out already that very natural questions were

raised before the Select Committee of the Upper House which inquired into this matter some little time ago, and they asked for information upon the mineral prospects of the field. We must recognise that, as far as the railway is concerned, it depends on the mines. As pointed out already, we have a Royal Commission, whose duty it is to inquire into every proposition that exceeds £5,000 in cost, and why have they not reported on this proposition? They could have gone there and taken evidence in regard to the reserves of ore. I may say that some of the evidence that was taken before the Upper House Select Committee was most prejudicial. For instance, Mr. Ball, the geologist, was asked (question 235)—

"Is there enough copper in sight, or do you know from your knowledge of any official reports, to keep the machinery or smelters going for five or ten years if the Government bought the railways?"

The answer was—

"No, we have not that information."

I think the Northern people, to whom this means so much, have a just cause for complaint against the Government, and against the Minister who represents the district, for not giving us the fullest information on this point. If the proposition is a good one why has he not given us all the information? Mr. Ball was again asked (question 234)—

"From your own knowledge, is there enough copper in sight to keep the plant going for five or ten years?"

The answer was—

"There are no reserves. There is not sufficient ore in sight or blocked out."

I think before the proposition was brought up again some effort should have been made to place information on that very important point before Parliament. This has not been done. There is one very strong argument in favour of taking over the railway. If you look at the map you will find that it is within 100 miles of Croydon, and when you get to Croydon you get to a railway that runs right down to Normanston, and therefore it is obvious that when the North Coast Railway is connected with Cairns, and the small gap between Forsayth and Croydon is linked up, we will have railway communication right through to the Gulf. We should look at this proposition from that point of view—that it is extending our railway system and putting the North in direct railway communication with the Southern system. If only for that reason I think the proposition deserves serious consideration. I do not think the matter has been handled as it should have been. For instance, one argument brought forward is that the rails and the fishplates during this abnormal crisis would realise the money. We do not want them for that purpose. We are not buying the railway for the purpose of pulling it up and selling it; we are buying it to work it, and instead of relying on arguments of that kind it would have been much better if those in charge of the Bill had brought forward evidence that there are reserves of ore sufficient to warrant the expenditure. I notice that during the debate the opportunity has been taken to "throw off" at the last Government about their attitude so far as the North is concerned, and it has been stated that they would not loan the sum of £30,000 when they were asked. I would

*Mr. Swayne.]*

point out that the Denham Government spent £500,000 or £600,000 in building two large sugar-mills in the North, which had done more towards bringing about settlement there than anything this Government has done or is ever likely to do so far as we can judge at present. Their programme is more likely to scare away capital and scare away enterprise in the North. It is our duty to do our utmost to people the North. We know that an empty North is a menace to Australia as a whole, and we should do everything we can to bring about settlement in the North. I think this proposition would be a step in that direction, and I would like the House to favourably consider it.

Mr. BEBBINGTON (*Drayton*): I have been through all the back country served by the Chillagoe Railway several times, and there is no doubt that the whole of that country requires railway communication. At present I am quite well aware that the cattle trade of that country is brought down to stations on the Northern railway, because, apparently, if they got to Cairns there would be nothing to deal with them, and they would be at a dead end again.

Mr. MULLAN: What about the Bibohra works?

Mr. BEBBINGTON: I think each of our ports should have railway connection with the interior, and I know there are miners in the Chillagoe district who have left very good claims, some of them very rich claims, because they were liable to starvation either from drought or flood. In the heavy rains the rivers are flooded, and become deep and practically uncrossable, and in drought times there are no teams to take food to them, and the danger of starvation is always hanging over them. So far as the mine is concerned, if this rich company, with the very best management possible and the most experienced men, could not make it pay, how is it possible for the Government to make it pay with a rise in wages of 30 per cent.? We know perfectly well that as a rule you have to have three men to do two men's work under the Government. That is a recognised principle.

Mr. FOLEY: The same old argument!

Mr. BEBBINGTON: We cannot get away from that principle.

A GOVERNMENT MEMBER: That is not true.

Mr. BEBBINGTON: It is true, and these are things we have to consider. But what we have to consider most from our point of view is this: If there is a deficit on this railway, how is it going to be made up? Now I, for one, object to the way that the Treasurer has made up the deficiencies in the railways. We see rich people travelling between Brisbane and Sydney—men who can well afford to pay—with all the luxury possible, and the money that they pay for their travelling does not clear the expense of carrying them. If that is the fact, how are you going to pay on an isolated railway up there? How is the Treasurer making up the deficiency at present? He simply puts it on to the farmers in the shape of a land tax. The position to-day is that while these rich people are travelling in all the luxury of our mail cars, the farmers' wives and daughters are milking in the milking sheds from sometimes 5 o'clock in the morning until 7 or 8 o'clock at night.

The DEPUTY SPEAKER: Order!

[*Mr. Swayne.*]

Mr. BEBBINGTON: Those are the facts, and we cannot get away from them. That is a fair argument. We are discussing the question whether we shall buy this railway. I say it is all very well, provided we have no deficiency. I certainly object to the way in which the Treasurer is making up the deficiency, whereby the people on the land have to work long hours in order to add to the money so that the rich people may travel in Queensland in luxury and not pay for it. I think it is a shame.

The DEPUTY SPEAKER: Order! Order!

Mr. BEBBINGTON: I think it is a crying shame that those things should exist in a country like this.

Mr. G. P. BARNES (*Warwick*): I would like to say a few words on this question. It would appear to me that the Government are trading upon the power they possess in order to foist upon the country a huge expenditure of money and in order to carry out some pet mining scheme that they have in view. To me the very fact that we have no further information regarding this proposal than we had when it was before the House previously, is evidence that the Government were aware that it would be injudicious to make any further inquiry regarding the matter. To my mind, and I am sure to the mind of the great bulk of the people of Queensland, very grave doubt exists regarding the proposals of the Government in this matter, and arising from that point at the very outset. If the Treasurer, and the Government, and the party generally, were cognisant of the fact that the revelations to be made by making full and complete inquiry as to the ore deposits of that district, and the mine in particular, were favourable, depend upon it those inquiries would have been made. The committee exists for that very purpose, and it would have been in keeping with the desires of the Government to have kept that committee fully employed. I am sure that if the Government had realised that that information would have been of a convincing nature, helpful to the House in coming to a decision, and would meet with the approval of the people outside, you may depend upon it the fullest inquiry would have been made. That proposal stands condemned from that very standpoint altogether. Hon. gentlemen on the opposite side this evening have raised the question as to the increase of value; and because in other days the proposition was not a payable one, yet on account of the high price of copper and the prospects of the price remaining high, the proposition became a good one.

Mr. FOLEY: And the reduction in the cost of fuel. Don't forget.

Mr. G. P. BARNES: I will deal with that in a moment or two. What does it matter whether copper is £300 a ton, £500 a ton, or £1,000 a ton, if there is no copper there?

The TREASURER: Oh! Who says there is no copper there?

Mr. G. P. BARNES: Well, then, where is the evidence that there is copper? I have opened "Hansard" at the debate which took place last year, and I find there that

Mr. Forsyth, when a member of this House, referred to the report of the manager of the mine in 1915.

The TREASURER: The manager of what mine?

Mr. G. P. BARNES: The Chillagoe.

The TREASURER: What Chillagoe mine?

Mr. G. P. BARNES: The Chillagoe mine.

The TREASURER: There is no mine in the district known as "The Chillagoe."

Mr. G. P. BARNES: The mine which contains this very proposal.

The TREASURER: There is no mine in the Chillagoe district known as "The Chillagoe Mine."

Mr. G. P. BARNES: Well, the Chillagoe Company's mine.

The TREASURER: What mine is it? There are a number of mines.

Mr. G. P. BARNES: It is connected with this proposition, and probably is the very mine which it is your intention to ask authority to work.

The TREASURER: I don't know what mine the hon. gentleman is talking about.

Mr. G. P. BARNES: The last report of the company for 1914, published at Chillagoe on 15th March, 1915, gives statements by Mr. McDermott, the general manager. He says—

"No. 6 level.—The west crosscut was extended 218 feet. At 50 feet from the main shaft it entered the western lode, and continued in ore for 68 feet. The crosscut appears from other workings to have penetrated this lode diagonally. Samples from 5-foot sections give an average of 1.6 per cent. copper. The ore is basis. At 56 feet from the main shaft drives were opened north and south in this western lode."

The TREASURER: I would like to know what mine it is.

Mr. G. P. BARNES: You have "Hansard" before you. I am quoting from Mr. Forsyth's speech, of the report of Mr. McDermott, the manager.

The TREASURER: Mr. McDermott was not manager of any mine. He is the manager of the Chillagoe Railway.

Mr. G. P. BARNES: Well, his report, then, bears the same weight. Mr. Forsyth is giving evidence from the report.

The TREASURER: We have to know what mine you are referring to before we can follow you. There are thousands of mines in the Chillagoe district; not one mine.

Mr. G. P. BARNES: The last report of the company working the mine.

The TREASURER: Well, what mine?

Mr. G. P. BARNES: The company working the mine. The Chillagoe Company built a railway to their own mine.

The TREASURER: The Chillagoe Company did not build a railway to their own mine.

Mr. G. P. BARNES: Without reading the whole of the evidence right through, the average was 1.9 per cent. My contention is this: It is not in the calculation at all if there is no copper there; and it is quite evident that there is very little copper there. So far as we can understand, some millions of money have been expended in that district under the highest expert service which could be employed. For the Government to attempt to come in and imagine that they

are going to make a success where experienced miners have failed, is foolish. They will get plenty of men ready to "pull their legs" and carry on this enterprise—put down a hole here and a hole there, and investigate in various directions—but, of all the enterprises the Government have had in hand or proposed this is, perhaps, altogether the darkest and the worst and the least likely to produce good results.

As far as the railway itself goes, the stand I take is that the railways of the country should belong to the State. I am not sure whether there is a prospect in the meantime of making that railway a payable proposition in itself, but from a railway standpoint alone I should be inclined to approve of it; but if the House is going to permit the working of these lines under the Government, then I am decidedly against such a proposal. It is not a reasonable thing to ask the country to support a proposal of this nature. Then, again, if the railway is not likely to be a paying one, we have to remember that we are going to saddle the country with a payment of £476,000 with 4½ per cent. debentures, and the consequent big interest charge. Then, we are undertaking to find another £90,000 to help in the development of mines, independently of what we intend doing ourselves. There is another small charge—what is behind this no one can say—but a trustee mentioned here is to receive £250 per annum till the passing of the Act, and then £150 till the payment of the debentures. Seeing that the Government have not shown their ability in making ends meet, why should they be authorised to incur further expenditure in "wild-cat" schemes such as this? No evidence has been forthcoming that the ore is in the district; we are simply asked to sign a blank cheque to an amount which will mulct the country to the extent of half a million of money at the least, and perhaps a much greater sum. I am decidedly against accepting the proposal from a railway standpoint.

Question—That the Bill be now read a second time—put and passed.

#### COMMITTEE.

The DEPUTY SPEAKER: I call upon Mr. Smith, the hon. member for Mackay, to take the chair.

Mr. SMITH thereupon took the chair.

The whole of the clauses of the Bill and the two schedules were put and passed without discussion.

The House resumed. The TEMPORARY CHAIRMAN reported the Bill without amendment.

The third reading of the Bill was made an Order of the Day for to-morrow.

#### ADJOURNMENT.

The ACTING PREMIER: I move—That the House do now adjourn. The business to-morrow will be the second reading of the Succession and Probate Duties Acts Amendment Bill, and the Committee stages of that Bill, if convenient; to be followed by the second reading of the Popular Initiative and Referendum Bill, and later on by the second reading of the Valuation of Land Bill.

Question put and passed.

The House adjourned at five minutes to 10 o'clock p.m.

*Hon. E. G. Theodore.]*