

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**WEDNESDAY, 10 OCTOBER 1923**

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**WEDNESDAY, 10 OCTOBER, 1923.**

The SPEAKER (Hon. W. Bertram, *Maree*) took the chair at 3.30 p.m.

QUESTION.

PRICES PAID FOR COTTON LINT BY BRITISH MANUFACTURERS.

Mr. BRAND (*Burrum*) asked the Secretary for Agriculture and Stock—

“1. Has his department any information relating to the various prices paid by the British manufacturers for cotton lint during the past twelve months?”

“2. If so, what was the average price paid per lb. for cotton lint from—(a) Queensland; (b) America; (c) Egypt; (d) India; (e) any other?”

The SECRETARY FOR AGRICULTURE (Hon. W. N. Gillies, *Eacham*) replied—

“1. Yes.

“2. The values for raw cotton vary day by day, and it would take some time to work out averages, even if the class of cotton on which the hon. member has based his question were known. However, it may be said that Queensland cotton has brought an equal and generally a better price in the Liverpool market to similar cottons from other countries.”

PAPERS.

The following papers were laid on the table:—

Answers to Questions, asked on 21st September by the hon. member for Oxley, respecting the number of people employed by the State Government; also the information, asked by the hon. member for Burnett on 25th September, respecting exemptions from the Salaries Act of 1922.

Apprenticeship Regulations, dated 23rd September, 1923, under the Industrial Arbitration Acts, 1916-1923

ELECTRICAL WORKERS BILL.

THIRD READING.

The SECRETARY FOR PUBLIC WORKS (Hon. W. Forgan Smith, *Mackay*): I beg to move—

“That the Bill be now read a third time.”

Question put and passed.

PETROLEUM BILL.

COMMITTEE.

(*Mr. Kirwan, Brisbane, in the chair.*)

Clauses 1 to 6, both inclusive, put and passed.

Clause 7—“*Power to Crown to obtain petroleum*”—

Mr. WALKER (*Cooroora*): I move the insertion, after the word “Act,” on line 14, page 4, of the words—

“or under any Act hereby repealed.”

If hon. members will look at clause 66, they will find references to the previous Acts, or

*Mr. Walker.*]

parts of them, which are to be repealed. In Queensland to-day I believe we have only two companies operating. One of them, the Lander Company, is protected by a special measure now before the Chamber, but the other company, which is operating on the North Coast, near Tewantin, will not come under any Act at all, but the addition of the words which I propose will give it the protection which it has a right to have. It is a small matter, and I am afraid it must have been omitted by the Minister by mistake. The company has done particularly good work during the twelve months it has been operating in an area almost beyond civilisation; it has gone to enormous expense, and naturally it does not want to lose its rights. The amendment will give it the necessary protection, and will not interfere with the provisions of the Bill or with any other companies.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): It is quite right, as the hon. member says, that only two oil companies are operating in Queensland under the 1920 Act, but I am very desirous that when this Bill becomes law all companies operating in Queensland will operate under it. I think it would be to their advantage if the Minister exercises the powers proposed to be given to him by clause 11—

“The Minister shall have power to call in and cancel all licenses to prospect for petroleum issued before the passing of this Act, and the respective licensees thereof shall thereupon become entitled in lieu thereof to grants of permits under this Act, and, notwithstanding anything herein contained to the contrary, shall be and be deemed to be persons qualified to apply for and hold permits and leases under this Act.

“Each such permit shall date as and from the date of cancellation of the license, and shall comprise the area covered by such license, together with any such further area, if available and applied for, as will allow such permit to cover any acreage not exceeding 10,000 acres.”

The company to which the hon. member referred has a right under the 1920 Act to a lease of only 60 acres, whereas under this Bill it will have the right to 10,000 acres.

Even if they are successful in discovering oil, they will have a larger area to prospect, and they can take out a lease for a larger area. If they discover oil and they cannot be asked immediately they have discovered that oil to come under this Bill, they will be confined to the very small lease of 60 acres. I claim, therefore, that there is a distinct advantage for the present holders of licenses to come under this Bill. I am afraid that to accept the amendment would be tantamount to destroying clause 11 of the Bill. The amendment would probably be acceptable provided it was confined to those who are operating under licenses issued under the 1915 Act, but there are other licensees who are not operating at all. They have not shown their bona fides in any way by endeavouring to assemble a plant; they have not done any work at all. Immediately this Bill becomes law I propose to call upon them to come under it.

Mr. TAYLOR: You could not expect them to do anything until this Bill came into operation.

[*Mr. Walker.*]

The SECRETARY FOR MINES: Just so. They have been given fair consideration, inasmuch as their applications will receive prior consideration. Some applications I have refused, and I have advised the applicants to wait until this Bill became law, and I have verbally promised them that they will have first consideration. I admit that there is something in the contention of the hon. member for Windsor that, whilst this Bill was being talked about, it was useless for them to come under the existing Act and it was better for them to wait for the better provisions under this Bill. I claim that the amendment is not at all necessary. It is not likely that any Minister who allowed companies the rights that they have at the present time would step in and work the area. That would be distinctly wrong. The only thing a Minister could do and would do under this Bill is to call upon all persons interested to come in under this Bill. It is optional for the Minister now to do this. I had a clause drafted to the effect that all licensees should be called upon to come under this Bill, but there are only two companies operating under the old Act who deserve that consideration. I do not think the amendment is necessary, and I therefore cannot accept it.

Mr. WALKER (*Cooroora*): I recognise that the Minister has been very fair in his explanation and his criticism. The Bill gives the hon. gentleman discretionary power in connection with certain matters, and if he is prepared to give me a guarantee that in the exercise of those discretionary powers the existing rights of our company will be continued after the passing of this Bill, I shall be prepared to withdraw my amendment. I know that the hon. gentleman does not want to repudiate any rights that we have at the present time. We have gone to considerable expense, and I think the Minister appreciates what has been done. If the hon. gentleman would be prepared to meet our company by allowing it to retain its present rights, that would be quite sufficient.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I do not want to give the hon. gentleman a general assurance that I shall not exercise the powers set out in clause 11, because there are some licensees who hold licenses under the 1920 Act to whom I do not feel disposed to give that consideration, and whom I intend to require to come under this measure. I cannot give the hon. member a general assurance, but I can tell him that I will treat every case on its merits.

Mr. WALKER (*Cooroora*): In view of that assurance, I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Clause put and passed.

Clause 8—“*Land may be resumed*”—put and passed.

Clause 9—“*Permits and leases*”—

Mr. TAYLOR (*Windsor*): I beg to move the insertion at the commencement of sub-clause (2), on line 44, page 4, of the words—

“Save as to the rights of existing permittees or lessees under this Act.”

The amendment aims at preserving the rights of existing permittees or lessees with regard to any area which the Governor in Council may have declared not to be open to permit

or lease under this Act. It should be definitely stated that those who have such rights shall have protection.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): That is already provided for. This clause states that the Governor in Council may issue a proclamation granting leases comprising land not excluded from permit or lease under the Act. The hon. member must know that there is a clause under this Bill giving the Minister power to reserve certain areas in the State. He is not likely to exercise any power over any existing leases. Although I have no great objection to the amendment, I cannot accept it, as it is really not necessary.

Mr. TAYLOR (*Windsor*): The object of the amendment is not to embarrass or mutilate the Bill in any shape or form. It is simply moved to protect those persons who have existing rights.

Mr. GLEDSON (*Ipswich*): I hope that the Minister will not accept the amendment, because it will make a mess of the clause altogether. If the hon. member for Windsor reads the clause he will see that it allows the Minister, in the first place, to issue prospecting licenses, and, in the second place, it allows him to grant leases and exempt certain areas that are proclaimed to be excluded from the provisions of the Bill. To insert a saving clause such as the amendment is would make a mess of the provision altogether. The amendment practically provides that in the first place permits will be granted, and in the second place that leases will be granted for all areas of land applied for with the exception of such land as the Minister may reserve for certain purposes.

Mr. TAYLOR: The amendment only provides for what the Minister has already given a promise upon.

Mr. GLEDSON: A proclamation may be issued by the Minister reserving certain areas for the Crown.

Mr. TAYLOR: I am endeavouring to persuade the Minister to give protection to those who have already received permits or leases.

Mr. GLEDSON: Existing permittees and lessees are protected under the Bill. How can there be a proclamation excluding certain lands from permits to search for oil and excluding the giving of leases over those lands, and then saving the rights of the permittees or lessees? The whole thing would spoil the Bill and I consider that the amendment is unnecessary. Those persons who have permits are fully protected under the Bill, and the Minister is not likely to take over the areas that these people have taken up and then exclude them afterwards.

Mr. CORSER (*Burnett*): I intend to support the amendment, as I consider it to be a safeguard. The Governor in Council may from time to time by proclamation declare that certain areas or leases cannot be held, yet we may find a couple of leases already issued, the continuation of which by some means may be excluded by the proclamation. The amendment only tries to safeguard the existing rights of permittees or lessees. If the Minister proposes to act according to the desire of the amendment of the leader of the Opposition, surely there is no reason why he should not accept it.

The SECRETARY FOR MINES: It would spoil the phraseology of the Bill.

Mr. CORSER: I do not think it would. It is far better to provide the necessary safeguard in the clause than to sacrifice it by thinking only of the phraseology. We desire to make the people who already hold permits or leases safe.

Mr. GLEDSON: According to the opinion of the hon. member last night I thought that they were too safe.

Mr. CORSER: My trouble last night was that they are not safe enough, and it has been the hon. member's trouble ever since. I think that it will be admitted that there is no harm in the amendment.

Amendment (*Mr. Taylor*) negatived.

Clause put and passed.

Clause 10—“*Qualification of Permittees and Lessees*”—

Mr. CORSER (*Burnett*): I beg to move the insertion after the word “date” on line 13, page 5, of the words—

“Provided that no such company or corporation shall be qualified to hold or acquire any area under permit or lease under this Act in excess of the area which it holds or may be entitled to hold under license, lease, or agreement subsisting at the date of the passing of this Act.”

The amendment is to enable us to fulfil our obligations to an existing company which is bound by an agreement, and not to give it anything more. A company is in existence to-day—the Lander Company—which accepted an agreement for an area of 12,000 acres and which is satisfied to carry on on those terms. Paragraph (iv.), to which it is proposed to add this provision, makes it possible for this company to come under the Bill and receive an area which we contend will not be a safe area. We are introducing this amendment to preserve to the Empire our oil resources. This weakness in the clause makes it possible for the one exception to become a menace, and for the Lander Company not only to enjoy the privileges that it has—and which are essential, which we must stand up for as the Minister has made an agreement—but to secure greater privileges. This amendment prevents it from taking on and enjoying privileges over and above those it has already been granted. Its agreement, which we are asked to ratify by another Bill, provides for 12,000 acres, for which we propose to give them two leases each of 2,000 acres. There are six individuals in the company, and the agreement provides that each individual shall get his quota as an individual though he is part of the company.

If each of these individuals is able to hold two leases of 10,000 acres each, as is provided in the Bill, the company is going to acquire something over and above the 12,000 acres allowed under the agreement. It is going to acquire the possibility of holding 120,000 acres. The Bill further provides that the company, if it finds petroleum, shall have a right over that area for a period up to forty-two years. That is a danger to the safety of our petroleum fields. It is a danger to Australia to give a company this right. As the Minister has made an agreement, let us stand up to it, but I cannot see any reason why, when we are bringing forward a Bill like this, we should be so generous as to include these people in it. We had an instance mentioned a few minutes ago of a Queensland company having certain rights which are not

*Mr. Corser.]*

protected under this Bill except that the Minister may allow it certain rights to which it is entitled. There is no special clause in the Bill protecting its rights; yet we find the Lander Oil Company is to have every privilege and every facility for enjoying the full measure of benefit under the agreement and also the full measure of benefit under the Bill. The amendment has been moved to protect the rights of our own people in connection with petroleum. The Minister claimed only last night that 82 per cent. of the world's production of petroleum was in the hands of the United States of America authorities and only 4½ per cent. was in the hands of the British authorities; therefore, we should take every precaution to safeguard all the Australian petroleum resources. We should not allow this draught clause in the Bill to go through, as it will enable a company that is now in existence to be an exception to the rule and will give it a right that no outside company is able to enjoy and will enable that company to have a monopoly of all foreign capital to prospect for petroleum here. I say a monopoly, because all other financial interests in America or elsewhere—all foreign interests—which wish to put money into oil fields here can do it through that company, because it is already established, but another foreign company cannot be established. If you give these people the big concession that this Bill proposes to give them over and above that which is provided for in their agreement, you are going to create for them a monopoly, as they will be the only foreign company that is able to handle available foreign capital for the purpose of prospecting for oil in Queensland.

The PREMIER: In what sense is this a foreign company?

Mr. CORSER: Will the Premier say that they are all Britishers?

The PREMIER: In what sense is it a foreign company?

Mr. CORSER: I say it is foreign capital, and there is nothing to stop the company from forming itself into a foreign company in that it has the necessary name. It has shareholders whose names probably satisfy the Government, although all of them are not asked whether they are Britishers or not, and this subparagraph exempts them from the proviso that persons qualified to hold a permit or lease must be natural-born or naturalised British subjects. If the members of the Lander Oil Company are all Britishers, what is the necessity for this clause at all? There is no necessity whatever.

The SECRETARY FOR MINES: Where is the company registered?

Mr. CORSER: Is not the company registered here? Would they be fools enough to register anywhere else? The Minister will not say that there is no foreign capital in the company, and that it is not possible for it, when it finds oil, to get all the necessary capital and administration from America for the carrying on of these oilfields. The Minister knows that that is possible, and that at the present time there are American gentlemen on the field. We have had too bitter an experience in the past to tinker with these things. Australia and the rest of the world has had that experience. America has secured control of 82 per cent. of the world's production, and why should we give Americans a lien here? I propose to stand by the amendment and not to give

this company, whether it is American or otherwise—there are five Australian names in the list of members—any more rights than it should have. If any of the individuals in the company are Australians, they do not want this clause to enable them to enjoy all the privileges which are going to be given to Britishers, as they can get those privileges without it. What is the justification for saying that we are going to harass them unduly? They have rights as Australians. If they are Australians, they can each come along and get their 20,000 acres. We are not doing anything against them by saying that, if they are a company from outside, as the clause provides they must be, they shall only enjoy the 12,000 acres which they contracted for, and which contract we are asked to ratify. They have brought so many hundred tons of machinery here, and have everything in readiness for big operations, and all they have been offered is 12,000 acres. What do we want to give them an increased area for? The Australians among them can get their 20,000 acres if they want to. Why should we consider them, especially when it is possible that the company on finding oil will develop into a big thing, and foreign moneys which it is desired to send to Australia can have a vent through that company, as no other company of that kind can be started in Queensland after the passing of this Bill? We should clip their wings here and not give them more room to fly.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I do not propose to accept the amendment. I am well aware that it gives the hon. member for Burnett great pleasure to move it, but he has discovered a mare's nest. Last night he described the Lander Oil Company as a foreign company, and he now makes the rather startling announcement that the Government know that it is using foreign capital. We do not know where every shilling that is put into the company is coming from.

Mr. CORSER: I have asked you to deny it, and I have asked you to prove that they are all Britishers.

The SECRETARY FOR MINES: I have the articles of association of the company here. It was my duty as Secretary for Mines when we made the agreement with Dr. Milsom and others, who later formed themselves into the Lander Oil Company, to inquire into the bona fides of the people who made application for an oil lease. The company was registered in New South Wales, and this is the certificate of incorporation—

“NEW SOUTH WALES.

“CERTIFICATE OF INCORPORATION.

No. 96674.

“*The Companies Act, 1899.*

“I certify that the company styled ‘The Lander Oil Field (Australia), Limited,’ is incorporated, and that the said company is a limited company.

“The date of incorporation of the said company is the ninth day of December, one thousand nine hundred and twenty-two.

“Given under my hand at Sydney this ninth day of December, one thousand nine hundred and twenty-two.

(Signed) J. W. CROKER.

“Assistant Registrar of Joint Stock Companies.”

[*Mr. Corser.*

Mr. CORSER: Was not the Australian Meat Export Company an Australian registered company, and you said we should not have allowed them to get a bit of land here?

The SECRETARY FOR MINES: The names and addresses of the gentlemen who applied for the license and formed this company are given as follows:—

“James Burns, independent means, ‘Yoorooga,’ Blacktown, New South Wales; Ernest Albert Lawrence, solicitor, Wynyard street, Sydney; Duncan Charles Milsom, geologist, Bank of New Zealand Chambers, Wynyard street, Sydney; Allen Taylor, merchant, 89 Pitt street, Sydney; Ernest Albert Harris, public accountant, 115 Pitt street, Sydney; Adrian William Hilderbrand, public accountant, 115 Pitt street, Sydney; John Stewart Kennedy, solicitor, Wynyard street, Sydney.”

This is the foreign company that the hon. member for Burnett speaks of. I am told that every penny which it has spent and is spending now at Orallo is Australian money. Up to date it has purchased plant in America at a cost of over £15,000, and it is to spend, according to the agreement, £50,000 in prospecting for oil in our State. Yet it is described by the hon. member for Burnett as a foreign company.

Mr. KING: A foreign company is a company that is not a British company.

The SECRETARY FOR MINES: I think it is only fair to Dr. Milsom to say that I took the trouble to get further information. I find that Dr. Milsom was born in Scotland of Scotch parents, and when quite a boy he came out to New Zealand. Later on he went to Tasmania and won a Carnegie Scholarship; then he went to America and received his education in California, becoming a geologist, and has since been connected with the oilfields.

Mr. ROBERTS: That was published last January in “Smith’s Weekly.”

The SECRETARY FOR MINES: It is somewhat regrettable that the privilege of Parliament should be used to describe as foreigners these gentlemen who are endeavouring to develop the oilfields of Queensland. I have no intention of accepting the amendment, which is not necessary. No hon. member opposite can prove to me that the Lander Oil Company, or any other company, can get 1 acre more than what is laid down in the Bill. The maximum area laid down is 10,000 acres, and the company may take up two permits of 10,000 acres each. The members of any other company—the members of the company operating at Tewantin, for instance—may take up another permit under this Act because it has only got one.

Mr. GLEDSON: It could not get two if this amendment were carried; that would shut it out.

The SECRETARY FOR MINES: This Bill will limit the company to two permits. In the United States of America there is a limitation to three, with the exception of Alaska, where five can be taken up.

An OPPOSITION MEMBER: What is the area?

The SECRETARY FOR MINES: Two thousand five hundred and sixty acres on an approved oilfield. In Queensland oil has not been discovered in flowing quantities, and therefore we think it wise to make the area

large enough to induce people to spend their money in discovering oil.

There is nothing in the contention of the hon. member for Burnett that under the Milsom agreement or under this Bill the Lander Company may take up 120,000 acres, and I would like the hon. member to get some legal opinion on the matter so that he could come into this Committee fortified with it. I am sure he could not do it, because not one member of this House will agree with him that under the Bill or under the agreement it is possible for the company to take up 120,000 acres. The company has 12,000 acres, and I understand from it that immediately this Bill becomes an Act it will come under it and take up the 12,000 acres under the Act. They may also take the other 8,000 acres to which they are entitled under this Act.

Mr. TAYLOR: How many acres can they take under this Act? We say 120,000 acres.

The SECRETARY FOR MINES: I say they can only take 20,000 acres. Any individual member may take up 20,000 acres. So may any individual member of the other company. The Lander Company has no special privilege to take up extended areas.

Mr. TAYLOR: Each member can take 20,000 acres?

The SECRETARY FOR MINES: And so can a member of the other company.

Mr. ROBERTS: Then, why not say that?

Mr. TAYLOR: The members of this company can each take up 20,000 acres, can they not?

The SECRETARY FOR MINES: It should be at least clear to the hon. member that the maximum area under permit is 10,000 acres, and any individual applicant or company can take only two areas under permit.

Mr. TAYLOR: You are not answering the question. The company can take 120,000 acres.

The SECRETARY FOR MINES: It cannot take 120,000 acres when the area under permit is limited to 10,000 acres. The Bill distinctly says that the maximum area shall be 10,000 acres. How, then, can the company take up 120,000 acres?

Mr. CORSER: Because the agreement says each member can take up his own area.

Mr. ROBERTS: All six members of the company can take 20,000 acres each.

The SECRETARY FOR MINES: Under the 1920 Act the company can take up 12,000 acres under license. The concession given to it is only to increase the area that may be granted under lease—not to increase the area under license. Under the 1920 Act the maximum area covered by a license is 2,000 acres, and the company took up six 2,000-acre blocks, which it could do without any concession. The concession now being granted is that they are to have 1,000 acres under lease instead of the 320 acres to which they are entitled under the 1920 Act if they discover oil.

Mr. TAYLOR: Each of them can take 20,000 acres under lease.

The SECRETARY FOR MINES: So can any other individual.

Mr. KERR: Each individual can form another company and take up the maximum area.

The SECRETARY FOR MINES: The hon. member cannot get away from the fact that the maximum area under the Bill is 10,000 acres. I am hoping that 100 individuals will take up the maximum prospecting area. If the hon. member cannot grasp the fact that the maximum area is 10,000 acres, it is not my fault.

Mr. ROBERTS (*East Toowoomba*): We have tried time and again to get from the Minister just what maximum area this company can take up. He distinctly denied the statement that they can take up 120,000 acres.

Mr. GLEDSON: The company cannot—he denies it now.

Mr. TAYLOR: It can, and the Minister knows it.

Mr. ROBERTS: The company can take up 20,000 acres and each member can take up his quota, making the total 120,000 acres. The Minister says that other companies may take up the same area.

Mr. DASH: Not a company.

The SECRETARY FOR MINES: Any individual can take 20,000 acres.

Mr. ROBERTS: The Minister admits that what we have said is correct. I am against that principle, and I support the deputy leader of the Country party in the amendment which he has moved. I have no objection to an individual or a company prospecting for oil over an area of 120,000 acres; but when it comes to a question of a lease when it has found oil, the area is too large. I think the Crown should reserve the right to some of the land in the interest of itself and of other companies. We know what has unfortunately happened in prospecting for oil in Queensland. Last night the Minister went as close as he could to charging influences outside of Australia with the responsibility for the failure of the prospecting in the Roma district, and are we not justified in saying that, if we allow this company to take 120,000 acres, it is possible by putting down wells here and there that it will prove the field to be a failure—that it will do just what the Minister said, and not look for oil? Under those circumstances, will it not hold that land in possession for a number of years so that we in Australia will not get the benefit of it? I am glad that, after so much pressure, we have got this assurance from the Minister. What I am regretting is that the hon. gentleman was not reasonable last night, when he was asked time and again to admit that this company can get 120,000 acres if it exercises all its rights.

The SECRETARY FOR MINES: It cannot.

Mr. ROBERTS: I would just like to know what the Minister does mean. I would like to see the "Hansard" report of what he said a few moments ago without having to wait for its ordinary publication, if he does not correct his statement.

The SECRETARY FOR PUBLIC LANDS: The six individuals may form themselves into companies.

Mr. ROBERTS: And the same individuals have the right to 120,000 acres.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): By way of further explanation, I deny the hon. member's statement that the Lander Company can take up

120,000 acres. If he will look at the definition clause, he will see that "person" includes—

"an individual person, an association of persons, and a company or corporation."

Therefore a person or a company can take up only the maximum area under the Bill, and it is not possible for the Lander Oil Company to take up more than is specified in the Bill—that is, two areas of 10,000 acres each.

Mr. CORSER: Does not paragraph (iv.) of clause 10 make an exception in favour of that company, reading it with paragraph 1 of the schedule to the Milsom Petroleum Agreement Ratification Bill?

The SECRETARY FOR MINES: It deals with qualification only and not with area. I do not know whether they are going to form companies. Any individual may take up two areas under permit or form a company.

Mr. CORSER (*Burnett*): The Bill provides that no person shall take up more than two areas of 10,000 acres each under permit. Paragraph (iv.) of clause 10 makes an exception in favour of this company.

The SECRETARY FOR MINES: Only so far as qualifications are concerned.

Mr. CORSER: And they have an agreement with the Minister bringing them under the Bill. The first part of their agreement shows that one of them and the other five persons named in the schedule shall each be entitled to hold his parcel of land.

Mr. GLEDSON: Not under this Bill.

Mr. CORSER: Yes. We know that 20,000 acres can be held by one individual, and we do not want each of these six individuals forming this company to enjoy 20,000 acres each. Last night the Minister told me, as is shown in the "Hansard" proof this morning, that the company would not be able to receive more than 12,000 acres.

The SECRETARY FOR MINES: I said 20,000 acres.

Mr. CORSER: Now the Minister admits that each is entitled to 20,000 acres. He said on the introduction of the Bill, again last night, and again this afternoon, that they would only be entitled to receive 12,000 acres. Now he has gone so far as to say that they can each hold 20,000 acres. This is the only company which will enjoy those individual rights, because it is provided for in the agreement.

The SECRETARY FOR MINES: How many mining leases can an individual take up under the Mining Act?

Mr. CORSER: Never mind about the mining leases; I am dealing with this Bill. The Minister would not have it that there was anything foreign about this company at all. He said that five of the six individuals forming that company live in Australia, and that the other member is also living in Australia, but he did not know whether he was a naturalised Britisher or what he was.

The SECRETARY FOR MINES: He was born in Scotland.

Mr. CORSER: That does not characterise this company as a British company, or one altogether representing Australian interests.

Mr. WEIR: What is an Australian company?

[*Hon. A. J. Jones.*]

Mr. CORSER: The company is registered in Australia, and the memorandum and articles of association for the purposes of registration would certainly include these five gentlemen, who would of necessity be Australians, but they may only hold one share each. The Minister cannot claim that this is a company representing Australian interests, because five of the six members are prominent men whose names are included simply for the purpose of registering the company in Australia. They are gentlemen of repute, but probably they only hold one share each.

The SECRETARY FOR PUBLIC LANDS: No matter what restriction you place in the Bill you cannot prevent that.

Mr. CORSER: The Minister says that, notwithstanding any restrictions, these things can be done. If that is so, we are entitled to put in all the restrictions we can.

The SECRETARY FOR PUBLIC LANDS: You did not prevent Badger from running the trams in the streets of Brisbane.

Mr. CORSER: And you did not prevent him from getting an extension of his franchise. Only a few years ago hon. members opposite kicked up a row because two or three Americans were starting meat works here. I am not preventing the oil fields from being developed; I am not trying to stop the introduction of foreign capital; but the trouble is with foreign control. The control comes with the capital. This is not a matter of building up an industry. The question of the discovery of petroleum is more than that, and that commodity should be safeguarded for ourselves. If people desire to come here and develop our fields, then let them come and help us; but when it comes to a matter of petroleum, and the making of munitions with which to shoot us down, we should not give them the control that should be absolutely preserved to our own people. That is the reason for my amendment.

The SECRETARY FOR MINES: I am the only Minister who has given that protection.

Mr. CORSER: The Minister has made it possible for this company to extend its operations beyond what it is entitled to enjoy under the agreement, and which conditions cannot be enjoyed by any other company. The agreement gives an individual right to the six nominees of the company. The Bill enables them to get something considerably in excess of what they have agreed to, and what they have signed for. That agreement we propose to ratify. I object to that company being able to obtain anything more than what is contained in the agreement. The idea of the amendment is in a way to enable us to ratify the agreement with this company.

The CHAIRMAN: Order! I hope the hon. gentleman will deal with that matter on the proper Bill.

The SECRETARY FOR MINES: Would the hon. member for Burnett agree that we should wipe out the clause altogether, and have no restriction at all?

Mr. CORSER: Provided that it does not interfere with the ratification of a certain agreement.

The SECRETARY FOR MINES: It does not.

Mr. GLEDSON: The hon. member for Burnett is very much concerned.

Mr. CORSER: We only want the company to enjoy just what it has agreed to, and we do not want to give it facilities under this Bill for enjoying that which it should not enjoy.

The SECRETARY FOR PUBLIC LANDS: How many other industries can the company engage in?

Mr. CORSER: It can engage in every other industry. The Minister sees the necessity for having certain safeguarding clauses in the Bill, and one of the safeguards provides that a person qualified to apply for a permit must be a natural-born or a naturalised British subject, and he must do this and do that before he can prospect for oil. In clause 10 (iii.) there is also a safeguarding provision, but when we come to clause 10 (iv.) there is an exemption for this company. We are asking for a safeguard in that paragraph, and the Minister offers some objection.

Mr. GLEDSON (*Ipswich*): I want to point out where the amendment will lead us to. It reads—

“Provided that no such company or corporation shall be qualified to hold or acquire any area under permit or lease under this Act in excess of the area which it holds or may be entitled to hold under license, lease, or agreement subsisting at the date of the passing of this Act.”

Mr. KERR: It does not mean that the same men can form another company.

Mr. WEIR: It does.

Mr. GLEDSON: It means that the Lander Oil Company and the Tewartin Oil Company cannot acquire any more than the two leases of 60 acres each, making a total of 120 acres for each company. That is what is provided under the existing law. If the amendment is carried, then the Lander Oil Company and the Tewartin Oil Company cannot obtain any further area than 120 acres. They would be restricted to that area on the passing of this Bill.

Mr. CORSER: No.

Mr. TAYLOR: The agreement gives the Lander Oil Company 1,000 acres.

Mr. GLEDSON: The agreement gives the Lander Oil Company 1,000 acres, but the hon. member for Burnett wants to take away the rights of that company under the agreement and restrict it to 120 acres. Last night we heard the hon. member for Burnett making a big mouthful about the introduction of capital into Queensland. Not very long ago hon. members opposite were complaining about the Labour Government driving capital out of Queensland.

Mr. KERR: You are twisting.

Mr. GLEDSON: They complained that people would not come here with their capital. They are concerned because capital is coming into Queensland from other States for the development of this State. This amendment would restrict the operations of the Lander Oil Company and confine it to the provisions existing in the law as it stands to-day.

Mr. TAYLOR: It would not reduce the rights of the Lander Oil Company at all.

Mr. GLEDSON: Then what is the meaning of the amendment?

Mr. TAYLOR: There is an agreement with the Lander Oil Company, but there is no

*Mr. Gledson.]*



agreement with the Tewantin Oil Company. The Tewantin Oil Company would remain where it is, and the Lander Oil Company would remain in its present position.

Mr. GLEDSON: Despite the remarks by the leader of the Opposition, I contend the amendment is moved for the reasons I have stated. I do not think that the Opposition can accuse the Government of giving anything away to companies or to those who have capital. We have been accused of leaning in the other direction. We claim to be absolutely fair to everyone, and that is what we are attempting to carry out in this Bill. The Minister is quite right in saying that the rights of the Tewantin Oil Company and the Lander Oil Company should be protected, and that they should not be confined to 120 acres, as would be the case if the amendment was accepted.

Mr. MORGAN (*Murilla*): We should thoroughly understand the position of this company controlled by Dr. Milsom. The Minister says that after the passing of this Bill the Lander Company, which is boring for oil in the Roma district, will not be able to secure 20,000 acres for each of its members, making a total of 120,000 acres. The hon. member for Burnett and other hon.

[4.30 p.m.] members on this side claim that it is so. The very moment that this Bill becomes law in its present form the people connected with the Lander Company will be able to come under this Bill, notwithstanding their agreement with the Minister, and acquire an area of 20,000 acres each for prospecting purposes. Is that so, or is that not so? There should not be a doubt about the matter. We should be able to go away from this Committee and say to the public that the persons composing this company will not be able to acquire 20,000 acres each.

Mr. GLEDSON: You can go away safely and say that the company will not be able to get 20,000 acres for each of its six members.

Mr. MORGAN: The hon. member for Ipswich—who generally gets up and makes a matter clear—says that we can go safely away and explain to the public that the members of this company will not be able to take up 20,000 acres of land each. On Friday night I went up home in the train, and at Toowoomba I met Dr. Milsom. I had a copy of the Bill in my pocket and I gave it to Dr. Milsom. He went over it and returned it to me at Dalby.

The SECRETARY FOR MINES: I was accused of giving him a copy of the Bill, but now we know who gave it.

Mr. MORGAN: This was on Friday night. On Friday I was quite entitled to show the Bill to anybody I desired.

The SECRETARY FOR MINES: I was accused of giving the Bill away.

Mr. MORGAN: That was before this. The Minister was accused of giving Dr. Milsom a copy of the Bill before Friday night. I got a copy of the Bill on Friday, and I left Brisbane by the Western mail train at 2 o'clock in the afternoon. I met Dr. Milsom at Toowoomba and said to him, "I have a copy of the Petroleum Bill in my pocket." I handed it to him and he gave the Bill back to me at Dalby. He wrote these words opposite clause 10 (iv).—

"Too wide: should apply only to land and licenses already applied for."

[*Mr. Gledson.*

Those words and the argument of the hon. member for Burnett show that the opinion is held that the six members of the Lander Company will be able to take up 20,000 acres each under this Bill. It shows that a doubt exists on the matter. If there is a doubt on the matter, why should not the Minister make it clear, either in this Bill or in the Milsom Petroleum Agreement Ratification Bill, that the members of the Lander Company will not be able to acquire 20,000 acres of land each?

Mr. CORSER: Dr. Milsom admitted that himself?

Mr. MORGAN: Yes, and those remarks I have read appear on the copy of my Bill in his own handwriting.

The SECRETARY FOR MINES: This clause only applies to the Lander and Tewantin companies. If there are only two companies operating, how can it apply to any others?

Mr. MORGAN: If the Minister will not accept the amendment of the hon. member for Burnett, he should himself insert a clause in the Bill making it clear that the Lander Company will not be able to get a license for 120,000 acres.

The CHAIRMAN: Order! Order! I would like to point out to the hon. member that there is nothing in this amendment dealing with persons. The hon. gentleman is discussing what certain individuals can do.

Mr. MORGAN: We are discussing the Bill from this point of view. We know that a company has been formed and an agreement has been entered into by the Government with it, which we are asked to ratify. We want to know whether this Bill will enable that company to acquire 120,000 acres of land or not. We also want some provision to be included in the Bill to say that the company cannot acquire such an area. The Minister said that the six individual members of the company could not acquire that area, and, if he will only have a provision inserted to that effect, it will save any necessity for discussing the matter.

The CHAIRMAN: Order! The hon. member is not discussing the amendment. There is nothing in the amendment about the Lander Oil Company. It refers to companies or corporations. If the hon. member wishes to deal with private individuals, he will have to move an amendment to that effect.

Mr. MORGAN: This amendment practically debars a certain company from acquiring an area of 120,000 acres. Will the Minister, either by an amendment of his own or by accepting the amendment moved by the hon. member for Burnett, provide that this company will not be allowed to do so?

Mr. DEACON (*Cunningham*): I understood from the Minister that there is no company operating for oil in Queensland which is composed of persons who are not naturalised. If so, where is the necessity of putting a provision in the Bill to exempt certain persons who are not naturalised? This appears to be a special privilege. It is not intended that this provision shall apply to persons composing any company except some who are at present holding permits. There must be some reason for this clause. If it does not apply to the Lander Oil Company, which the Minister says represents Australian capital, where is the sense of putting it in the Bill?

at all? If the Lander Oil Company is an all-Australian company now, it is evidently the only company which could be taken possession of by foreigners, and we would then have foreign capital controlling its leases and operations. I understood the Minister to say that any person connected with the company would be entitled to take up two leases. That would place this company in the position of bringing in dummies. If there were a hundred of them they could each take up two leases, comprising 20,000 acres. That would give them practically a monopoly of the whole of the proved oil area in Queensland. The hon. member for Ipswich said that each individual would only be entitled to take out two permits under the existing Act, and the Minister stated that it would be to the interests of the Lander and Tewanin Oil Companies to cancel their existing rights and come in under the Bill. The present licenses therefore would not be worth anything except what the Minister chose to give them under this Bill. If the Minister is not going to accept the amendment, we should omit paragraph (iv.). The amendment is necessary, and, if there is no foreign company, why is this clause included in the Bill?

Mr. TAYLOR (*Windsor*): When the Minister was speaking yesterday afternoon on the second reading of this Bill, he said that it was extraordinary that on three different occasions during the boring operations at Roma those operations were interfered with. The inference to be drawn from that—and I take it the inference we should draw from it—is that American influences operated in some way in connection with the tampering with the bore. That is what was generally understood. It has been generally accepted that the Lander Oil Company is an American company. Whether it is or not I am not in a position to say. In my opinion 120,000 acres should not be taken up by the six gentlemen composing the company.

In the Millsom agreement provision is made to give those six gentlemen the right to form a limited liability company to carry on their operations. If that does not bear out the contention brought forward this afternoon that this company can acquire 120,000 acres, I do not know what does. Each member of the company can take up the full area provided for by the Bill. Of course any other company in Australia has the same right. We have had an experience of how the Standard Oil Trust has operated in Australia and all over the world in the past in the matter of oil transactions. I am very much afraid that some of the proposals in this Bill are going in the direction of creating a monopoly in oil in Queensland.

OPPOSITION MEMBERS: Hear, hear!

Mr. TAYLOR: The area in which the Lander Oil Company is operating may be the only area in which oil is discovered in payable quantities.

Mr. DUNSTAN: The position would be just the same in any smaller area.

Mr. TAYLOR: I give the Minister credit for trying to develop the oil industry in Queensland, but he should give us credit for also attempting to do so. We are merely trying to protect the rights of the people of Queensland in that development, and to give every encouragement for outside capital to come in to assist us. We know perfectly well that the capital carrying on in Australia at present comes for the most part from outside

of Australia, and we are very glad to have it. We want more of it to come along, but we want this Bill to protect the rights of the people in Queensland and do not desire that it shall create an oil monopoly. This appears to be the only area where we have any favourable prospects of success. Hon. members must bear in mind that we have been putting down thousands of bores for artesian water throughout Western Queensland, and so far we have not yet struck oil in payable quantities. Of course we are hopeful that the Roma operations will be successful and will bring forth oil in payable quantities. I do not see that the proposed amendment of the hon. member for Burnett is going to interfere with the scope of the Bill. It is simply going to protect the rights of the people of Queensland so that, if oil is struck, we shall have all our rights as a people thoroughly under control.

Mr. SWAYNE (*Mirani*): I desire to support the amendment of the hon. member for Burnett. I would not for one moment like to block anything in the shape of a legitimate investment which tended to develop the resources of Queensland. At the same time I fail to see why any special concession should be given to any particular individuals. All that this amendment proposes to do is to prevent such a special concession being given. I do not see that any case has been made for the bestowal of a special concession. The amendment simply puts everyone in the same position; it does not allow of any distinction being made between one company and another. Yet the Minister refuses to accept it. In the circumstances the only opinion that we can form is that he proposes for some reason to perform some special act of favour to some particular corporation, otherwise why should he refuse to accept this amendment?

In the past there has been no party which has more strongly opposed special concessions than the party at present occupying the Government benches. I remember the time when they were in opposition, when it was proposed to give a lease for 10,000 acres at Yarraman Creek to a timber company. Member after member rose and inveighed bitterly against any concession of the kind being given. The proposal was to erect a sawmill and wood-pulping and distilling plant, etc. Hon. members opposite were bitterly opposed to that case. Years have gone by; and what a change has taken place! We now find them proposing to give 120,000 acres to a company to prospect for oil!

Mr. GLEDSON: Nothing of the sort.

Mr. SWAYNE: Then why not accept the amendment? It would very easily settle the question. If the Government refuse to accept the amendment, they cannot complain if all sorts of suspicions and surmises arise. I remember a few years ago, when the present Government were in power, that the hon. member for Fitzroy bitterly criticised previous Administrations because they allowed American companies to get a foothold in connection with our meat-preserving trade. He pointed out that our men at the front were short of meat, while our own Australian beef—I could quote the hon. member's words here if I were allowed—was being utilised by the German troops. The hon. member said that it was smuggled through America across to Germany to feed the German troops who were slaughtering

*Mr. Swayne.*]

our own men. After that sort of thing going on for years we find that this very great concession is now being granted. We cannot wonder that this sort of thing causes suspicion and criticism. It makes one think that the Government party is composed of a lot of spineless socialists who have not the courage of their convictions, and who depart from the principles of their creed when controlled by stronger influences. When it comes to a concrete expression of opinion they allow their most vital principles to be departed from. It seems to me that there is a small gang amongst them who are controlling and forcing them along a path directly opposed to their doctrines. I shall not say anything more on this point, because I would be out of order—

The SECRETARY FOR MINES: Why do you not say all that you want to say?

Mr. SWAYNE: I shall leave it to the public to form their own opinion. I do think that this is the opening of the door for the exploitation of Queensland. It is generally recognised how important mineral oil is, and what a big part it is going to play in our future. It is a very open question whether, in the interests of the public, it is right to grant this very big concession to one company which allegedly is identified with a big monopoly which hon. members opposite have said is an incubus on industry in the United States of America. In spite of all the hon. member for Fitzroy said in the past in regard to the Standard Oil Company and the American meat-packers, a similar company is to be allowed to obtain a foothold in Queensland. I would not mind if the company came in on equal terms with other companies, but it is going to get a special concession and fix its octopus clutch on Queensland. There is every reason why this amendment should be carried, and if it is carried the result will be that everyone who comes in in the future will come in on the same footing. I do not think more than that should be desired. I do not agree with this practice of entering into agreements with private individuals and then securing a subservient majority—

The CHAIRMAN: Order! There is nothing in the amendment dealing with any agreement, and I hope the hon. member will address his remarks to the amendment.

Mr. SWAYNE: I just wish to say that in the past members of the Government have been bitterly opposed to anything in the nature of this agreement, and now some members—with the help of a subservient majority of members who apparently have no say in the matter at all—can force through the Parliament of Queensland such an agreement as this.

Mr. McLACHLAN (*Merthyr*): It seems to me that there is a fear in the minds of hon. members opposite that some company is going to get an undue advantage under this Bill. I have read the clauses dealing with the areas allowed, and I fail to see how it is possible to place the construction on these clauses that is being placed upon them by hon. members opposite. Paragraph (iv.) of clause 10 refers to "any company or corporation," and, while there is no definition in the Bill of either "company" or "corporation," there is a definition of the word "person," which includes both. The definition reads—

"Person" includes an individual person, an association of persons, and a company or corporation."

[*Mr. Swayne.*]

If the definition of "person" includes "company" or "corporation," then a company or corporation must be included in the definition of "person." Clause 9 provides that the Minister may grant prospecting permits to qualified persons applying for them, and that the maximum area covered by one permit shall not exceed 10,000 acres. Each person may take out two permits. Clause 12 says—

"No person shall be entitled to apply for, acquire, or hold more than two permits at any one time."

Mr. TAYLOR: The Milsom Petroleum Agreement Ratification Bill gives the right to each of those six persons to form a company.

Mr. McLACHLAN: The Milsom Petroleum Agreement Ratification Bill allows each of those six persons to take up 2,000 acres, and they are in no better position than a person taking out a permit under this Bill. In fact, they would be in a worse position, because they would get a bigger area under this Bill, but they would not get the 120,000 acres that hon. members opposite say they can get.

Mr. KERR: The Minister said that, too.

Mr. McLACHLAN: The Minister did not say anything of the kind. Hon. members opposite endeavoured to get the Minister to say that they could take up 120,000 acres, but he did not say it. He said that any person could apply for a permit for 10,000 acres, and that no person could get more than two permits. The proviso proposed by the hon. member for Burnett is—I do not like to say it is silly—

Mr. CORSER: You know very well it is not.

Mr. McLACHLAN: I know it is not a very sensible proposal, and I hope the Minister will not accept it.

Mr. DUNSTAN (*Gympie*): I think a great deal of the argument has arisen from a misconstruction of the wording of the clause, and I think the Minister is justified in declaring that there is every provision in the Bill for preventing any undue concession to the Lander Oil Company. If it is true that Dr. Milsom stated to the hon. member for Murilla that this proposal was unnecessary as applied to petroleum lands, that is sufficient indication to my mind that the Government are not giving any concession to any company, whether it is regarded as a foreign company or not. As pointed out by the hon. member for Merthyr, the definition of "person" includes "company" or "corporation," and clause 12 says that no person shall hold more than two permits to prospect for oil, and not more than two leases.

Mr. ROBERTS: Except Milsom's Company.

Mr. DUNSTAN: Subclause (3) of clause 12 also states that—

"No company or corporation shall, as a shareholder or stockholder of another company or corporation, acquire or hold any interest in more than two permits or leases."

It also has to be borne in mind that with every application for a permit to prospect for oil there must be a deposit or bond for £500 and the payment of a rental of 1d. per acre during the period of the permit, and also the condition to put down a 2,000-foot well in two years. There are further conditions imposed on the granting of a lease which, I am satisfied, so far as all practical requirements go, provide the necessary safeguards in connection with this Bill, and will prevent

the alleged monopoly that may be created according to the opinion of hon. members opposite. It is obvious, according to the geological reports, that even after granting the necessary area to the Lander Oil Company, there is room in this State to prospect for oil and for the discovery of oil in commercial quantities, so that in that regard there need be no fear of an oil monopoly in the State of Queensland.

Mr. G. P. BARNES (*Warwick*): Two things are perfectly clear in connection with the discussion which has taken place over the amendment and this clause. First of all, it is quite clear, so far as this side is concerned, that the idea is to prevent the big aggregation of areas resulting in consequence of the protection which the Bill provides for those who are taking up the land under agreement. Whilst that is clear, it is also clear that no one company can hold more than 20,000 acres. This particular company cannot hold more than 20,000 acres, but there is nothing whatever to prevent each individual member of the company utilising the the experience which may have been gained as the result of prospecting in connection with the first 20,000 acres and securing contiguous blocks. The object of the amendment is to prevent the establishment of a huge monopoly, as the result of investigations which may have been car-

[5 p.m.] ried on, from having a prior claim to contiguous blocks.

Anyone can see that, if criticism should be forthcoming from this side in order to avert a huge monopoly of that kind, it should also come from hon. members opposite. Every hon. member should rejoice in the prospect of the development of the oil industry, but why the Government should be so desirous to protect these gentlemen to the extent of allowing them 20,000 acres each, if they so desire, is something which is past understanding. No matter how we may legislate, I doubt if we are going to prevent that kind of thing happening. When men have gained experience they are going to use it for their own benefit. If they had not the right under the Bill to take up these extra blocks of land, they would quietly make use of the information they possess and secure the names of other individuals in order to get permits and take up further blocks. We cannot prevent that being done. But whilst it will be impossible to prevent that, it is extraordinary that the Government should come down with legislation by which it is going to be made easy for that kind of thing to be done.

Mr. DUNSTAN: Would you prevent the Milsom Company as a company from getting two permits under this Bill?

Mr. G. P. BARNES: No.

Mr. DUNSTAN: The amendment would prevent that.

Mr. G. P. BARNES: You need not specially legislate for that. The moment you come down with an Act of Parliament to protect certain individuals, you cause grave doubt. We think that in matters of this kind it should be perfectly open to the first comer, if he has information, to come in and apply for his block of land. Here we are laying down a rule which will preserve to the company which has been named the right to possess all contiguous blocks, and in that we see a very great danger. There is the possibility of a monopoly there. The experience of the past has

been of such a nature that oil-bearing country should be opened to all, and not reserved for certain individuals. No one can say that, if success is attained, the information gained will not be utilised to bring about a great aggregation of holdings. The company starts out with a great deal of information in its favour. Of course it is 25 miles from the area where oil is known to exist, but there may be a big advantage in that. We ought to preserve the interests of Queensland. While anxious to see the oil industry develop, we should not throw away every right we possess in connection with oil-bearing country—the industry has almost got beyond the experiment stage—and give a right to members of a company to take up additional areas. That seems to me to be a wrong thing to do.

Mr. KING (*Logan*): I think that the amendment is a perfectly reasonable one, and I would ask the Minister seriously to reconsider his decision with a view to accepting it. The whole object of the amendment is to limit the area to be held by any person, association of persons, or company. The Bill purports to limit that area to two permits amounting altogether to 20,000 acres. The contention of some hon. members opposite is that no person or company can hold more than 20,000 acres.

Mr. DUNSTAN: The amendment will prevent them holding even that.

Mr. KING: If that is the contention, why not put it beyond all doubt and have it included in the Bill? The Minister says that the Lander Oil Company can hold 120,000 acres, and my opinion is that they can do that.

Mr. DUNSTAN: As individuals.

Mr. KING: The persons who form the company. I am not going to discuss the agreement. I simply say that the object of the amendment is to limit the acreage held by any person, company, or any association of persons to 20,000 acres, and that is a fair thing.

Mr. DUNSTAN: The amendment will cut them out altogether.

Mr. KING: The Milsom Company should not have greater rights than anybody else.

Mr. MORGAN: Hear, hear! They are quite satisfied with their agreement.

Mr. KING: The six persons in the company would be entitled to hold 120,000 acres.

Mr. DUNSTAN: As persons.

Mr. KING: If these persons have entered into an agreement with the Government with the object of forming a company, that means that that company can get 120,000 acres.

Mr. DUNSTAN: No.

Mr. KING: The clause sets out the qualification of permittees and lessees. First of all, it says that any person who is a natural-born British subject can get two permits. Then it says that any association of any such persons can get two permits. Then it states that the following shall be qualified to apply for and hold a permit or lease—

“Any company or corporation formed and registered within the Commonwealth of Australia all of whose members and shareholders are natural-born or such naturalised British subjects as aforesaid; or

“Any company or corporation formed to acquire and actually carrying on

*Mr. King.]*

operations in respect of licenses to prospect for petroleum issued before the passing of this Act and subsisting at that date."

That means that any company composed of foreigners can apply for and hold a permit or lease.

Mr. GLEDSON: It does not mean anything of the sort.

Mr. KING: Of course it does. The distinction is drawn in the Bill between any company formed and registered within the Commonwealth, all of whose members and shareholders are natural-born or naturalised British subjects, on the one hand, and—on the other hand—any company registered, it may be in the Commonwealth, which may comprise shareholders or members who are not natural-born or naturalised British subjects, provided it is actually carrying on operations before the passing of this Bill. I admit that a company formed in Australia and registered in Australia is a British company. Any company formed and registered anywhere in the British Dominions other than Queensland having the right of perpetual succession and a common seal is a British company. That is to say, a company formed in Victoria or New South Wales may be registered in Queensland as a British company. A foreign company is a company formed and registered under the laws dealing with that class of company in any country other than the British Dominions, having a similar right under the laws of that country to perpetual succession and a common seal. That company may be registered in any State of Australia as a foreign company. I do not say that the company to which we are referring, which is registered in Sydney, is a foreign company. It must be a British company, and probably it will apply for registration in Queensland under the British Companies Act, since it is carrying on business here. But it does not follow that the subscribers to the memorandum of association of that company are all Britishers, and that the company is not controlled by foreigners. I have no objection to foreign capital coming into Queensland to develop it. I look forward to seeing all the capital we can get brought here. I want to see petroleum discovered in Australia—in Queensland especially—because I think that in that event all our troubles would vanish. But I do want to emphasise that I do not want to see any body of foreigners getting preference over Australians. I want to see Australians protected to the fullest possible extent, and I say that under this Bill it is quite possible to allow a number of foreigners to have greater rights than are given to Australians and to acquire a monopoly. That is why I want to see the amendment accepted.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I do not want to prolong the debate, because I think the point has been discussed pretty fully, but it seems to me that hon. members opposite do not appreciate the fact that in framing this Bill I have endeavoured in clause 10 to protect the oil industry of Australia and to retain it as far as possible for the benefit of Australian people. But we do desire not to inflict an injustice on any company already operating—only two could be affected by paragraph (iv.) of the clause—who have spent much money here. Such a company may or may not have one shareholder who could not conform to the provisions of the clause

[*Mr. King.*

relating to qualifications, and the paragraph is designed to meet such a case. I am sorry that hon. members opposite do not realise that I want to prevent the exploitation of the oil industry in Australia by others than Australians, and that I desire to encourage as far as possible the use in it of Australian capital, because I firmly believe that we shall be able by the expenditure of Australian capital to find oil in our own country. Like the hon. member for Logan, I have no objection to foreign capital being used in this country for the development of our industries—in ordinary industries it is used already—but there is this difference in the oil industry: As I pointed out last night, one country controls over 82 per cent. of the oil production of the world, and the matter of price might come up. If we discover oil and clause 10 were not in the measure, Americans could take up our leases and keep up the price or not get the oil at all, or not develop the industry to any appreciable extent. It is really a question of monopoly. I have no desire to offend Americans or anybody of any nationality, and I venture the opinion that, had I not made this attempt and put the clause in the Bill, hon. members opposite would not have noticed the omission and persons could have come here from any part of the world and taken up our oil leases.

I do not want to weary the Committee by repeating the arguments I have already advanced, but I want to clinch the matter by asking the hon. member for Logan, as a legal gentleman, whether he can say that under any clause of this Bill an applicant can get more than 20,000 acres of land. Let us not use the word "company" or "person" at all: Can any one applicant get more than 20,000 acres? Read first the definition of "person"—

"An individual person, an association of persons, or a company or corporation."

Then read clause 12—

"No person shall be entitled to apply for, acquire, or hold more than two permits at any one time."

So neither the Lander Oil Company, the Tewartin Oil Company, nor any other oil company can hold more than 20,000 acres, the maximum area under permit being fixed by clause 9 at 10,000 acres, and clause 12 provides that no person shall be entitled to hold more than two permits.

Mr. ROBERTS (*East Toowoomba*): It seems to me that the Minister loses sight of this point. This company has prospecting rights over 12,000 acres. When oil is discovered, it may acquire a lease for 20,000 acres, and it then will have a year in which the persons comprising it can form other companies. Suppose that we can see distinctly before us the success of the oil industry in this locality, undoubtedly companies will be registered, of which these particular men will be the promoters, and that is a possibility to which I am opposed. The Minister has said that the company about which we are talking so much is quite satisfied to limit its right to leases amounting to 1,000 acres—so satisfied that it has incurred a large expenditure of money on machinery in the Roma district and was willing to go on with the proposition. Now the hon. gentleman introduces a Bill which will give that company a much larger area, although it was prepared to prospect on 12,000 acres, and

ultimately to limit its operations to 1,000 acres.

Mr. GLEDSON: They are not prospecting on 120,000 acres.

Mr. ROBERTS: The six members of the company can each hold 20,000 acres.

The CHAIRMAN: Order! I have pointed out twice already that the amendment deals with "any company or corporation." The hon. gentleman will have to deal with the question of a company or corporation, and not individuals. The amendment has nothing to do with individuals.

Mr. ROBERTS: The company will have the right to prospect on 120,000 acres, and, having exercised that right and found oil and secured the area of land provided for, its members can then form a company within themselves. We want to prevent that. A company went to the Minister and asked for land in the Roma district, and it was quite satisfied on finding oil to restrict itself to operations within 1,000 acres. That, to me, is a quite sufficient reason why the amendment should be accepted.

Mr. NOTT (*Stanley*): The hon. member for Burnett desires the acceptance of this amendment as a safeguard against a company which has been mentioned as becoming an American or a foreign company. I do not intend to say a great deal about the area of land that that company will be able to hold. It seems to me that this area of 180 square miles—for that is what 120,000 acres means—is a pretty considerable lump of country for any combination to hold. The amendment is intended more as a safeguard against the creation of a monopoly, or later on the conversion of this company into a foreign company. Usually the Government have been very bitterly opposed to the creation of monopolies or the granting of concessions to foreign companies; but it seems to me that in this Bill they are somersaulting on that policy. Possibly there will be one or two other Bills introduced in which the Government will seek to give opportunities for the formation of monopolies. The Minister assured the Committee that this company is an Australian company. If we accept that assurance, if the Minister will not accept the amendment, there is no necessity at all for clause 10 (iv.) for the reasons advanced by the Minister. Perhaps it would be advisable to omit that paragraph if the Minister will not accept the amendment moved by the hon. member for Burnett. If the company mentioned is an Australian company, then there is no necessity for the paragraph.

Amendment (*Mr. Corser*) negatived.

Question—That clause 10. as read, stand part of the Bill—put; and the Committee divided:—

AYES, 29.

Mr. Barber	Mr. Hynes
" Bertram	" Jones
" Bruce	" Land
" Bulcock	" Lloyd
" Collins	" McCormack
" Conroy	" McLachlan
" Cooper, F. A.	" Mullan
" Dash	" Pollock
" Dunstan	" Ryan
" Ferriks	" Smith
" Foley	" Theodore
" Gillies	" Weir
" Gledson	" Winstanley
" Hartley	" Wright
" Huxham	

Tellers: Mr. Hartley and Mr. Wright.

NOES, 22.

Mr. Barnes, G. P.	Mr. Logan
" Bell	" Maxwell
" Brand	" Morgan
" Clayton	" Nott
" Corser	" Peterson
" Costello	" Petrie
" Deacon	" Roberts
" Edwards	" Swayne
" Fry	" Taylor
" Kerr	" Walker
" King	" Warren

Tellers: Mr. Brand and Mr. Clayton.

Resolved in the affirmative.

Clauses 11, 12, and 13 put and passed.

Clause 14—"Particulars of application for permit"—

Mr. WALKER (*Cooroora*): I beg to move the omission, on lines 6, 7, and 8, page 7, of the following words:—

"and be accompanied by three references signed by persons of good repute as to the applicant's business and good financial standing."

This is a new departure, and one that is not used in connection with mining or other companies. The words are quite unnecessary. It does not matter who discovers a seepage, or oil; so long as he is [5.30 p.m.] a law-abiding citizen he has a right to work it. It might be impossible for him to get references from three persons of repute. It does not matter to the Crown whether the discoverer of oil is a man of good business or financial standing. When a man discovers any mineral he has quite enough to do to lodge his application and to get a knowledge of the law on the subject. He very often does not know the law, and the chances are that he has to consult a solicitor. He has too much to contend with without running around seeking references from three persons of good repute to say that he is a citizen of good business and financial standing.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I cannot admire the consistency of the Opposition in discussing this Bill. In discussing a previous clause an hon. member boasted that the Government were not making sufficient inquiry into the bona fides of certain applicants.

Mr. CORSER: Nobody said that.

The SECRETARY FOR MINES: This is a clause empowering the Minister to make inquiry; it was put into the Bill for that specific purpose. It is a proper thing to do, considering the nature of the venture. The Minister has wide powers under this Bill, but they are necessary for the very reason that the hon. member for Burnett advanced in his argument.

Mr. CORSER: No.

The SECRETARY FOR MINES: The hon. member for Cooroora knows very well that the finding of oil will require some money for its development. If a poor miner or prospector finds a seepage, he is required under the Bill to put in his pegs, and he will then have a month to peg out his original area under a permit. He has any amount of time to make known his discovery to people who are willing to help him if they consider he has any reasonable hope of success.

Mr. WALKER: Why should he have to go to these people?

Hon. A. J. Jones.]

The SECRETARY FOR MINES: There are very few individuals prospecting for oil in Australia to-day who have not had to get some financial assistance.

Mr. WALKER: The Minister, as an old gold miner, would not like to have to go to anyone for assistance if he made a discovery.

The SECRETARY FOR MINES: This is altogether different to goldmining.

Mr. WALKER: It is not different.

The SECRETARY FOR MINES: A seepage might be found accidentally by a poor man, but ample time is allowed either to go to the Government for assistance or to seek outside help, which will be willingly given if he has a reasonable chance of success. I cannot accept the amendment.

Mr. CORSER (*Burnett*): The amendment is in no way opposed to the principle we advocated on the previous amendment. This amendment deals with applications which are to be made. According to clause 10, all applications to be made must be made by British subjects. There is no reason for any proviso as to whether the money is foreign capital or not; the applicants must be Britishers. I cannot see why, if a person is fortunate enough to find oil, it should be necessary for him to have to go around to find references as to his good repute and financial standing. People who wished to deprive him of the fruits of his discovery could withhold references as to his business and financial standing. The unfortunate man might not have any business except his endeavour to find oil. It is a curious provision from the point of view of the Government. It is very hard for an unfortunate man, who is probably a prospector and without money, to have to apply for references to people who are recognised as men of repute. As these permits will only be available to naturalised British subjects, I cannot see the necessity for the proviso.

The finding of oil seems to be regarded under the Bill as a patent to be safeguarded. The finder of oil or gold should not be required to hawk his discovery around for certificates from reputable persons as to his business and financial standing. I hope the good sense of the Minister will lead him to realise the possible disadvantage to a poor man—probably a prospector—without financial or business standing who may be fortunate enough to find oil. There is no necessity to be hard on him. The proviso is unnecessary, and instead of a safeguard is going to be a hindrance to a section of the community who have no money and no business standing.

Mr. MORGAN (*Murilla*): It is extraordinary to find hon. members opposite—especially the hon. member for Bowen, who has always stated in this House that he recognises that capital alone does not count—supporting a clause which provides that it is necessary for an applicant to have a certain amount of capital as well as certificates as to business and financial standing.

Mr. GLEDSON: We want the oil wells sunk. Are you prepared to pay a tax to sink them?

Mr. MORGAN: The hon. member does not know what he wants. There are other hon. members sitting with the hon. member for Ipswich who are sincere. I do not regard the interjector as a sincere man at all. I recognise the hon. member for Bowen

[*Hon. A. J. Jones.*

as sincere on all questions affecting the individual. Here is a clause placing the rich man above the poor man. Yet here we state that an application shall be lodged with the nearest warden, and must be signed by three persons of good repute, giving information as to the man's financial standing.

Mr. GLEDSON: Suppose he has no financial standing?

The SECRETARY FOR PUBLIC LANDS: Why do we exclude a man from land settlement if he has no money?

Mr. MORGAN: He is not excluded.

The SECRETARY FOR PUBLIC LANDS: He is.

Mr. MORGAN: Then he should not be. Hon. members opposite say that the man born of poor parents should have the same opportunities as the man who happens to be born of people who are rich. We are dealing with a case where a poor man may discover what he thinks to be a rich find of oil. He may be musing or performing other duties, yet before he can apply for a permit he has to explain his financial position to the warden to prove that he has the money. He may be a stockman on the run and may not want to go to his employer to obtain money or disclose his information; but when he goes to make the application he has to prove that he possesses a certain amount of capital. I am sure that such a provision does not appeal to a man like the hon. member for Bowen. I recognise the hon. member for Bowen as a genuine man—

Mr. GLEDSON interjected.

Mr. MORGAN: I do not consider that the hon. member for Ipswich is sincere. There are hon. members opposite who are out to help the down and out and there are others who have no time for such unfortunates. They almost look upon poverty as a crime, simply because they are capitalists. I am surprised that the Government will not accept this amendment. There is a later clause which states that a man must provide a bond of £500. I understand that the hon. member for Cooroora, who is still looking after the interests of the man without capital, intends to move an amendment to reduce that amount to £50. I am going to move that it be reduced to "nil," because I do not think that a man should have to procure £500 or £50—I think "nil" is sufficient. I trust that hon. members opposite will be honest enough to support this amendment.

Mr. SIZER (*Sandgate*): I support the amendment, because I do not think that the clause as it stands gets at the point desired by the Minister. I think he desires that only genuine prospectors should be encouraged. I admire that viewpoint and think that it is essential, but I fail to see how it can be achieved by the present wording of the Bill. Take the clause as it is. A man lodges his application, but must obtain three references to accompany that application before he can receive his permit. Those references certify to his good financial standing and business. It may happen that a desperate character may accidentally stumble on a good oil find. He may have no financial standing.

The SECRETARY FOR PUBLIC LANDS: He would not be a desperate scoundrel.

Mr. SIZER: Such a man might discover a most valuable oil seepage, which might lead to the development of the industry in

Australia. That man will have no opportunity of getting a permit because he is an undesirable character. One or two things will happen—either he will have to remain silent or he will have to pass his information on to someone else who will beat him for his claim, leaving him high and dry. Even then you will not have any guarantee that the work will be proceeded with. I contend therefore that the clause does not secure the object aimed at by the Minister. The object is a laudable one, but this clause does not help it. Usually when a man has the good fortune to find a genuine seepage he will naturally make his application, and, if his case is a genuine one, he will then have to set out to secure financial aid. If it is a reasonable prospect, he will have every chance of getting that aid.

The SECRETARY FOR MINES: This clause imposes no hardship on him.

Mr. SIZER: It is probable that we shall find oil by accident. I was reading of a case where one of the big oil companies in America was considering the location of an oil well when they noticed where a crow happened to alight. In a gambling spirit they decided to bore in that spot. Luck came, and they found a prolific flow. That illustration shows that in other parts of the world big flows of oil have been found by accident, and a similar state of affairs is likely to exist here. I want to see every effort made to find oil and to give assistance to genuine prospectors. I fail to see how this clause is going to do that—rather it will be detrimental as it stands. Believing that I know what is in the Minister's mind, I cannot see that the clause will carry out his desires in any shape or form. I know that I am out of order, but I should like to deal with the question of the bond, which I think should be dealt with in conjunction with this clause.

The CHAIRMAN: I prefer that the hon. member should defer his remarks on the bond until we arrive at the appropriate clause.

The SECRETARY FOR MINES: Does the hon. member want to cut out the bond too? We have had an experience of the sale of shares on the mere title of an oil license.

Mr. SIZER: I realise that, and I do not think that anything the hon. gentleman may do or hope to do will ever prevent that kind of thing. This clause certainly is not going to prevent it. If a man happens to discover oil, it is unfair to say that he cannot make an application for a permit if he cannot get the necessary references. I do not think this clause will be of benefit to the individual or to the State.

Mr. DEACON (*Cunningham*): I cannot understand why the Government are opposing this amendment. I do not altogether disapprove of the actions of the Government, but they are getting very particular about their friends. They are not asking for the same friends that they sought at election time. I quite understand that it is a very desirable thing that the Minister should insist on the clause as it stands, but I cannot understand why hon. members on that side should so suddenly become high Tories. They want these applications to be accompanied by three references signed by persons of good repute. Those references would have to come from supporters of members on this side of the House. (Laughter.) I suppose

they would not take the references of the men who vote for them at election time. The applicant might be a candidate on their side, and he might not be in a position to get three references. It might come at an unfortunate time for him. It might be near an election, and gentlemen on this side of the House might not see fit to give him a reference. I cannot understand their position at all. I shall vote for the amendment.

Mr. SWAYNE (*Mirani*): I take it that these applications for permits will in many cases be applied for by prospectors—people away out in the back blocks who put in their Sundays and any spare time they have in prospecting. These are thoroughly good men and hard workers, industrious and possessed of enterprise, but they may not have come into contact with the business people in the nearest township, and it may not be possible for them to get the endorsement of three reputable people. It is not a fair thing that they should be asked to do so. We have never had restrictions of this nature imposed before. In any case, the applicant has to go before the warden, and surely the warden is quite capable of deciding as to the bona fides of the applicant! More than that should not be necessary. I do not see why workers away out in the back blocks, who do most of the prospecting and to whom we owe so many of our mineral finds, should have to go to business men with whom hitherto they may have never come in contact and ask them as a favour for their endorsement of their applications. The warden, who is appointed by the Crown to protect the interests of the State in all mining matters, should be quite competent to decide whether the applicant is a suitable person for a permit or not. It seems to me a most peculiar thing that the Premier and the Secretary for Mines, who have had a good deal to do with mining in the initial stages, should insist on these restrictions. I do not see that they are necessary restrictions, and they would be most difficult to comply with by bona fide prospectors. After a prospector has discovered some source of mineral wealth, I do not see why he should be compelled to go into the nearest town and get somebody—probably a member of the middle class that this Government say they are up against—to vouch for his bona fides. The permit should be granted on the system which at present obtains and which, so far as I know, has never been abused. The warden should be regarded as quite competent to decide these matters without any endorsement by outside individuals.

Mr. FRY (*Kurilpa*): The question being debated at the present time is a very important one to the State. I recognise that the Bill is an important one, but what is going to happen in the case of a man who has made a mistake in life? Who is going to give that man a certificate of good character? If in his youthful days he made a mistake, he is going to be turned down and excessively punished. We all agree that oil is most likely to be discovered accidentally by some individual wandering about in the bush seeking perhaps for something else. Should he discover oil, the benefits will not come to him, because he has first of all to get these certificates of good character from three persons. He is also up against the problem of finance. I realise the importance of the oil industry and also the importance of having the industry carried on in

Mr. Fry.]



all its branches, but I want to protect the rights of the poor man who discovers oil. I would like to know what is meant by the words "good financial standing." Does a man come within that category if he is able to get credit at the neighbouring store, or does it mean the financial standing of a big company? It seems obvious to me that the clause is directed against the man who is without money, and that every obstacle possible is being put in his way. If such a man discovers oil he must make his case known to someone, who perhaps may pirate from him any right to which he may be entitled. The thought has passed through my mind that, with this clause as a weapon, he will be told, "You have no earthly hope of getting anything out of it; you had better take £100 to square the deal and hand it over to us." After having this forced upon him by men who could argue cleverly he might surrender his rights to someone else. The man who discovers the oil, being a poor man, may be put off with a meagre sum, while others may make thousands of pounds out of it.

The SECRETARY FOR MINES: That occurs every day in mining.

Mr. FRY: That only adds to the strength of my argument. The thing is more likely to occur in this matter than in connection with ordinary mining, because in connection with oil there is the Commonwealth reward of £50,000. I am not an expert in mining, and if I happened to find oil I probably would be embarrassed by this clause. There are thousands of men in Queensland who have not got anything more in their pockets than a few shillings, yet they are to give up the benefit of their find to a wealthy company simply because wealth is the only thing which is considered.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I have given a good deal of consideration to the amendment, and I cannot see that it is advisable to dispense altogether with the references as to the applicant's financial standing and good repute, but I do see the force of the argument that it may inflict hardship on some persons. A surface seepage of oil might be discovered accidentally by a prospector without any financial standing. That is not the fault of the man himself in any respect, yet he might be debarred from profiting by his discovery if the clause remains as it is drafted. I therefore suggest that, if the hon. member for Cooroora will withdraw his amendment, I will move an amendment to insert the words—

"unless excused by the Minister."

after the word "and" on line 6. The paragraph will then read—

"The application shall be lodged with the nearest warden, addressed to the Minister, and, unless excused by the Minister, be accompanied by three references signed by persons of good repute as to the applicant's business and good financial standing."

That will give the Minister power to accept an application without references. I think that is the best way of dealing with the difficulty, because I do want the Minister to have the power to require that an application shall be supported by some references. But, if a poor prospector *bonâ fide* comes along with a discovery, he should be protected, and I think that is all hon. members are asking for.

[*Mr. Fry.*]

Mr. WALKER (*Cooroora*): Had the clause related to the application for a lease I could have understood it, but it is a different thing in the case of a permittee. One hon. member said he did not think that it was likely to occur, but I know a case where a man discovered a seepage of a rather good character. I inspected it myself. He was playing the game with me and I am playing the game with him. I advised him to wait until this Bill became law because I knew that the existing Acts were to be liberalised. This man is a bench hand in a sawmill, getting £4 or £5 a week. How could he get references that he was of good financial standing? Further down in the clause he is required to find a bond for £500. If that man is to secure the benefit of his discovery he has to go to some gentleman like the Minister who has a few shillings—(laughter)—to support his application and comply with the law, and we would be doing him a great injustice by allowing the Bill to become law in its present form and not giving him an opportunity to win a "Golden Casket," as it were, the same as anybody else. The Minister says that he is prepared to compromise by moving an amendment which he thinks will get over the trouble, but I think he would have been acting more courteously if he had asked me to move the amendment. However, as I know that it is not possible to get any more, I ask leave to withdraw my amendment.

Amendment (*Mr. Walker*), by leave, withdrawn.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I move the insertion, after the word "and" on line 6, page 7, of the words "shall, unless excused by the Minister."

Mr. SIZER (*Sandgate*): I quite understand what the Minister wants to arrive at in this clause, but I am quite convinced that even now we are not going to meet that position at all. I would suggest to him that he defer this clause for a while for further consideration. The whole solution of the difficulty in this matter is wrapped up in the question of a bond. The Minister wants to have a guarantee that the person who takes out a permit shall be in a position immediately to go on prospecting.

The SECRETARY FOR MINES: If you want me to defer this clause until the question of the bond is discussed, it is no use, because I am not going to give way on the latter question. There must be a bond.

Mr. SIZER: I do not suggest that the view I take at the present time is that we are not going to overcome the difficulty or secure the guarantee which the Minister wants. If a person takes out a bond and then forfeits his land, he will only lose the amount of premium paid for taking out the bond.

The SECRETARY FOR MINES: That is a separate question.

Mr. SIZER: I would suggest that the Minister have this clause redrafted so as to embody his wishes, which are the wishes of the Committee, and which will secure to him an absolute guarantee that the person who takes out a permit is genuine and can within a reasonable time find all the financial resources necessary to enable him to do a certain amount of boring within a reasonable time.

The CHAIRMAN: Order! I hope the hon. gentleman will keep to the amendment.

Mr. SIZER: I am discussing the advisableness of making provision that, when a permit has been granted, a man will within a reasonable time—say, six months—satisfy the Minister that he has the financial backing and that he will put down a bore to a depth of 2,000 feet within a certain time. That will overcome the difficulty, and it would give the Minister the security he desires. If we could get that guarantee from every permittee, we would be doing the right thing. It would be an incentive to a man to prospect and find a likely area. He would have to satisfy the Minister that he was prospecting in an area that was reasonably likely to contain oil, and that he could within six months find the necessary capital to do the necessary boring. If the Minister was satisfied after six months that the man was genuine, that he had a reasonable chance of discovering oil, and could obtain the requisite capital to bore 2,000 feet, a permit could be granted. The man would get a fair chance, and the department would get a much better chance than it will get under this clause. I suggest that the clause be remodelled on those lines. I believe that it could overcome the difficulty in a far better manner than in the way suggested by the Minister. I quite realise that the hon. gentleman is trying to meet the position.

Mr. BRUCE (*Kennedy*): I sincerely hope that hon. members will accept the amendment proposed by the Minister. I am keenly interested in this Bill, more particularly from the point of view of the prospector who possibly, while searching for minerals, finds oil. The hon. member for Cooroora did good service in moving his amendment. He has been ably assisted by the Minister, who has now moved an amendment which I hope will be accepted. All doubtful cases should be left to the Minister. If a prospector with no financial standing is fortunate enough to find oil, it will now be within the discretion of the Minister to accept his bona fides, and it will be also the duty of the Minister to protect that man from exploitation. (Hear, hear!)

Mr. WALKER: That is what we want.

Mr. BRUCE: If the amendment is allowed to go through, the prospector will get his reward. If a prospector discovers a valuable find of oil he can, first of all, form a preliminary syndicate in order to find the necessary bond and make the arrangements necessary for securing a permit. The suggestion of the Minister should meet the desires of the Committee, and I hope that the matter will not be further thrashed out but that the amendment will be accepted by the Committee.

Amendment (*Mr. Jones*) agreed to.

Mr. WALKER (*Cooroora*): I beg to move the omission on line 20, page 7, of the words—

“five hundred”

with a view to inserting the word—

“fifty.”

The amendment will reduce the amount of the bond from £500 to £50. There is no use repeating the argument already used, because the argument applied in the first case will apply here. If this was a bond connected with the granting of a lease, it would be a different matter altogether. This is merely an application by the discoverer

for a permit. I venture to say that very few such men could find bonds to the extent of £500. The probabilities are that the Minister may be able to arrange a compromise in connection with this matter also, if he thinks that a bond of £50 is too small. We do not want any “wild-cat” schemes, but I am perfectly satisfied that most prospectors cannot get £500 in addition to the initial expenses in taking up their areas. The Minister is conversant with the whole matter, and I respectfully ask his favourable consideration for the amendment.

Mr. SIZER (*Sandgate*): I want some information to clear this matter up, and probably the Minister will then consider the question of omitting the provision for a bond altogether. I do not follow the exact function of the bond, nor can I find any provision whereby that bond is to be estreated. The bond is an ordinary fidelity bond which a man can secure from an insurance company on payment of a premium.

Mr. WEIR: Do you think he could get a bond under these conditions?

Mr. SIZER: A fidelity bond is a guarantee that a man will not misappropriate funds. That is all that he pays a premium for every year. All that an applicant will have to do under these circumstances will be to take out a bond from an insurance company and he will be accepted.

Mr. WALKER: He might not be accepted.

Mr. SIZER: If he is accepted, he will have to pay the premium on the bond, whatever it may be, every year. I want to know exactly what are the conditions, if any, under which that bond is estreated. How are the Government protected under it? They cannot commandeer that bond unless it is proved that the man concerned has misappropriated funds. If that is so, the bond will not be of much advantage. If it is only an ordinary insurance bond—which to my mind is implied—it is no protection whatever to the Government. No insurance company would allow a man to enter into such a bond if the money is to be estreated if he does not go on with his boring within a reasonable time. It might be thought by the prospector in the first instance that he had a reasonable prospect and that he would be ready to go on with it; but by the time he is prepared to commence operations he may think to the contrary and decide to forfeit, as it would be a waste of time to go on. Therefore, I want to know what is to be estreated. Is it that the application will lapse and the man will only lose his premium, or is it the bond which is to be estreated?

Mr. WEIR: How can it be?

Mr. SIZER: If it is not to be estreated, what is the good of the bond to the Government? It is of no value.

If the main conditions are to be that the prospector lodges his application and a bond as a guarantee that he will go on with boring within the prescribed time, and if he fails to go on with the boring, his £500 is to be estreated, I am satisfied that no man living will get a bond under such conditions. If that is not what is meant, then the provision is of no value to the Government. I realised that when I said that the whole clause should be remodelled for the purpose of arriving at the desire of the Minister to secure that a man, when making his application, is bonâ

*Mr. Sizer.*]

vide. We should have remodelled the clause giving the man six months in which to bore and to satisfy the Minister that he has sufficient financial backing within that time to go on with the business, otherwise he shall lose the license. At present the position appears very hazy.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I was of opinion that the Bill as drafted would be accepted by the Opposition, and that they would understand that the reason for this clause and for the bond is to pay compensation for damage to private property. A bond of £500 will pay compensation to the occupier or private owner of the land.

Mr. WALKER: You already have power to provide that compensation.

The SECRETARY FOR MINES: The applicant who is going to use the land must pay compensation for any damage done.

Mr. MORGAN: We do not desire to restrict you. You have the power to make the bond for any amount you like. We suggest that it should be a bond for £50 or upwards.

Mr. WALKER: Read the next paragraph, which gives you power to discriminate.

The SECRETARY FOR MINES: That is the reason for the bond. There will be no hardship inflicted, because it will be an ordinary fidelity bond. It does not mean that £500 will be placed in the hands of the Minister. All that is necessary is security for that amount.

Mr. MORGAN: In some cases £50 might be sufficient, and in other cases £1,000 might be required.

Mr. SIZER: What happens to the bond if it is forfeited?

The SECRETARY FOR MINES: The bond will be held by the Crown, and it will be used for the purpose of paying compensation for damage done to the occupier or private owner of land. How on earth are we going to provide compensation for the owner of private property if we delete this clause or reduce the minimum?

Mr. MORGAN: If £50 is sufficient, why ask for more?

The SECRETARY FOR MINES: This is nothing new at all. In the United States Act provision is made for a bond of 1,000 dollars with the first application, which is used for a similar purpose. You might as well wipe the clause out altogether as reduce the amount to the absurd minimum of £50. I want to provide adequate funds to pay compensation for damage done.

Mr. SIZER: Is that the only ground upon which it will be estreated?

The SECRETARY FOR MINES: That is so as far as we can say.

Mr. SIZER: What protection have you that the man is going to pay? It may be on Crown land.

The SECRETARY FOR MINES: We want that bond of £500; it is a reasonable thing, and it is no hardship. If an applicant cannot provide a bond of £500, it is useless for him to take out a permit to search for oil.

Mr. SIZER: If you had the £500 in your safe which would be estreated under certain conditions, I could understand it; but a bond is a different thing altogether. No

[*Mr. Sizer.*

man will be able to get a bond under these conditions. You cannot estreat a bond for £500 in the same way as you can estreat £500.

The SECRETARY FOR MINES: We can arrange that.

Mr. TAYLOR (*Windsor*): There is a good deal in the argument of the hon. member for Sandgate. A man will have great difficulty in securing a fidelity bond under these conditions. It is quite different from the ordinary fidelity bond which a man has to get in connection with investments where the man who provides the bond knows that he will be prosecuted and is liable to imprisonment. There is nothing of that nature in this at all. The only effective bond that you could have in connection with this matter would be the absolute deposit of the money with the Minister. Certainly no insurance company is going to give a fidelity bond to any person for £500 or £1,000 to carry out such conditions. If it did, the person getting the bond would probably have to pay a premium of £100 or £150 before the company would issue the bond because of the risk involved. It is in quite a different category to an ordinary fidelity bond, and I feel quite sure the Minister cannot quote any instance where a fidelity bond has ever been secured in regard to anything of this nature. I certainly think some provision should be made to ensure the payment of compensation for damage.

The SECRETARY FOR PUBLIC LANDS: It is not a fidelity bond.

Mr. TAYLOR: What is it?

The SECRETARY FOR PUBLIC LANDS: It is a sum of money.

Mr. TAYLOR: If it is a sum of money to be deposited with the Minister, there is nothing more to be said about it. It is impossible for an individual to get a fidelity bond under these conditions.

The SECRETARY FOR PUBLIC LANDS: It is not a fidelity bond.

The SECRETARY FOR MINES: It can be obtained in the same way.

Mr. TAYLOR: Not at all. The only protection is by the absolute deposit of the cash.

[7.30 p.m.]

The SECRETARY FOR PUBLIC LANDS: Or the equivalent of cash.

Mr. TAYLOR: Or the equivalent of cash, but it will not be possible for an individual to go to an insurance company and get a bond for £500 and deposit it with the Minister.

Mr. BRUCE (*Kennedy*): Members of the Opposition have not read the clause, which says—

“The applicant shall, with the application, furnish a bond in the form prescribed, with a corporate surety or such other surety as the Minister may accept.”

That may be a guarantee of £500 cash, and would quite get over the point raised by the Opposition. If hon. members opposite had read that part of the clause, they would have seen that there was nothing in the argument they have been putting forward. The amendment is moved for the purpose of deleting £500 with a view to inserting £50 in its place, but nothing would be gained if the

amendment was carried. The clause goes on to say—

“The amount of the bond may be increased by the Minister in all cases where, in his opinion, the circumstances warrant an increase.”

If the amendment to insert £50 is carried, there will be nothing to prevent the Minister in his discretion from making the minimum £500.

Mr. WALKER: We trust the Minister.

Mr. BRUCE: The Minister may say that the lowest surety which he will accept is £500, and you will gain nothing by the amendment.

Mr. MORGAN: Can he not say now that it can be £1,000?

Mr. BRUCE: He can increase it.

Mr. SIZER: He cannot make it less than £500.

Mr. FRY (*Kurilpa*): It seems to me to be rather a peculiar position for the Minister to refuse the offer to give him discretionary power to help a poor prospector by reducing the amount of surety from £500 to £50. The amendment does not deprive him of any authority, yet he refuses to accept it, and we have hon. members behind him telling him not to accept it. In other words they say, “Do not raise your hand: do not accept this amendment, because it is going to help a poor prospector to stand fast.” (Government laughter.) This is not the only expense. First of all, the applicant has to deposit 1d. per acre for every acre of land applied for, which will amount to £83 16s. 8d. for a start. Then he has to produce £500 in connection with the bond, or more, as the Minister demands. Then on the top of that he has to find money to work the claim.

The SECRETARY FOR PUBLIC LANDS: Not the claim.

Mr. FRY: The finding or holding, or anything you like to call it—the place where the oil comes from.

The SECRETARY FOR PUBLIC LANDS: Why not call it by its correct name?

Mr. FRY: It is a lease—what does it matter?

The SECRETARY FOR PUBLIC LANDS: You cannot call a horse a cow.

Mr. FRY: A horse is not a cow, and a £500 bond is not a £50 bond. The difference between a £500 bond and a £50 bond is the difference between a poor prospector's purse and a rich company's purse. The poor prospector is not going to be allowed a chance. We are not asking the Minister to give away any authority but to exercise greater discretion in order to help poor prospectors.

Mr. MORGAN (*Murilla*): I think that this is discriminating between the rich and poor. (Government laughter.) One man, for instance, may be able to go to an insurance company and get a bond for £500 by paying £5 a year, owing to the fact that he has valuable property; while another man may have to pay £100 a year for the bond, not because he is dishonest, but because the company, when it looks into his financial position, finds that it is taking a greater risk. The amendment provides that the amount may be £50, or as much more as the Minister desires to make it. For instance, the pros-

pecting lease may be on a prickly-pear selection or an occupation license, where no damage could be done, but notwithstanding that the Government say, “You must take out a bond for £500.” The bore may be put down on land held under occupation license and may not do any injury whether oil is secured or not.

The SECRETARY FOR PUBLIC LANDS: What about the flotation expenses?

Mr. MORGAN: There may not be any flotation. A person may be prepared to spend £200 or £300 in putting down a bore on the chance of getting oil at a depth of 600 or 700 feet. We are not saying that the bond should not be for £1,000, but we say that in cases such as I have mentioned this amount should be less than £500. Oil may be found on what is known as occupation license country. The Dawson River, Taroom, and other districts are mountainous and more or less infested with prickly-pear, but you are just as likely to find oil in that country as in any other part of Queensland. If a poor stockman finds a place where he thinks it is good to prospect, he will have to come down to an insurance company in Brisbane and get a bond for £500. The company will want to know the financial position of the applicant. This is not like the case of an auctioneer who gives a fidelity bond of £500 in respect of character, but is something altogether different. The insurance company will say to the applicant, “What financial backing have you got?” He may say that he is worth £200 or £300. The company will say, “What is the good of that? This bond is for £500.” Owing to his being in a poor financial position he may have to pay £50 a year for the bond.

We are not imposing any restriction on the Minister by moving the amendment; we are showing greater confidence in him. The Minister must admit that in giving certain leases during the last two or three years he has made concessions which the law does not allow him to make, and as a result he has to come down here and ask Parliament to ratify them. Supposing a man finds a seepage, and comes to the Minister for a permit. Is the hon. gentleman to say, “I cannot give you a permit unless you get a bond for £500?” The man discovers that it will cost him so many pounds a year, and that he cannot afford it. Is the Minister to be put in the position of saying, “Well, I will allow you to break the law by giving a bond for £50?” All we are asking is that the Minister shall have discretionary power. If he thinks that a bond of £50 is sufficient, why not give him power to require only a bond of that amount? If it is not sufficient, then he can require the applicant to take out a bond for £500 or £1,000. Of course, in cases of freehold property, where the boring may interfere with water, for instance, it may be necessary to have a large bond, but in occupation license country to which I have referred it is not going to affect its value, and the clause will only put money into the coffers of the insurance companies needlessly. Then again, a man might discover oil by an expenditure of £300; he might sink a bore 600 feet.

The SECRETARY FOR PUBLIC LANDS: You do not know the difference between oil prospecting and ordinary prospecting.

Mr. MORGAN: The Minister has no evidence that oil cannot be discovered at

*Mr. Morgan.]*

600 feet below the surface, and if it were discovered at that depth it would not cost a large amount of money.

The SECRETARY FOR PUBLIC LANDS: It might need several bores.

Mr. MORGAN: You might get it in one bore, and if you stop one bore from going down you interfere with the interests of Queensland. You have no right to interfere with the little man who may want to put down a bore of that nature. The big man can always look after himself. He can spend thousands of pounds or float a company, but the little man may have a plant of his own which he has used to sink an artesian bore on his own country, and which he may want to use in his spare time in prospecting for oil. I hope the Minister will accept the amendment, which will not prevent him from insisting on a bond of £1,000 or £50,000 if necessary; but why make an applicant take out a bond for £500 when a bond for £50 would be sufficient, or no bond at all would be necessary, because the boring would not injure the property of the Crown or of any individual? In fact, I am inclined to move an amendment that the amount should be entirely in the hands of the Minister, without any minimum of £50.

At 7.46 p.m.,

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

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): As I have already stated, the bond is required not only to provide for compensation for any damage which may be done by disturbance or otherwise, but as a guarantee that the provisions of the law will be carried out. In studying this question I have realised the importance of preventing any damage to potential oil fields by faulty workmanship. The Bill provides, for instance, that the casing shall be done properly, and that where a bore is abandoned it shall be properly sealed to prevent the water from entering the oil well underneath. All these things we have to take into consideration, and we can only provide for them by getting as much knowledge as we can from other countries. In the United States they know all about the protection of oil fields in this way, because to a large extent the boring for oil is on private property, and the landowner allows the oil companies to bore in return for a royalty. In America it has even been suggested that they force compressed air or steam down a bore to prevent the oil from coming up—all these tricks are well known over there. I have inserted this clause not only to provide for compensation, but also to prevent the destruction of oil strata through improper operations.

Mr. MORGAN: How will a bond do that?

The SECRETARY FOR MINES: It is a guarantee of proper methods. I want to say that even under the Mining Acts the law is too lax. Companies which have been paying dividends for years are able to abandon the mines and allow them to become flooded with water, and some of them—in Gympie and Charters Towers, for instance—are an absolute danger to the public. In this Bill we are going to see that nobody shall abandon a well or destroy a potential oilfield by faulty boring. The only security against

that is to provide for a bond of £500 in the case of an application for a permit, and a bond of £1,000 in the case of an application for a lease.

Mr. SIZER (*Sandgate*): I appreciate the efforts of the Minister in this direction, but I maintain that the clause is absolutely unworkable, and will not carry out the wishes of the Committee. It was at first thought that this bond could be an ordinary fidelity bond. That is impossible. I think the Minister recognises that this is not an insurable risk and that no insurance company would take it on.

The SECRETARY FOR MINES: The applicant would not be a man of straw.

Mr. SIZER: No insurance company would issue a bond of this description. It really means that the money has either to be deposited in the Mines Department or a number of gentlemen will have to act as guarantors. If a man has to have actual cash backing before he can go prospecting for oil, then that is going to make it extremely difficult for him to carry on the work. If we were dealing with a lease, it would be a different thing altogether. If a man has to find £500 cash backing, to be forfeited if any one of the conditions laid down in the Bill is not carried out, then very few people will go prospecting.

The SECRETARY FOR MINES: There will be dozens of applications when this Bill is passed.

Mr. SIZER: The hon. gentleman knows that most of the trouble of which he speaks will arise when oil has been found and not during the prospecting stages. It is not to the interest of anyone interested in oil to stop any show that is prospecting, because once oil is struck it is naturally going to be a benefit to all oil companies. There is nothing to be gained by discouraging prospecting. As no insurance company will issue a bond of this description, a prospector will have to get a body of men to place £500 in the Treasury as a guarantee that he will carry out all the conditions. The conditions are extremely arduous when prospecting, but not when oil has been found.

The SECRETARY FOR PUBLIC LANDS: Supposing he was a man of straw and destroyed his owner's property, how would you recover the amount?

Mr. SIZER: I suggested earlier that the clause should be remodelled. There is not much in the question of surface damage.

The SECRETARY FOR PUBLIC LANDS: Why?

Mr. SIZER: The greater part of the Crown land is not likely to be damaged to any appreciable extent.

The SECRETARY FOR MINES: A well can be damaged.

Mr. SIZER: The damage done by one bore would not be very much. It could be cemented in.

At 7.53 p.m.,

The CHAIRMAN (Mr. Kirwan, *Brisbane*) resumed the chair.

Mr. SIZER: With regard to boring on private property, it may be necessary to have the actual cash lodged in the Treasury as a bond. As the clause now stands, it is unworkable and unsound and will not achieve the objects of the Minister. If the Minister

[*Mr. Morgan.*]

wants to protect the State and the individual who invests his money and at the same time encourage prospecting, he should grant a prospecting license, and then at the end of three or six months, as he prescribes, satisfy himself that the company is doing a reasonable amount of boring and then fix the amount of compensation and allow the work to proceed. If there was likely to be any damage, provision could be made guaranteeing the payment of certain compensation, and the work could be going on. As the clause is now worded, it will discourage prospecting. If any hon. gentleman associated with the gamble of mining had to lodge £500 in cash on taking out a permit for an ordinary mining venture, and that amount of money would be forfeited if the conditions were not carried out, I guarantee that very few of them would go on with it. No one can ascertain the value of a claim until it is properly opened up. I hope that the Minister will be able to carry out the wishes of the Committee under this clause, but I cannot see how he can.

At 7.55 p.m.,

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

Mr. CORSER (*Burnett*): I think the Minister could very easily meet his own desires and the wishes of the Opposition if he would accept the amendment. If he would give some little attention to the desires of the Opposition, probably it would be far better for the Bill, and we would be doing far better in the prosecution of our duty here to-night. It would be very hard for an applicant to find an amount of £500 when making an application, not for a lease, but for a permit. If the Minister was prepared to accept a bond for £500 when a company was about to carry on its operations, then I think his desire to protect property and to cause the proper steps to be taken in the case of abandonment of a well would be satisfied. Will the Minister not accept the suggestion? I cannot see any objection to not desiring a bond until the application has been made, and until a person who secures the permit has an opportunity of arranging his financial backing. If that is not done, I cannot see how we can get along at all. I cannot see how it is possible for a poor man who is prospecting to be able to find a bond or £500. He has to have a permit to prospect, and, if he has not got £500, he cannot get a permit. If the Minister would postpone the necessity for a permit until the company is about to be formed, that would be sufficient safeguard and would provide all that is necessary. I hope the Minister will accept the amendment. If not, we shall have to get what we desire in some other way.

Mr. MORGAN (*Murilla*): If the Minister cannot accept the amendment, is he prepared to amend the second paragraph of subclause (6) by inserting the words "or decreased" after the word "increased"? The subclause will then read—

"The amount of the bond may be increased or decreased by the Minister in all cases where, in his opinion, the circumstances warrant an increase or a decrease."

[8 p.m.]

My suggestion will give the Minister power in cases where he is satisfied of the bona fides of an applicant to exercise his discretion in his favour.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I cannot accept the amendment for the reasons I have stated.

Mr. MORGAN: Then we shall just have to persevere with the amendment.

Question—That the words "five hundred," on line 20, page 7, be omitted (*Mr. Walker's amendment*)—put; and the Committee divided:—

AYES, 28.

Mr. Barber	Mr. Hynes
" Brennan	" Jones
" Bruce	" Kirwan
" Collins	" Land
" Conroy	" McCormack
" Cooper, F. A.	" McLachlan
" Dash	" Mullan
" Ferricks	" Payne
" Foley	" Smith
" Gilday	" Theodore
" Gillies	" Weir
" Gledson	" Wilson
" Hartley	" Winstanley
" Huxham	" Wright
Tellers: Mr. Gledson and Mr. Wright.	

NOES, 20.

Mr. Appel	Mr. Kerr
" Barnes, G. P.	" Logan
" Brand	" Maxwell
" Clayton	" Morgan
" Corser	" Roberts
" Costello	" Sizer
" Deacon	" Swayne
" Edwards	" Taylor
" Fry	" Walker
" Kelso	" Warren
Tellers: Mr. Clayton and Mr. Edwards.	

PAIR.

Aye.	No.
Mr. Stopford	Mr. King.

Resolved in the negative.

Clause put and passed.

Clause 15—"Period to allow of preferential claims"—put and passed.

Clause 16—"Action by Minister"—

Mr. WALKER (*Cooroora*): I beg to move the omission, after the word "may," on line 43, page 7, of the words—

"at the expense of the applicant."

My reason for so doing is to allow a man who is short of money to apply for a license or take out a permit. Personally I have no time for geologists, but, apart from that, the Government have several geologists, one of whom could be sent to North Queensland, if necessary, and as a result the applicant could be saved considerable expense. It might cost the applicant £100 or £200 to obtain a report by a geologist. Recently, we had a geologist in the Tewantin district for three or four days, and the cost was, approximately, £100. In addition to the expense that an applicant is put to in lodging his application, he has to secure friends to enable him to find this bond of £500, the expense probably of engaging a legal adviser to advise in the lodging of the application and pegging out the area, the expense of proceeding to the nearest town, and then the expense of engaging a geologist. The applicant under this Bill will be put to an expense of £200 or £300 in addition to finding this bond, provided he is a suitable person. Those are the initial expenses of an applicant under this Bill. My main object in moving the amendment is to make the conditions as attractive as possible for a man to go in for

*Mr. Walker.*]

prospecting for oil. I am speaking on behalf of the genuine prospector—the man the Minister and I used to see at Gympie going up the creeks and working the pockets for gold. To-day, I want to see the same thing carried out with regard to the exploration for oil as was possible under the old method of miners' rights. We should make it attractive, and although some people may laugh at the idea of the casual man picking up an oil seepage, let me say that it may be done—it has been done in America. The first oil well in America was found by the seepage, and the promoters only had to go down some forty feet when they discovered a valuable oil well. That gives some idea of what I am trying to make clear to the Committee, and I hope that the Minister will, in his generosity, accept this amendment.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I regard this clause as printed in the Bill as one of the greatest safeguards to the public and to the shareholders who may subscribe their money in an endeavour to discover oil. My first intention in drafting the Bill was geologically to map out certain areas in Queensland which have been reported on particularly by Mr. Cameron and Dr. Jensen as having great oil possibilities. I intended to grant permits or leases, as the case might have been, over those areas only. The objection to that course I discovered on second thoughts was that the Government would be practically saying that oil existed in such areas, and I thought it wise to allow a permit to be applied for in any part of Queensland. The safeguard is in this, and I think the applicant should bear the expense. When an application is made for a permit, if the Minister, whoever he may be, considers, on the advice of the geologist, that oil is not likely to exist in the area, the applicant may have a geologist or an oil expert—if there happens to be one in the State—to report on the area. That would certainly be a safeguard. Even if it did cost £100 or one hundred guineas, what is that?

Mr. CORSER: It is a lot to a man who has not got it.

The SECRETARY FOR MINES: The geologist would come back and report, saying whether or not there were possibilities, and the discoverer could go on with the permit or lease as the case might be. The contributing shareholders would have greater confidence in their venture and would be protected against putting money into proposals that held out no hope whatever. We know that at present holes are being sunk for oil where there is no possible hope of success.

Mr. WALKER: Who said that?

The SECRETARY FOR MINES: Well, geologically there is no hope. I feel sure the hon. member would not go looking for gold in certain areas. He would go to auriferous country.

Mr. WALKER: Where are the areas you mention?

The SECRETARY FOR MINES: This examination would not cost more than £100, or £200 at the outside. It is a safeguard, and the clause is put in the Bill particularly for that purpose. I think the hon. member is moving the amendment with a view to improving the Bill. I have accepted one of his amendments, but I cannot accept this.

[*Mr. Walker.*]

Mr. CORSER (*Burnett*): Considering that the prospector will have to lodge his rent, secure his bond, and go on with the work in an endeavour to find petroleum, I think it unnecessary that he should be charged with the expense of obtaining a report by a geologist. The applicant should surely be wise enough to take every precaution before lodging a bond or rental. After securing these in good faith and showing genuineness in his desire to look for petroleum, what is the necessity of the Minister butting in and saying that a geologist's report must be secured at the expense of the applicant in order to satisfy the Minister? If it is necessary for the Government to protect themselves, let them do it at their own expense. The Government have not always been wise in the holes they have put down, although they have had their geologists' reports. I mention the Warra coalfield. I do not think that they have proved any more successful than the average private company.

The SECRETARY FOR MINES: We did not put down the Warra mine.

Mr. CORSER: You closed it down, anyhow. The State did at your dictation.

The SECRETARY FOR MINES: No.

Mr. CORSER: I know that the hon. gentleman does not want to put the blame on the Minister who preceded him. That shows that the State is not infallible in these matters. It is not right for the Government to butt into another man's business, saying, "We will not provide you with a permit until a report is made by a geologist." Probably they want that land for themselves. I consider it is unnecessary interference with people who probably know more about the subject than the Government. Rather the Government should give the man every assistance. If they made the inspection at their own expense, I could see some wisdom in it, but I do not see any wisdom in forcing a company after it has expended £1,000 in one way or another to pay for a geologist's report. That company is endeavouring to develop the country; it has put an amount of money into the venture, and this provision will be very hard on the poorer section of the community. I hope that the Minister will accept the amendment.

Mr. CLAYTON (*Wide Bay*): I sincerely hope that the Minister will accept the amendment. The hon. gentleman said, when introducing the Bill, that it is one of the best ever introduced in connection with oil. From what I can see of it I think that it is a surprising one, coming from a Labour Government, as it appears to be in the interests of trusts and combines and is doing nothing for the private prospector.

OPPOSITION MEMBERS: Hear, hear!

Mr. CLAYTON: I think it is grossly unfair that the prospector should be put to the expense of having a report made by the geologist. He may be a poor prospector who is fortunate enough to discover oil in Queensland, as was the case in America, through seepage. Only the other day I was approached by a man who had what he considered a favourable oil locality in a direct line between Tewantin and Maryborough, where Dr. Jensen said there was an excellent prospect of finding oil. This man informed me that he had found oil. I did not put much faith in his statement, but from the information I got from him I think the prospects are very bright. I told

that it was the intention of the Government to pass a Petroleum Bill in the near future, which I thought would be in the interests of the prospector, but I am very much disappointed at the Bill, particularly when I see that the report by the geologist has to be paid for by the applicant. Petroleum is not likely to be discovered in Queensland if you put restrictions on the men who are inclined to leave their homes to search for oil. I want a report made on the property that this man refers to, and, if I go to the Mines Department, who is going to bear the expense of that report? It is grossly unfair if the department is not prepared to come to the assistance of prospectors. I sincerely hope that the Minister will accept this amendment and make the Bill a Bill that you would expect from a Government who say they are out to assist the prospector, and not a Bill which is framed in the interests of foreign trusts and combines.

Mr. FRY (*Kurilpa*): The clause says that the Minister "may require" geological information. I recognise that the Minister has discretionary powers, and I am not inclined to think that he is going to use these discretionary powers harshly. I also view the clause from another standpoint—that is, from the standpoint that the Government are going to benefit materially by the discovery of oil, and I also have in my mind that the Government have experts in the Mines Department. With these considerations before the Minister, I assume that he will endeavour to keep down the costs to the prospector to the minimum, and therefore he will endeavour to utilise the services of the experts in his department to assist the prospectors to obtain the necessary information. But, while the hon. gentleman has discretionary powers, it must be borne in mind that he may not use those powers. Very few of our experts know anything about oil, or at least they have not shown that they know much about it, and we are working in the dark. The Minister should use his discretionary powers in the direction of assisting those who are prospecting for oil. The amendment is a wise one, but, if the Minister is not going to accept it, I hope he will use his discretionary powers very carefully, and that he will give prospectors the assistance of Government experts.

Amendment (*Mr. Walker*) negatived.

Mr. SIZER (*Sandgate*): I move the insertion after the word "experts," on line 45, of the words—

"at a cost not exceeding fifty pounds."

I realise, as the hon. member for Cooroora said, that the Government may send an expert out who will charge 400 or 500 guineas.

Mr. MORGAN: Why not say "not exceeding ten pounds."

Mr. SIZER: That would be altogether too low. I think £50 is sufficiently low.

Mr. MORGAN: There are a lot of geologists who are doing nothing most of their time and are drawing their yearly salaries.

Mr. SIZER: I think it is a wise thing to get geologists' reports, but at the same time there should be some protection for the applicant. This clause must be read in conjunction with clause 63, which provides for the control of prospectuses, because the Minister has to approve of the prospectus, and, if this report was of an adverse nature, he would immediately prevent the company from issuing a prospectus, although the

report may have cost a large sum of money. The State Government geologists have a very good idea as to the areas where oil is likely to be found. They have given a lot of thought to this question, and in most cases the Minister will accept their reports. I am quite satisfied that the department will get a report from one of the Government officials for the sum of £50. I am making provision for that, and I feel sure that such a report will be quite satisfactory from the point of view of the Minister. That would be a reasonable protection both to the applicant and the Government, and I move the amendment believing that it will be in the interests of the applicants, and at the same time not violate the principle which the Minister wishes to safeguard.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): The hon. member for Kurilpa, no doubt, interpreted this clause correctly. The clause reads—

"Prior to dealing with the application, the Minister may require such geological information and opinions concerning the land comprising such application as he deems necessary, and for that purpose may, at the expense of the applicant, obtain reports by geologists or other experts."

I do not want to reiterate the argument I used previously, but this clause is only framed to deal with applicants who are not *bonâ fide*. If the Minister is not satisfied about the *bonâ fides* of the applicant, he may send out a geologist—not necessarily a Government geologist—to investigate, and no doubt he will notify the applicant of his intention to do so, and if he is a *bonâ fide* applicant, he will not object. The Minister would not send out a geologist in connection with every application.

Mr. MORGAN: What if the applicant has not the money to pay for the report?

The SECRETARY FOR MINES: Then he will not be in a position to prospect for oil. I hope the hon. member will take a sensible view of the matter. The hon. member, by interjection, said we had any number of geologists who were doing nothing but drawing their salaries. That is not correct. Having had a good deal of experience in the administration of the Mines Department, I say that, if there is any class of professional men in Queensland who are underpaid, it is the Government geologists, and particularly the Chief Government Geologist. Queensland is blessed with a splendid type of geologist.

Hon. J. G. APPEL: Hear, hear!

The SECRETARY FOR MINES: And I was sorry to hear the hon. member for Cooroora condemn these geologists and speak in favour of some men who are not scientists. The hon. member has a good knowledge of mining, and I think he is fairly level-headed, but I do not agree with what he said last night, and I take this opportunity of stating my views. The hon. member for Murilla, also by way of interjection, has made an attack on the geologists by stating that they are doing nothing. One geologist,

[2.30 p.m.] Mr. Saint-Smith, has done a lot of travelling in the far North, and he has traversed Hinchinbrook Island, where they are in danger from alligators, and they are kept out in all sorts of weather. There are others, Mr. Ball and Mr. Morton, who do splendid work, and are full of energy.

*Hon. A. J. Jones.]*



They do a lot of heavy field work, apart from their professional duties. They save the public of Queensland the expenditure of thousands of pounds. They help prospectors, and are ever ready to impart information. They are not getting paid anything like the value of their services.

Mr. NOTT: There are plenty of other professional officers who are not getting paid sufficient for what they are doing.

The SECRETARY FOR MINES: They have to camp out in all sorts of weather, and have to do their scientific work besides. I think we are fortunate in having such a class of men as we have in the Geological Branch of the Mines Department. No Minister would use this clause harshly. It would only be availed of in certain cases where the Minister might think that, geologically, the country was not suitable for oil. The usual procedure in that case would be to send out a geologist to report. The amount charged may not exceed the amount suggested by the hon. member for Sandgate. It would be a great advantage for a bona fide applicant to have this geological information from the department, and it would create greater confidence in the minds of shareholders in regard to a proposition.

Mr. BRAND: Why should you not help them a little?

The SECRETARY FOR MINES: We do. In connection with goldmining and silvermining leases, applications come in every day for a geologist to assist people in regard to the expenditure of their money. There is not one of the geologists in the Mines Department who, if working for a private company, would not be receiving treble the salary he is receiving at the present time.

Mr. HARTLEY (*Pitroy*): I think the Minister might allow a little more latitude to those who are prospecting for oil. I am not going to say anything against the Geological Branch, but there are geologists and geologists. I can quote three instances where the opinion of a Government geologist was proved to be right, but in another instance the Chief Geologist, Mr. Dunstan, was proved to be absolutely wrong in his opinion by practical miners. Mr. Dunstan condemned the Styx River coal measures three times, and it was only through the perseverance of the Government and others who said that coal would be obtained there that the Styx coalfield is the successful field it is proving to be. None of the geologists has had much practical experience in exploring for oil, and there have been no definite results from their experience. I would suggest that the Government should bear the expense of sending the geologists out for the benefit of the mining community. If they think it a good thing to have an examination and report, surely they are justified in using the Government experts for the public benefit. The man who is called a "wild-catter" to-day, in a week's time may be hailed as the discoverer of oil in Queensland because he perseveres. You will find a lot of "wild-catters" in the Central district; in fact, four out of every five men who think about oil are called "wild-catters."

The SECRETARY FOR MINES: By "wild-catters," I mean unscrupulous company promoters.

Mr. HARTLEY: That is not what I call a "wild-catter." A "wild-catter" in mining prospecting is a man who goes into a belt

of country which, on its surface indications and geological formations, does not show indications of having oil below, but because he has some peculiarity in his nature, or thinks he knows a little more than anybody else, he is prepared to spend £20,000 to get down 1,000 feet below the surface. That is a "wild-catter," and he is having a shot in the dark. In America the discovery of oil has been largely due to men who were prepared to back their opinion with their money. If we have men in Australia who are prepared to do the same, why should we stop them? We should widen the clause so as to enable men who want to do so to have a shot at oil without being hampered by a geologist. If he is going to be hampered by a geologist, he ought to have the privilege of calling in another geologist as an umpire on the question.

Mr. MORGAN (*Murilla*): When I interjected I did not intend to be disrespectful to the geologists. The Government have charged for the work done by these geological experts, but such expenses were paid for by previous Governments out of the Consolidated Revenue, and the people had their services free of charge. They were sent out to different districts to advise the people in matters pertaining to the welfare of the State. The present Government charge for the services of these men and look upon it as revenue, but that should not be the case.

The SECRETARY FOR MINES: We do not charge.

Mr. MORGAN: You do.

The SECRETARY FOR MINES: In what case?

Mr. MORGAN: In my own district, when we want a man from the Hydraulic Department to give us advice in connection with sinking for water, a charge is made.

The SECRETARY FOR MINES: That is not in the Mines Department.

Mr. MORGAN: Up to the present, the Mines Department has not made a charge, but the practice is now being adopted by that department. The Government have no right to charge for the services of their expert. An expert may be in Brisbane for a week or two without any work to do, and when he is sent into the country on Government work, it is no hardship to him.

The SECRETARY FOR MINES: I have a suggestion to make.

Mr. MORGAN: I am glad to know that the Minister is going to make a suggestion. I would like him to suggest that the hon. member for Sandgate should withdraw his amendment and that the hon. gentleman should propose the omission of the words "at the expense of the applicant" with a view to inserting the words "at the expense of the Department of Mines."

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I am prepared to agree to the insertion, after the word "applicant" of the words "and the Department of Mines equally." The clause then would read—

"Prior to dealing with the application he may require such geological information and opinions concerning the land comprised in such application as he deems necessary, and for that purpose may, at the expense of the applicant and the Department of Mines equally, obtain reports by geologists or other experts."

[*Hon. A. J. Jones.*]

Mr. SIZER (*Sandgate*): I desire to withdraw my amendment in favour of that of the Minister.

Amendment (*Mr. Sizer*), by leave, withdrawn.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I move the insertion, after the word "applicant," on line 44, page 7, of the words—

"and the Department of Mines equally."

Amendment agreed to.

Clause, as amended, put and passed.

Clauses 17 to 20, both inclusive, put and passed.

Clause 21—"Royalty before lease granted"—

Mr. SIZER (*Sandgate*): I would like to seek from the Minister some information as to why this clause provides that until the permittee applies for a lease he shall pay to the Minister 25 per cent. of the gross value of all petroleum procured by him from the land covered by his permit, and that after the grant to the permittee of any lease a similar provision shall apply to the remainder of the land covered by the permit for which no lease has been granted. Some people seem to think that all we have to do is to dig a hole in the ground and market the oil. Whatever the expense may be up to the time when the oil is flowing from the bore, the expense afterwards will be ten times greater before we get it on the market. For the life of me I cannot see the value of the clause, or why the Minister should require this provision.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): This clause should be read with clause 9, which provides that the area for which a permit may be granted shall be 10,000 acres, and with clause 28, which provides that one-fourth of the area covered by the permit may be taken up under lease and that the applicant may have the right within twelve months to take up the other three-quarters of the area. The 25 per cent. royalty is included so that the applicant may be induced to convert the balance of the area covered by the permit into a lease. If he continues to hold an area on which he has discovered oil without converting it into a lease, he will have to pay 25 per cent. royalty, whereas, if he converts it into a lease, he will have to pay only 12½ per cent. If we fixed the royalty the same in both cases he would carry on under permit, under which the rent is much less than in the case of a lease. If we omitted this provision, we should have to go right back and make it compulsory that he should receive a lease of only a certain area under permit. I do not think anybody who discovers oil will be so foolish as to pay a royalty of 25 per cent. when by converting his permit into a lease and paying the extra rental he can escape with half the royalty.

Clause put and passed.

Clause 22—"Commencement of drilling"—put and passed.

Clause 23—"Rights to water, etc"—

Mr. MORGAN (*Murilla*): I move the omission of paragraph (c), page 9, reading—

"(c) To depasture on such land all stock used in connection with his prospecting and mining operations;"

I cannot see any reason why this right should be given to the permittee. All he needs the land for is to sink a bore.

Mr. BRAND: He must have that right.

Mr. MORGAN: The land itself may be used for grazing, and I cannot see why the permittee should be allowed to use it for that purpose.

At 8.50 p.m.,

The CHAIRMAN (Mr. Kirwan, *Brisbane*) resumed the chair.

Mr. MORGAN: There is no stock required. To give the man the right to use the land for grazing is not a proper thing at all, and should not be in the Bill.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I cannot accept the amendment. We are only re-enacting a clause that is already in the Mining Acts.

Mr. MORGAN: We have been told that this Bill does not deal with mining.

The SECRETARY FOR MINES: This clause is in the Petroleum Act of 1915, and the Mining Acts Amendment Act of 1920. There is no need for the amendment, and I hope the hon. gentleman will not insist upon it.

Mr. FRY (*Kurilpa*): I do not see that there is very much in the amendment. If I read the clause aright, it is to allow stock belonging to the people engaged in boring operations to pasture on the land. I do not know what the hon. member for Murilla has in mind.

Mr. SWAYNE (*Mirani*): I think that there should be some limitation. The holder of a miner's right is limited to three horses, or something of that kind. While I recognise that in regard to prospecting for oil it may be necessary to have a certain number of horses for drawing fuel for supplying the power that is used in boring, still it is only fair to make some limitation.

Amendment (*Mr. Morgan*) negatived.

Mr. TAYLOR (*Windsor*): I beg to move the omission of the word "any," on line 20, page 9, with a view to inserting the words—

"payment of compensation on the."

The clause will then read—

"The permittee shall have the right . . . subject, however, to payment of compensation on the conditions prescribed with respect to payment for water, timber, or agistment in cases where the making of such payment is deemed necessary."

The provision with regard to compensation is very vague. The amendment makes it clear that under certain circumstances where certain things have been used by the permittee he shall pay compensation to the owner of the land if he makes use of those things. The amendment is a reasonable one and I hope the Minister will see his way clear to accept it.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I am sorry that I cannot agree with the leader of the Opposition. Proper provision is made in the Bill for the payment of compensation if any damage is done on private property and for entry upon private property. I do not care

*Hon. A. J. Jones.]*

to accept the amendment, particularly as this is a clause already in the Mining Acts and is only being re-enacted in this Bill. I maintain that there is no necessity for it. We have the right to the oil. The leader of the Opposition made an admirable second reading speech on the Bill, pointing out that the lesser value had to give way to the greater value. While we have the right to the oil on private property, still I have made provision for adequate compensation to be paid if there is any interference with the surface rights. The person who takes up land does not take it up for oil. If he takes up a selection, he is not entitled to the oil underneath. Provision is made in the Bill for compensation, and I therefore cannot accept the amendment.

Mr. CORSER (*Burnett*): The Minister claims that ample provision is made for the payment of compensation. I cannot see why he will not accept the amendment, which makes it compulsory that compensation shall be paid. According to the Minister's own statement, the amendment is in accordance with what he desires, and I therefore cannot see why he will not accept it. What is the reason for leaving out any definite provision in regard to compensation? This will make the clause definite. There is no reason why the amendment cannot be accepted.

Mr. HARTLEY: What does it mean?

Mr. CORSER: It means that compensation shall be paid.

Mr. HARTLEY: That is what the clause means now.

Mr. CORSER: There is no valid reason why the Minister should not accept the amendment.

Mr. TAYLOR (*Windsor*): I hope that the Minister will accept the amendment. I cannot see anything in it derogatory to the principles of the Bill.

The SECRETARY FOR MINES: It is adding something that is already there.

Mr. TAYLOR: I cannot see anything in the Bill dealing with the matter contained in the amendment. This clause specifically sets out what the permittee shall have the right to use, and it goes on to say—

“ . . . subject, however, to any conditions prescribed with respect to payment for water, timber, or agistment in cases where the making of such payment is deemed necessary.”

The amendment simply makes the intention clearer and more definite than it is now.

Mr. FRY (*Kurilpa*): Admitting that there may be some compensation to be paid for damage done, it will probably form the subject of a judgment by some court. The amendment clearly sets out that compensation shall be paid for damage done. The amendment makes the clause more definite.

The SECRETARY FOR MINES: It is only padding the clause; it is superfluous.

Mr. TAYLOR (*Windsor*): We are dealing with the permittee's rights. Clause 23 specifically states what the permittee shall have a right to do. All that the amendment asks is that the word “any” shall be omitted and words substituted in order that compensation shall be made. It is not definitely stated in the

[*Hon. A. J. Jones.*

clause, and I cannot see any other clause where the owner of a property has any right to the payment of compensation.

Mr. FRY (*Kurilpa*): I suggest to the Minister that the words proposed in the amendment are not padding. They would not be padding if a case for compensation was submitted to the court for determination. I would like the Minister to view the amendment from that standpoint and thus remove any likelihood of involving the parties in litigation, as it would make the clause definite and clear. Who is going to prescribe the conditions mentioned in the clause? If it is the Minister, what are the conditions?

The SECRETARY FOR MINES: In the Mining Act Amendment Bill you did not want the miner to pay compensation, and now you want him to pay it.

Amendment (*Mr. Taylor*) negatived.

Clause put and passed.

Clause 24—“*Private lands—Compensation before commencement of drilling*”—

Mr. SWAYNE (*Mirani*): I do not wish to oppose this clause in any way, but I would like some information from the Minister on this question of compensation. In clause 61 particulars are given as to what compensation is to be paid for. As I read it, it applies more to the compensation payable for any injury that is done to the surface. It is quite possible in boring for oil to bore through mining properties, such as coal, lead, tin, copper, or gold mines. There is no provision, so far as I can see, for the payment of compensation in regard to the damage done to the workings. If the pit-head and other surface workings were interfered with, compensation would be payable, but in boring the underground workings as well as the surface workings might be interfered with.

The SECRETARY FOR MINES (*Hon. A. J. Jones, Paddington*): In determining the compensation payable under the Bill the oil that may exist under the ground is not to be taken into account at all. Provision is made in clause 37 for the Minister to permit other mining in an oil area. If there is a coal field above the oil bed, the Minister may give permission for it to be mined. It is not altogether impossible to do so. If any other minerals exist on the area on which oil is found, a separate tenure may be granted. Therefore no compensation would be payable, because it would not be interference with the rights of the other party.

Mr. SIZER (*Sandgate*): I would like to ask the Minister another question as to the compensation payable. The first part of the clause states that before drilling is commenced the warden's court is to be moved to determine the amount of compensation payable by the permittee during the first year of the period of the permit. It seems to me that the court will be asked to arrive at the amount of compensation before any damage is done.

Mr. DUNSTAN: No; the court will be moved in the second year.

Mr. SIZER: The amount of any such compensation is left to the sole discretion of the warden.

The SECRETARY FOR MINES: You want to read clause 61.

Mr. SIZER: It struck me that the court is asked to determine the amount of compensation before the maximum amount of damage is done.

Mr. DUNSTAN: Have you ever been out at Roma?

Mr. SIZER: No. If oil is discovered, the amount of compensation payable by the permittee will be considerable after he has erected his plant.

The SECRETARY FOR MINES: The Minister also has power to resume.

Mr. SIZER: I realise that. I very much regret that greater consideration has not been given to compensating private owners of land on whose property oil may be found. Provision is only made for surface compensation.

Hon. F. T. BRENNAN: That is all the compensation provided for under the Mining or Private Property Act.

Mr. SIZER: A man may hold a large or a small farming property, and in the event of a successful strike of oil the force of wealth, capital, and industry will undoubtedly mean that he will have to get off his farm and seek fresh pastures. All that he will receive as compensation will be in respect of the surface rights.

Mr. DUNSTAN: Most of the oil might be got from his neighbour's land.

Mr. SIZER: The effect on that man's property is just the same. People engaged in rural pursuits will have to start life afresh.

Hon. F. T. BRENNAN: They will get paid for doing so.

Mr. SIZER: They will only get paid the amount of damage done to their crops. The State, which does no more to find oil than the owner of the property, will derive the benefit of a 12½ per cent. royalty, while the owner of the land will receive nothing in respect of the oil found.

The SECRETARY FOR MINES: That is not the principle of the royalty. The principle of the payment of royalty is payment to the State in respect of something taken from the land.

Mr. SIZER: The royalty depends on the value of the land and upon the construction you place on the term. The State will get 12½ per cent. royalty, and will do nothing to assist the private individual. The individual will have to get out and start afresh. I realise that the lesser industry must give way to the greater, but I think that, as this individual has to quit and begin life afresh, he should have some greater consideration, particularly in view of the immense amount of wealth that will be won from the land which he occupied. We have laid down conditions which more or less prevent that man from prospecting in the earlier stages, and at the finish other people come along and secure the right to draw the oil from his property while he has to get out with a small compensation for the surface value.

Hon. F. T. BRENNAN: That is all he is entitled to.

Mr. SIZER: I am satisfied that he is entitled to more. If any hon. member was

unfortunate enough to be deprived of his land under such circumstances, I am confident he would not have the same viewpoint as that expressed by the Minister. I think that something should be done, if it is only in the way of paying him a royalty of, say, 1d. a barrel on all oil drawn from his land. That would be reasonable and a fair thing to the owner.

Hon. F. T. BRENNAN: What would be the size of the barrel?

Mr. SIZER: They generally run from 30 to 35 gallons. I regret that I cannot see eye to eye with the Minister on this point, though I see eye to eye with him on many other things. Taking all things into consideration, greater provision should be made for the man to get some of the wealth won from the land that he occupied.

Mr. WARREN (*Murrumba*): I think there are two ways of meeting this question of compensation.

Mr. CORSER: One is with a kick.

The SECRETARY FOR MINES: It will do him a lot of good if oil is found on his farm.

Mr. WARREN: I am not going to say that if oil was found on my farm it would be any good to me. The Minister sits tight because this concerns the goat on the land. In any other case it would not matter whether it was the man at the top or the bottom of the ladder, he would receive consideration; but when it comes to the man on the land, the Minister and other hon. members opposite will not consider him.

OPPOSITION MEMBERS: Hear, hear!

The SECRETARY FOR MINES: I went on the land myself once, but they sent me here.

Mr. WARREN: It seems to me that the man on the land is not worth considering in any instance by hon. gentlemen opposite. There is one aspect which the Minister might well consider, and that is whether this clause is not going to shut up some land. I am quite certain that if anyone came along to me and offered to prospect my land I would give him the "go-bye."

Mr. SIZER: You could not help yourself.

Mr. WARREN: There are certain indications on my land the value of which I could find out from somebody. I know that there are indications on the North Coast that are not reliable. I would certainly not encourage prospecting unless I saw that I was going to get some compensation. I do not say a royalty or something of that sort would be satisfactory, because I have grave doubts as to whether a royalty is the proper way of compensating the people concerned. There must be some enhanced value of the land, and the Minister should embody a clause to that effect in the Bill. The Minister must consider that when the man is turned off his land he becomes a prospective prospector. For that alone it is well worth the consideration of the Minister. We will take the one oil prospect that is in operation at the present time—I do not mean that foreign company from New South Wales—

Hon. F. T. BRENNAN: Be a big Australian. Do not say that people from New South Wales are foreigners.

*Mr. Warren.]*

Mr. WARREN: I did not say that people from New South Wales were foreigners. It is no use winking the fact—the people I refer to are Yankees.

The CHAIRMAN: Order! I wish the hon. member would deal with the clause.

Mr. WARREN: I will, but the interjectors are throwing me off my debate. They are putting this up purposely, though I do not mind if they are. I desire to say that the second company in operation originated from men who were on the land themselves and who saw certain indications. They consulted scientific men on their own account, and are now putting their money into the scheme. Those concerned are practically the owners of the land and residents in the area. There are any number of shows in Queensland from Roma to the coast that are worth prospecting, that should be prospected, and would be prospected if there was any encouragement given in this Bill.

The CHAIRMAN: Order! We are dealing with the clause, not with prospecting. This clause deals with the question of compensation.

Mr. WARREN: I want to make my point in this way—that by paying compensation you are encouraging prospecting. Not so much for the man on the land, but for the sake of Queensland, it is advisable for the Minister to put something in this Bill or to accept an amendment to secure for the present owners of land adequate compensation. I know that the Minister will say that the case will go before the Land Court. I have no faith in Land Courts. I want something tangible in the Bill so that the man on the land will not be at the mercy of something which now exists or which may exist in the near future. The Minister should give some assurance that the present owners, who are mostly poor men, would receive adequate compensation. I feel sure that some amendment can be drafted that will satisfy the Opposition. We are merely out to protect the man on the land.

Mr. GLEDSON: And we are out to protect the poor man.

The SECRETARY FOR MINES: These men will be paid compensation.

Mr. WARREN: I know that, but it will not be adequate. The Minister should give us something absolutely tangible in the Bill. We know that at the present time some people get too much compensation, but very often they get too little compensation when their land is resumed. It is not a question of allowing the matter to go to some court. The Bill itself should state distinctly the amount of compensation payable.

Clause put and passed.

Clauses 25 to 27, both inclusive, put and passed.

Clause 28—“*Lease to permittee*”—

Mr. TAYLOR (*Windsor*): I beg to move the omission on line 18, of the words—

“of one-fourth part.”

with a view to inserting the words—

“not exceeding one thousand acres.”

We are now dealing with leases and not with permits. Of course leases are granted only after petroleum is discovered, and under the Bill the permittee is to be allowed to

take out a lease of 2,500 acres on account of each permit, or a total of 5,000 acres for the two permits, and then under clause 29 the permittee is entitled to a lease for the remaining 15,000 acres. That is a tremendous amount of land to grant a lease for after oil is discovered. I would like to point out that Circular No 430, issued by the Department of the Interior, United States of America, and approved 11th April, 1922, reads—

“The Act of Congress approved on 11th February, 1897, provides that the entry and occupation of lands for the purpose of mining for petroleum shall be governed by the laws relating to placer mineral claims.”

Regulation No. 19 dealing with placer claims reads—

“But one discovery of mineral is required to support a placer location, whether it be of 20 acres by an individual or of 160 acres or less by an association of persons.”

On page 49 of this pamphlet (paragraph 29) it is stated—

“The foregoing provisions of law are construed to mean that after the 9th July, 1870, no location of a placer claim can be made to exceed 160 acres, whatever may be the number of locators associated together, or whatever the local regulations of the district may allow; and that from and after 10th May, 1872, no location can exceed 20 acres for each individual participating therein; that is, a location by two persons can not exceed 40 acres, and one by three persons cannot exceed 60 acres.”

Although that was brought forward in 1870, this pamphlet restated the case in regard to the area. If the Minister accepts the amendment, the clause will read—

“Upon establishing to the satisfaction of the Governor in Council that payable deposits of petroleum have been discovered within the limits of the land covered by any permit, the permittee shall be entitled as of right and the Governor in Council shall grant to the permittee a lease not exceeding 1,000 acres, to be chosen by the permittee, of the land covered by the permit.”

Although the prospecting area may be very large, once oil is discovered and the lease is granted, an area of 1,000 acres should be sufficient. All the evidence goes to show that most of the oil leases in other parts of the world are for considerably less than 1,000 acres. The amendment is a reasonable one, and I hope the Minister will see his way clear to accept it.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): If the amendment were accepted it would destroy the whole Bill and interfere with clauses that we have already agreed to. The conditions appertaining to leases under the Bill are not altogether contained in the clause that the hon. gentleman seeks to amend. We must remember that oil has not yet been discovered in Australia, and I am informed that the geological conditions here are such that larger areas probably are necessary in the Roma district than in some of the States of America—than in California for instance, though even there the same provision obtains. In the

[*Mr. Warren.*]

United States of America a permittee is allowed to take out three permits of 2,560 acres, and, when he discovers oil, he is allowed one-fourth of his area by way of a lease, and he may take the balance after a certain length of time. In this Bill we made the area larger because oil has not yet been discovered. We want to encourage the discovery of oil, and we want to protect the persons who are willing to spend money from any inpegging. The hon. gentleman would not be very pleased if he spent his money on an oil lease and then someone came along and pegged out alongside him and drained the oil that he had discovered. I have given a good deal of consideration to this matter, and, while the areas may be somewhat large, the time may come in Australia when they will be reduced; but till oil is discovered we want to protect the underground geological structure to give the prospector a reasonable chance of finding oil, and, when he gets oil, a reasonable chance of protecting the structure in which that oil exists. It would not be practical for a man to operate the whole of his lease or permit of 10,000 acres. We impose the condition that he must put down one well at least 2,000 feet deep, or, if oil is struck at a lesser depth than 2,000 feet, one well per 100 acres. Therefore the conditions are pretty severe. That is to enable him to put his bore down and determine his underground structure so that he may find the proper place to draw the whole of the oil that he has discovered without interruption from any inpegger or person who may gain an advantage by the expenditure of somebody else's money. He has to pay a rent of 2s. an acre on the first lease, and on the balance, if he uses it, a rent of 4s. an acre. It is quite possible for the prospector to use the whole of his area.

Mr. CORSER (*Burnett*): The amendment deals with that part of the Bill which is applicable after payable petroleum has been proved, so that we are not asking anything unreasonable in desiring to limit [9.30 p.m.] the area, as even then it will be much larger than the area which can be held in any other country. We should not allow a company to hold an area of land much larger than is essential.

The SECRETARY FOR MINES: Read clause 9. We have already provided there for granting leases up to 10,000 acres.

Mr. CORSER: That is in connection with prospecting for oil, but after oil has been found there is no necessity to give a right over all that country to one company. The Lander Company will have a right to 120,000 acres. The Bill proposes to give it an absolute right to 2,500 acres in each parcel of 10,000 acres and also to the balance. We seek by this amendment to limit the area the company may hold to 1,000 acres on each of its leases. Surely that is sufficient for wells to be put down and to safeguard any company which is successful in finding petroleum. If it is not, why was the Act of 1920 passed by the Government after what they claimed to be exhaustive inquiries and the obtaining of opinions of oil experts? Why was it only necessary for them then to give 60 acres after oil had been struck? Now they propose to give one company which is established here the possibility of holding 120,000 acres after oil is proved. It is quite reasonable on our part to suggest a limit, and the amendment only seeks to

limit the area of each lease to 1,000 acres. The Lander Company, under the amendment, will have a right to 12,000 acres in the twelve leases which the six gentlemen in question can hold. In America they have nothing like that—the area is only 160 acres there.

The SECRETARY FOR MINES: That is the limit.

Mr. CORSER: This is a serious matter.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I rise to a point of order. Is the amendment moved by the leader of the Opposition to make the area 1,000 acres in order, when the Committee has agreed in clause 9 to a maximum area of 10,000 acres?

The CHAIRMAN: The Secretary for Mines has raised the point that the amendment is out of order on the ground that it is inconsistent with a previous decision of the Committee. If hon. members will look at clause 9, they will find that an area of 10,000 acres has been agreed to. On looking up "May," I find that an amendment is out of order if it is inconsistent with or contradictory to anything previously decided. Therefore I rule that the amendment is out of order.

Mr. CORSER: We have not decided anything yet.

The CHAIRMAN: If the hon. member looks at clause 9, he will see that the Committee has decided upon an area of 10,000 acres.

Mr. CORSER (*Burnett*): May I be permitted to express an opinion?

The CHAIRMAN: Does the hon. member wish to move that my ruling be disagreed with? He cannot discuss it otherwise.

Mr. CORSER: No. At the same time I am arguing on this particular clause. We have not in any previous clause dealt with leases to be issued after payable petroleum has been found. We are now dealing with the stage where petroleum has been found in payable quantities. It is there that the leader of the Opposition wishes to come in with his amendment.

The CHAIRMAN: The hon. member is not in order in discussing that aspect of the question. He must discuss the clause.

Mr. CORSER: Up to the present time we have been dealing with permits. Now we have come to the time when petroleum has been found in payable quantities, and we want to safeguard the interests of the State by imposing different conditions. This is the first time we have come to any provision in the Bill dealing with the position after petroleum has been found.

Mr. DUNSTAN: Clause 9 is general.

Clause put and passed.

Clause 29—"*Preferent right to further lease*"—

Mr. WALKER (*Coorooora*): I desire to move an amendment omitting this clause, with a view to inserting a new clause.

The CHAIRMAN: The hon. member cannot move an amendment to omit the clause. He can vote against the clause and, if the clause is negatived, he can then move the insertion of a new clause.

Question—That clause 29 stand part of the Bill—put; and the Committee divided:—

AYES, 31.

Mr. Barber	Mr. Hynes
" Bertram	" Jones
" Brennan	" Land
" Bruce	" Lloyd
" Collins	" McCormack
" Conroy	" McLachlan
" Cooper, F. A.	" Mullan
" Dash	" Payne
" Dunstan	" Pollock
" Ferricks	" Ryan
" Foley	" Smith
" Gilday	" Theodore
" Gillies	" Weir
" Gledson	" Winstanley
" Hartley	" Wright
" Huxham	

Tellers: Mr. Foley and Mr. Weir.

NOES, 19.

Mr. Barnes, G. P.	Mr. Logan
" Bell	" Maxwell
" Brand	" Morgan
" Clayton	" Nott
" Corsier	" Sizer
" Costello	" Swayne
" Deacon	" Taylor
" Edwards	" Walker
" Fry	" Warren
" Kerr	

Tellers: Mr. Brand and Mr. Nott.

PAIRS.

Ayes.	Noes.
Mr. Stopford	Mr. King
" Bulcock	" Petrie

Resolved in the affirmative.

Clause 30—"Bond in respect of lease"—

Mr. WALKER (Cooroora): I beg to move the omission, on line 52, of the words—"one thousand,"

with a view to inserting the words—"five hundred."

I think a surety of £500 is quite sufficient. If it is fixed at £1,000, it means that capital will be lying idle. I hope the Minister will accept the amendment.

The SECRETARY FOR MINES (Hon. A. J. Jones, Paddington): I do not propose to accept the amendment. If there was no force in the contention of hon. members opposite in their desire to move for a reduction in the amount for a bond for a permit, then there is no force in their argument with regard to a reduction in the amount of bond required in connection with a lease. The applicant will not need to take out a lease until he strikes oil, and then £1,000 will not be any hardship.

Amendment (Mr. Walker) negatived.

Mr. CORSIER (Burnett): This clause is another illustration of the Government's determination to reserve to the bigger companies all the possibilities in the future in connection with the finding of petroleum in the State. We find in the Bill that moneyed men, and moneyed men alone, can not only make a start but can continue in the business of petroleum-finding in the future. I only want to emphasise here that there seems to be an absolute determination on the part of the Minister not to make it possible for the ordinary poor man who wants some assistance to carry on these operations.

Clause put and passed.

Clause 31—"Form, etc., of lease"—put and passed.

[Mr. Walker.

Clause 32—"Royalty and rent"—

Mr. WALKER (Cooroora): I beg to move the omission, on line 20, page 11, of the words—

"two shillings per acre per annum for and in respect of the first two thousand five hundred acres and at the rate of four shillings per acre per annum in respect of the balance of the land demised"—

with a view to inserting the words—

"sixpence per acre per annum."

The clause will then read—

"The lessee shall pay in advance, beginning with the date of the execution of the lease, a rental at the rate of sixpence per acre per annum."

If the lessee has to pay the rental prescribed in the clause, in addition to the royalty of 12½ per cent., it is going to mean particularly dear prospecting. We have been trying to liberalise the Bill and give all the encouragement that we can, but I have no hesitation in saying that, if the lessee has to pay the rent prescribed in the clause in addition to the royalty of 12½ per cent. on the gross return of the petroleum, he will have to pay away half of the actual returns. The gross amount means the amount before the deduction of any working expenses. There is no encouragement there for people to go in for prospecting at all. In addition to that, those who are fortunate enough to get the other 50 per cent., after paying for rent and royalty, will have to pay a considerable amount for income tax. That brings to my mind something that has happened at Gymnie. Quite recently one of the mines that has not been getting gold for some considerable time had to pay an income tax of 4s. 2d. in the £1. Fancy a mining company having to pay that amount of taxation! We all know the disabilities connected with a mining venture, more particularly with regard to gold.

Here is a venture which is going to have greater difficulties. In order to find oil enormous expense has to be undergone in putting up machinery. After making special arrangements with the Government as to what the prospector shall pay under clause 24 of the 1920 Act, the Government propose to increase the rent from 6d. per acre to the amounts specified in this Bill, in addition to which a royalty of 12½ per cent. is to be paid. We want to liberalise that. I do not mind the 12½ per cent. royalty, because I realise that, if oil is found, the country should get something out of it; but the rent is too great. The rent has to be paid even if the drill is a dummy. There is no exemption. It has to be paid whether a profit is being made or not. The Minister should accept some amendment to induce people to go in for this speculation. If the ground was given free of rent and only a royalty of 12½ per cent. charged, there would be some justice and equity about it. The rents, when they are worked out, will be found to be particularly heavy. If my amendment is accepted, it will be some inducement to the prospector, who undertakes risks, as many of us know to our sorrow.

The SECRETARY FOR MINES (Hon. A. J. Jones, Paddington): The hon. member for Cooroora has not presented the case correctly to the Committee. The rent of 2s. per acre specified in the clause is not charged

for prospecting. It is imposed on the prospector after he gets the oil.

Mr. WALKER: It is imposed on the lessee.

The SECRETARY FOR MINES: The rent is not charged until the lease is taken up, and a lease is not taken up until oil is found in payable quantities. The hon. member did not present the case correctly to the Committee, as he said the poor prospector would have to pay this rent.

Mr. WALKER: I did not wish to mislead the Committee in any way.

The SECRETARY FOR MINES: While prospecting operations are being carried on the rental is only 1d. per acre. That is a very low rental. When oil is discovered in payable quantities, a lease has to be taken up. The royalty has nothing to do with this, but is a fair charge if the underground wealth is being depleted, and it will enable the Government of the State to be carried on. The rental is such a small matter that it does not matter one way or the other, and the oil prospector is not going to worry over it at all.

Mr. MORGAN (*Murilla*): The rent is exceptionally harsh. Personally I do not think there should be any rental at all. The Government should be satisfied with the 12½ per cent. royalty. As I have already stated to-day, I handed this Bill to Dr. Milsom on Friday night, and this is the remark that he made in connection with this clause—

“Too high. When royalty is paid there should be no rent at all.”

That shows that Dr. Milsom does not agree with the Minister. We must all agree that the Government are getting quite sufficient from the royalty.

The SECRETARY FOR MINES: Dr. Milsom is not introducing this Bill.

Mr. MORGAN: No, but the Minister has told the Committee that prospectors will look upon the rental as a mere bagatelle.

The SECRETARY FOR MINES: You were only criticising him the other day. You said then that the conditions were too liberal.

Mr. MORGAN: I said nothing about him in any shape or form. I hope that he will be successful and that he and those connected with him may become millionaires. The remark I have quoted goes to show that Dr. Milsom thinks that this is not fair taxation to be placed on those who are fortunate enough to discover oil. Whether his views are worth anything or not is a matter of opinion. I consider that the Government should be satisfied with the royalty and that there should be no rental. I think that the Minister should accept the amendment proposed by the hon. member for Cooroora. The Bill provides that a rental shall be paid at the rate of 2s. per acre per annum in respect of the first 2,500 acres, and at the rate of 4s. per acre per annum for the balance of the land. Why do the Government want that exorbitant rental?

Mr. WALKER: The prospector is buying the land.

Mr. MORGAN: In many cases the surface of the land will not be worth 4s. an acre. There are hundreds of thousands of acres in Queensland which would not bring 4s. an acre if they were put up for auction on a freehold basis. If the Government get 12½ per cent. royalty on the oil, what more do they want? This is supposed to be a Bill to

encourage people from all parts of the world and our own people to locate and bring forth oil. It is said in the old country that, so far as mining ventures in Queensland are concerned, at the present time it would be impossible to float capital—

The SECRETARY FOR MINES: We do not want to give it all away.

Mr. MORGAN: At first the Minister was so optimistic about everything in regard to mining that he has cost this country hundreds of thousands of pounds in connection with the various ventures he has touched. Everything was going to be an El Dorado. If anyone discovered a speck of gold or of silver and showed it to the Minister, he came along with a report to the effect that we had another Mount Morgan or another El Dorado.

The SECRETARY FOR MINES: I have not expressed an opinion like that.

Mr. MORGAN: In 1915 the Minister was so cocksure that oil was going to be discovered that the Government, through him, said they were going to socialise the industry.

The CHAIRMAN: I hope the hon. member will confine his remarks to the amendment.

Mr. MORGAN: Now they are falling back on private enterprise, but they are not giving private enterprise a chance. The Bill, instead of encouraging people to put their money into oil ventures, will discourage them. The Opposition are out to try and encourage people to put down bores in all parts of the country.

The SECRETARY FOR MINES: I think the Chairman should put one down now.

Mr. MORGAN: If he did, the hon. gentleman would be outside the Chamber.

The CHAIRMAN: Order! I hope that the hon. member will discuss the amendment.

Mr. MORGAN: The Minister is not encouraging people. No doubt in another three years, if the Government are then in power, the Minister will say, “I am sorry; I have made a mistake”—as he has done in the past—“the Bill is too drastic: we now want to amend it.”

Amendment (*Mr. Walker*) negatived.

Mr. TAYLOR (*Windsor*): I move the omission, on line 27, page 11, of the words—  
“equal to twelve and a-half per centum of.”

with a view to inserting the word “on.” If that amendment is agreed to, I intend to move the insertion, after the word “lost,” on line 30, of the words—

“equal to five per centum of such value during the first twelve months, ten per centum of such value during the succeeding twelve months, and twelve and a-half per centum of such value thereafter.”

This is a liberalising amendment so far as the royalty is concerned, and especially in regard to the first two twelve-monthly periods. The amendment is a reasonable one and will give those investing their money a better chance to get going, and in the third year the full 12½ per cent. royalty can be exacted by the Government.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): The amendment would complicate the clause a little. I do not say that it is unreasonable, but we have already agreed on a 12½ per cent. royalty,

*Hon. A. J. Jones.]*



and the hon. member's suggestion to have a sliding scale in regard to the royalty for the first three years would not make very much difference. I understand that the idea of fixing the royalty in connection with gold-mining on a sliding scale is going right out. When oil is once discovered the value is there, and the lessee can well afford to pay a royalty of 12½ per cent. While it may be regarded as a pretty big royalty, it is a fair royalty on the gross amount when you consider the value of the oil. It is only one-eighth of the gross value of the oil. If it was in connection with a venture where there should be some consideration to compensate the investor for the loss of money it might be considered too high, but in regard to oil he will be compensated almost the first month. There is not very much in the amendment, whilst unquestionably it would complicate the clause.

Mr. TAYLOR (*Windsor*): The Minister must not forget that after oil is struck a considerable amount of work has to be done in connection with the erection of tanks and the installation of plant, and, if you are going to insist on a 12½ per cent. royalty right away, it may mean that the company will not expedite the work. All the plant has to be assembled after the oil is struck, and, if for the first year after striking oil the Government were willing to accept a royalty of only 5 per cent. and for the next twelve months a royalty of 10 per cent., probably the lessee would expedite as far as possible the erection of the necessary appurtenances required to carry on the work. The Minister must recognise that these things will not be ordered until after oil is struck. It would be folly for a company to order a whole lot of things required in connection with the venture until they really struck oil, as the big work in connection with the appurtenances has to be done after the oil has been struck. I am simply asking in the amendment that during the first and second years the royalty shall be a lesser amount, and that when everything is erected and in working order the full royalty may be charged.

The SECRETARY FOR MINES: I have discussed it with many oil people, and nobody objects to 12½ per cent.

Mr. TAYLOR: The amendment would liberalise the Bill.

The SECRETARY FOR MINES: If they once strike oil they will be all right.

Mr. TAYLOR: I admit that, but I think we should give every encouragement in the way of royalties, and fix them on a sliding scale.

Mr. SIZER (*Sandgate*): Taken in conjunction with the rental of 2s. and 4s. per acre, the royalty is an enormous amount, and there should be some consideration given. The royalty is assessed on the gross value, and it starts on the first gallon of oil derived from the bore. The Minister says that [10 p.m.] those associated with the industry do not object to the royalty of 12½ per cent, and that they will be amply repaid by the increased value of their shares when oil is found, so why should they worry? The industry afterwards has to be commercially successful, and that is not as easy as one would imagine. When a company strikes oil it has to make provision for a pipe line to convey it to a refinery, and there is a possibility that the well may give out in the meantime, but the

company will have to pay royalty on the gross value all the time. The oil gave out in New Zealand when the companies had spent thousands of pounds.

The SECRETARY FOR MINES: We are dealing with the property of the people.

Mr. SIZER: The Minister should realise the expense which is entailed to the companies.

The SECRETARY FOR MINES: I realise the great value it will be to companies which only have to pay 12½ per cent. royalty.

Mr. SIZER: The shares at Taranaki in New Zealand went from 10s. to £62.

Mr. WINSTANLEY: Why should they get £62 for them?

Mr. SIZER: The shareholders were selling their shares in order to make money, and purchasers were paying an unreasonable amount. I say that 12½ per cent. royalty is a very stiff amount.

The CHAIRMAN: Order! The hon. member has made that statement already. I hope he will not repeat himself.

Mr. SIZER: I have not finished my remarks yet.

The CHAIRMAN: I heard the hon. member earlier in the evening make the same speech three times over.

Mr. SIZER: I heard the Minister doing the same thing. We do not realise that all these things have to be done. It is possible too that our railways may not be strong enough to carry the very heavy traffic to the refinery, and I presume that the Government will want the companies to assist them in that direction. The companies will still have to carry out all these improvements and then pay 12½ per cent. on the very first gallon of oil produced. Some protection in the shape of a sliding scale should be given to protect the industry after the first boom.

Mr. MORGAN (*Murilla*): It may happen that 12½ per cent. royalty will amount to more than the profits of the company. It all depends upon whether the oil flows out of the bore or has to be pumped. In some other parts of the world bores have not been payable propositions, and it may happen that they may not be payable here, because the prices are too low, unless the Commonwealth Government put on a duty. That has happened in the case of our copper mining industry, which does not pay because the overhead charges are too great. It seems to me that the Minister expects the oil to run out in millions and millions of gallons, and that there will be nothing to do except cask it. That may not be so at all. I think the amendment is a fair one, and the Minister should accept it.

Mr. TAYLOR (*Windsor*): The Minister in his speech yesterday said that the intention of the Bill was to encourage the discovery of petroleum and give it all the assistance possible. The Bill in the main is a good one, and in my opinion gives ample protection to the State, but in this clause it is not giving the companies a fair chance. We have only two operating here—the Lander Oil Company and the Tewantin Company—and we are anxious to get more decent companies established here.

The SECRETARY FOR AGRICULTURE: Are you interested in any of them?

Mr. TAYLOR: I am not interested in any of them, but I am very much interested in seeing that the companies which are here

and which come here are successful. The Minister has evidently got the idea that, if one of them strikes oil, it is going to flow out in tens of thousands of gallons. It may not. If it only flows out at the rate of ten gallons a day, the Government will still have to get 12½ per cent. of the value. The company which got a flow like that would, no doubt, continue its operations in the hope that it would increase, and during the whole of that period, in addition to the rental—which hon. members will admit is a fairly heavy impost—it will have to pay royalty at the rate of 12½ per cent.

I do not know what it costs to run oil companies, but I should think that at the very least it will cost 50 per cent. or more. Before a company can get any profits it will need to have a very good flow if it has to pay that amount of expenses, and, if it has to pay in addition the 12½ per cent. royalty, I think that is too heavy an impost, particularly during the first two or three years after oil is struck. The big expense will start immediately oil is struck. There will be expenses in providing the means of transit, containers, and the refining plant.

The Minister stated in his speech yesterday that the two previous Acts in connection with this matter had not been a success, and did not promote prospecting for oil in Queensland to the extent he would have liked, and he made an agreement with one company in the hope that others would come along and prospect for oil. We have to realise in discussing this Bill what the discovery of oil will mean to Queensland. We have to compete commercially against America and other oil-producing countries. They have a big start on us. They have done certain things in connection with oil boring, and what is to prevent them, when we strike oil, from dropping their prices or in some other way endeavouring to hamper our operations? They are not going to give us a free leg. They are not going to lose the Australian market or any other market if they possibly can help it. In discussing these amendments we must realise that we have to give persons who are prospecting for oil in this country a chance to make a success of their operations for the benefit of themselves and this State.

Amendment (Mr. Taylor) negatived.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move the insertion, before the word "value" on line 27, of the word—

"gross."

Amendment agreed to.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): It will be necessary to move a further amendment on line 34. I therefore move the insertion, after the word "barrels," on line 34, of the words—

"of thirty-five Imperial gallons."

The paragraph reads—

"Such royalties shall be subject to reduction, to be fixed by regulations under this Act, whenever the average daily production of any petroleum well shall not exceed ten barrels per day."

The United States barrel contains 42 gallons, and the Imperial barrel contains 35 gallons.

Amendment agreed to.

Clause, as amended, put and passed.

Clauses 35 to 36, both inclusive, put and passed.

Clause 37—"Use and occupation of mining area on private or improved land"—

Mr. MORGAN (*Murilla*): I would like to ask the Minister if there is any necessity to put a company or individual to the expense of surveying and fencing mining areas under this Bill. That could be deleted. It seems to me that the Minister wants to put the lessee to expense when there is no necessity for the money to be expended. The subclause does not say that the lessee "may" do this work, but makes it obligatory. Surveying and fencing the mining area will not increase the flow of oil or benefit the lessee in any way.

Mr. GLEDSON: It might be a protection from the general public.

Mr. MORGAN: It is absolutely useless expenditure, although I admit it may be protection from the general public in some case, but in other cases there is no necessity for it at all. I appeal to the Minister not to insist upon it.

Clause put and passed.

Clauses 38 to 41, both inclusive, put and passed.

Clause 42—"Forfeiture of excess holding"—

Mr. CORSER (*Burnett*): I move the insertion, after the word "Acts," on line 29, page 14, of the words—

"Any interest in any permit or lease held by a qualified person directly or indirectly on behalf of any person or association, company, or corporation who or which is not qualified under this Act to hold such interest shall be deemed to be an interest held in violation of this Act."

In clause 10 provision is made that only companies consisting of persons who are British subjects shall be entitled to a lease or permit. I pointed out on the second reading that no provision exists in the Bill to give protection to the Government in cases of dummying. By this means Australians may be used and registered in order that all the rights that are essential to mine for oil can be secured. I have moved the amendment with a view to making that point quite clear. The amendment is a very simple but an essential one, covering the principles which the Minister claims are contained in clause 10, protecting certain individuals. I sincerely hope that the Minister will see the wisdom of accepting this amendment, which is only safeguarding the interests of the country and protecting our rights. It seeks to prevent the illegal use of names and to make clear that action may be taken by the Minister or the department when it is found that dummying is being carried on in regard to a petroleum find. There is no necessity for dummying where Australians or Britishers are concerned, because they already hold the land. The safeguard is against influences and operations on the part of foreigners.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I regret very much that the hon. member did not show me the courtesy of handing me a copy of the amendment.

Mr. CORSER: It is on the sheet that you have in your hand.

The SECRETARY FOR MINES: No. The leader of the Opposition sent me a type-

*Hon. A. J. Jones.*]

written copy of the proposed amendments, but this amendment is not on it. However, I do not think that the amendment either improves or harms the Bill, therefore I do not intend to accept it.

Mr. CORSER (*Burnett*): I do not altogether appreciate the Minister's statement. He has had the printed amendments in his hand the whole afternoon. Other Ministers also have them.

The SECRETARY FOR MINES: No.

Mr. CORSER: It is a point of courtesy on the part of the Opposition to have their amendments printed and circulated, and these have been in the hands of hon. members all the day. I received my copy early in the afternoon, and the Minister received his at the same time. There is no want of courtesy at all.

Mr. TAYLOR (*Windsor*): I regret that the Minister does not approve of the amendment. With regard to not receiving a copy of the amendment, if he received the type-written copy that I forwarded to him this morning, he will find that this amendment is on the sheet. I am positive of that, because I saw it and sent it along to him with my compliments, as I think it is only right that the Minister should know of the amendments which are to be discussed. The Minister said that the amendment would neither improve nor injure the Bill, and he therefore would not accept it. I think that anything that can be inserted in the Bill that will prevent dummying should be carefully considered. If that object can be attained by the acceptance of the amendment, the Minister should be prepared to accept it. Like the hon. member for Burnett, I do not see any provision to prevent dummying, but, if the amendment is agreed to, it will make it very difficult for people to engage in dummying.

The SECRETARY FOR MINES: This amendment neither improves the clause nor injures it.

Mr. TAYLOR: We have brought forward quite a lot of amendments, and we have had only half of one of them accepted. We have been anxious to give the Minister all the assistance we could in the direction of improving the Bill, and I claim that this amendment and other amendments would have improved the Bill, and this amendment would certainly make it very difficult for people to engage in dummying.

Amendment (*Mr. Corser*) negatived.

Clause put and passed.

Clauses 43 to 49, both inclusive, put and passed.

Clause 50—"Casing well"—

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I beg to move the insertion after the word "deposits," on line 24, of the words—

"by process of cementation."

That is the only process of shutting off water in a well. The amendment really improves the clause, and states definitely how the well shall be cased.

Mr. DEACON (*Cunningham*): I notice the casing has to be withdrawn and the well cemented up, and I would like to know whether the Government were able to withdraw all the casing from the Roma bore?

[*Hon. A. J. Jones.*

Was not the casing so blocked that it could not be pulled out?

Mr. GLEDSON: They got some of the casing out.

Mr. DEACON: Could they withdraw the whole of it? Other people may find themselves in the same position.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I would inform the hon. member that the whole of the casing could have been withdrawn from the Roma well, but it would not have been wise to do so. We left a portion of the casing in the well.

Mr. CORSER (*Burnett*): It appears to be essential that something should be done in regard to this matter owing to the danger that exists in withdrawing the casing. I notice from a paper issued by the department that controls the matter in America the statement is made that after the abandonment of oil wells sand and mud travel long distances. M. J. Kirwan is the authority for that statement—(laughter)—and no doubt he is right. I find that he claims the same possibilities that I have attempted to guard against in this Bill. I cannot see that there is very much wrong with it in that particular.

Amendment (*Mr. Jones*) agreed to.

Clause, as amended, put and passed.

[10.30 p.m.]

Clauses 51 to 62, both inclusive, put and passed.

Clause 63—"Control of prospectus"—

Mr. WALKER (*Coorara*): I move the insertion, after the word "shall," on line 21, page 20, of the words—

"if so required by the Minister."

The subclause will then read—

"On being so submitted to the Minister it shall, if so required by the Minister, be accompanied by the report of a geologist approved by the Minister."

In my opinion a geologist's report is apt in many cases to mislead people. I do not take any notice of mining experts or geologists myself, but people who are not accustomed to mining place a good deal of reliance on them. The chances are that they may mislead people. It is very hard to frame a prospectus so that it will be perfect or fool-proof. Inexperienced persons rush in with their money and fall in. They rely to a great extent on the expert evidence of the geologist or mining expert. I would like to give the Minister the opportunity of saying whether it is wise or necessary to have a geologist's report in a prospectus or otherwise. Personally I think that it is necessary for the Minister to have a discretionary power.

The SECRETARY FOR MINES: I am willing to accept the amendment.

Amendment (*Mr. Walker*) agreed to.

Clause, as amended, put and passed.

Clauses 64 to 66, both inclusive, put and passed.

The House resumed.

The CHAIRMAN reported the Bill with amendments.

The third reading of the Bill was made an Order of the Day for Wednesday, 17th October.

The House adjourned at 10.35 p.m.