

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 25 OCTOBER, 1927**

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**TUESDAY, 25 OCTOBER, 1927,**

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

**AUDITOR-GENERAL'S REPORTS.**

**PUBLIC ACCOUNTS.**

The **SPEAKER** announced the receipt from the Auditor-General of his report on the public accounts for the financial year 1926-27.

Ordered to be printed.

**ADDRESS IN REPLY.**

**PRESENTATION.**

The **SPEAKER**: I have to inform the House that it is my intention, accompanied by the mover and seconder of the Address in Reply, to present the Address in Reply to the Opening Speech of His Excellency the Governor at 5.45 p.m. to-day. Motor cars will be provided for hon. members who desire to accompany myself, the mover, and seconder.

**QUESTIONS.**

**REVENUE DERIVED FROM NATIVE BEAR AND OPOSSUM SKINS.**

Mr. **CORSER** (*Burnett*), for Mr. **COSTELLO** (*Carmarvon*), asked the Secretary for Agriculture—

“What is the estimated total revenue derived from—(1) bear skins; (2) opossum skins—as the result of the open season in August last?”

The **SECRETARY FOR AGRICULTURE** (Hon. W. Forgan Smith, *Mackay*) replied—  
“ (1) £6,000; (2) £9,000.”

**LATE RUNNING OF TRAINS ON THEEBINE-KINGAROY LINE.**

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

“1. What is the number of trains which have run late in each week from and including 12th September last—(a) Theebine to Kingaroy line; (b) other lines—and the amount of overtime paid in consequence of such late running?”

“2. In how many cases was the late running due to engine troubles?”

“3. Is it not a fact that on one occasion since the date mentioned three engines were utilised on the journey from Theebine to Kingaroy?”

The **SECRETARY FOR RAILWAYS** (Hon. J. Larcombe, *Keppel*) replied—  
“The information is being prepared.”

**DEPARTMENTAL OFFICERS VISITING OTHER COUNTRIES TO GAIN EXPERIENCE.**

Mr. **KERR** (*Enoggera*) asked the Premier—

“How many and what are the names of leading departmental officers or departmental experts who have been provided with opportunities to visit other countries to gain additional experience in their respective callings, for the benefit of this State, during the last three years?”

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

Name.	Official position.	Facilities provided.
Bell, Arthur Frank, Bennett, Norman, and Kerr, Henry William	Travelling Research Scholars	Each awarded a Travelling Research Scholarship tenable for four years for the purpose of studying overseas various phases of the sugar industry. Each Scholarship carries an allowance of £300 per annum, together with railway and steamer fares. Each of these scholars has contracted to serve the State for a period of four years on the expiration of the Scholarship.
Trist, Alan Robert	Forest Assistant	Awarded a scholarship tenable for two years and a-half to enable him to study forestry in America and Africa. Scholarship carries an allowance of £300 per annum with railway and steamer fares. Mr. Trist has contracted to serve the Forestry Department for a period of five years on the expiration of the Scholarship.
Morris, Leonard Canton	Superintendent of Technical Education	Granted six weeks' accrued recreation leave, sixteen weeks' extended leave on full pay, and four weeks of special leave on full pay to enable him to visit the United Kingdom and Europe to observe latest developments in Technical Education. Facilities afforded through the Agent-General and otherwise to pursue the inquiries.
Wearne, Richard Arthur	Principal, Central Technical College, Brisbane	Granted twenty-five weeks and three days' extended leave on full pay. Whilst on this leave Mr. Wearne took the opportunity of visiting some of the leading technical institutions in the United Kingdom and Europe, particularly in relation to Apprenticeship Training. Facilities afforded through the Agent-General and otherwise to pursue the inquiries.
Fitzpatrick, Edward	Commissioner of Stamp Duties	Visited the United Kingdom at the expense of the State to obtain particulars relative to a certain estate. Whilst in England, Mr. Fitzpatrick took the opportunity of observing British methods of cognate administration.

"In addition to the foregoing, at least eight head teachers and seventeen assistant teachers visited the United Kingdom whilst on their extended leave; facilities were afforded to them through the Agent-General, and otherwise, to visit educational institutions."

#### EMBARGO ON IMPORTATIONS OF STUD STOCK.

Mr. CORSER (*Burnett*) asked the Secretary for Agriculture—

"1. Does an embargo exist on the introduction of stud stock from countries other than Britain?"

"2. What is the number and value of cattle imported to Queensland during each of the last ten years from overseas for the improvement of—(a) the beef industry; (b) the dairying industry?"

"3. What is the number and value for the same period imported from the other States for the improvement of—(a) the beef industry; (b) the dairying industry?"

The SECRETARY FOR AGRICULTURE (Hon. W. Forgan Smith, *Mackay*) replied—

"1. The admission of cattle into the Commonwealth is prohibited at present from all parts of the world except New Zealand, Scotland, Ireland, Canada, and the United States of America.

"2.—

Year.	Number.	Value.
1917	Nil	Nil
1918	1 Friesian bull	No record
1919	Nil	Nil
1920	1 North Devon bull	No record
1921	2 red poll bulls	£924
1922	Nil	Nil
1923	Nil	Nil
1924	Nil	Nil
1925	2 Hereford bulls	} £504
1925	2 Hereford heifers	
1926	Nil	Nil

"3. No record."

#### REPORT OF AUDIT INSPECTOR McCAFFREY IN RE CHILLAGOE SMELTERS.

Mr. CORSER (*Burnett*), without notice, asked the Premier—

"1. Did Audit Inspector McCaffrey make a report in connection with the special investigation into the affairs of the Chillagoe smelters?"

"2. Has such report yet been made public?"

"3. Will he lay a copy of such report upon the table of the House for the perusal of hon. members?"

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

"Any such report would not come to the Premier; it would go to the Auditor-General. The Auditor-General is an officer of Parliament; and, unless Parliament decides otherwise, such reports are not tabled in Parliament. The Auditor-General, and not the Premier, is the man who would handle them. If there is such a report, I do not know of it."

Mr. CORSER (*Burnett*): I give notice of the question to the Premier for to-morrow, when he may know definitely if there is such a report.

#### NUMBER OF EMPLOYEES IN RAILWAY DEPARTMENT, 1915-27.

Mr. WALKER (*Cooroora*), without notice, asked the Secretary for Railways—

"Can he supply the information relating to the number of employees in the Railway Department on 30th June, 1915, and on 30th June of each year since—(a) Open lines, (b) construction— which I asked for on 19th October?"

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

Year ended 30th June.	(A) *OPEN LINES.		(B) †CONSTRUCTION.
	Number Employees.	Number Employees per mile of line.	
1915	14,936	3.08	3,696
1916	15,694	3.16	2,976
1917	15,272	2.93	2,121
1918	16,458	3.11	1,486
1919	16,561	3.03	2,676
1920	16,823	2.96	4,223
1921	15,899	2.76	2,223
1922	15,726	2.71	2,560
1923	16,838	2.85	4,033
1924	16,940	2.80	2,738
1925	18,372	3.00	1,512
1926	22,036	3.53	2,540
1927	19,670	3.12	3,099

\* Includes temporary hands.

† Includes South Brisbane-Kyogle Railway since 1925. The 44-hour week was extended to employees from July, 1925. Equating the figures in 1914-15 on the basis of a 44-hour week the number of employees per mile of railway in that year would have been 3.32.

#### EXPENSES, ALLOWANCES, AND MOTOR CAR HIRE OF MINISTERS.

##### RETURN TO ORDER.

The following paper was laid on the table:—

Return to an Order made by the House on 4th October in reference to expenses, allowances, and motor car hire of Ministers.

##### PAPERS.

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

Report upon the Government central sugar-mills.

Report by the Government Analyst and Chief Inspector of Explosives for the year ended 30th June, 1927.

Annual report of the Department of Agriculture and Stock for the year 1926-27.

Third annual report of the Prickly-pear Land Commission.

The following papers were laid on the table:—

An amendment of Rule 10 of the Cheese Selling Rules made on the 17th February, 1927, under the Primary Producers' Organisation and Marketing Act of 1926.

Return under section 9 of the Mining Machinery Advances Act.

## QUEENSLAND LAW SOCIETY BILL.

## INITIATION.

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*): I beg to move—

“That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider of the desirableness of introducing a Bill to provide for the incorporation of the Queensland Law Society, to make further provision for regulating the legal profession in Queensland, and for other purposes incidental thereto and consequent thereon.”

Question put and passed.

## SUPPLY.

## OPENING OF COMMITTEE—RESUMPTION OF DEBATE.

On the Order of the Day being called for the resumption of adjourned debate on Mr. Smith's motion—

“That Mr. Speaker do now leave the chair”

The PREMIER (Hon. W. McCormack, *Cairns*): I take this early opportunity of replying particularly to two speeches made on Thursday afternoon in connection with the Chillagoe investigation. One speech was made by the Leader of the Opposition, and the other—if it can be designated as a speech—was made by the hon. member for Epoggera.

First of all, I desire to deal with the speech delivered by the Leader of the Opposition. Last session certain charges were made by the Leader of the Opposition in this House in regard to preferential treatment being accorded to a person or persons supplying ore at Chillagoe. As the result of those charges, I promised an investigation by the Auditor-General to inquire thoroughly into the charges, and to report direct to Parliament. That investigation was made, and the report was submitted to this Parliament without reference to me or to anyone else in the Government. I understand it was tabled immediately Parliament met this session, and the Auditor-General has since informed me that, in view of the investigation and the promise made to Parliament, he thought that the report should go direct to Parliament.

In making that investigation I thought it necessary to give the Auditor-General the help of some person with the necessary technical knowledge to conduct the investigation, and in seeking for such assistance—and it was a most difficult task to find somebody competent to help the Auditor-General in his investigation—I secured the services of Mr. E. Noel Goode. Until the closure of the Mount Morgan mine Mr. Goode was employed as a metallurgist there, and has since that date been employed by the Hoskins Iron and Steel Company, New South Wales. Apparently, from the speech of the Leader of the Opposition, Mr. Goode is wholly incompetent.

Mr. MOORE: He was misled by false figures.

The PREMIER: I take it that, if Mr. Goode realised that he was not getting accurate figures and information, he would have drawn attention to the fact in his

report. However, that is by the way. I asked people who were competent to judge as to Mr. Goode's qualifications, both at Mount Morgan and in Sydney; and, perhaps, if I could have secured the services of another man, in the person of Mr. Horsburgh, I would have done so. My first intention was to secure the services of Mr. Horsburgh, who had been at Chillagoe, and whose standing was very high in the metallurgical world; but Mr. Horsburgh's services were not available by reason of his appointment as chairman of the Northern Territory Commission. However, I discussed the question with him, and he thought that, all things considered, Mr. Goode would be able to supply the necessary technical knowledge to make the investigation a thorough one. I think that effectively deals with the criticism that Mr. Goode is not competent, unless some competent man has advised the Leader of the Opposition.

Mr. MOORE: He has.

The PREMIER: I should like to know his name, because there are not many competent metallurgists in the Commonwealth.

Mr. MOORE: I did not make the statement without getting advice from a competent metallurgist.

The PREMIER: There are not many competent metallurgists in Australia, and the Leader of the Opposition has done a most damaging thing to Mr. Goode. I am not personally concerned. Mr. Goode was highly paid for his services at professional rates, and it puts him in a very awkward position in regard to his employment throughout Australia when a statement like that of the Leader of the Opposition is made in Parliament, unless the man who makes the criticism is competent to make it. If he is a competent and highly placed man, then it would do Mr. Goode an enormous amount of damage. That is all I can say on that matter at this stage. I am getting into communication with Mr. Goode, and I hope, in the interests of Mr. Goode, that the gentleman who has made the criticism will be prepared to make it publicly, and give Mr. Goode an opportunity of defending his reputation, because he has to make a living at his profession, and to have a damaging statement like that broadcast is going to do him an enormous amount of injury.

The scope of the investigation was much wider than was desired by the Leader of the Opposition, and the report includes many things that have nothing to do with the charges made by the Leader of the Opposition in this Parliament during last session. I personally desired to get the fullest information about Chillagoe, and I instructed the Auditor-General to go into the whole question at Chillagoe and to report fully upon the various matters that were affecting the welfare of that enterprise—both financial and in regard to the charges made by the Leader of the Opposition. Anyone perusing the report will admit that the investigation has been wide and most thorough, and has given the Government much information that was not in their possession prior to that investigation.

Mr. CORSER: By whom was the investigation asked for?

The PREMIER: The investigation was made at the request of the Leader of the Opposition.

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Mr. CORSER: Hear, hear! And you got a lot of information that you did not have before.

The PREMIER: There is no need to burke that question, and there is no reason to deny that, in the main, the charge made by the Leader of the Opposition in regard to preferential treatment was substantiated. It would be mere foolishness to attempt to say that the Auditor-General's report is not condemnatory of the management at Chillagoe.

OPPOSITION MEMBERS: Hear, hear!

The PREMIER: It is, and, as I trace the incidents, it will be seen that the Government thought so, and took action accordingly. On receipt of certain information, I sent for the manager of Chillagoe. I told him that certain charges had been made, and that certain information had come to the knowledge of the Government—not per medium of the investigation at that particular time, but per medium of the audit inspector's report; apart altogether from some of the charges contained in the report that Mr. Beal was investigating—and I asked him for an explanation. There were certain definite criticisms in the audit inspector's report that necessitated explanation. The principal of these had nothing whatever to do with preferential treatment of ore suppliers, with which I will deal subsequently. The principal difficulty that I found was that year after year the statements of assets appearing in the Chillagoe balance-sheet have turned out to be incorrect statements. To say the least, it was not right that assets should appear in the balance-sheet which, although they might be assets in the strictest sense, were not capable of conversion into cash; consequently the balance-sheet was to that extent likely to mislead those who were responsible for the continuance of an uneconomic proposition, and upon those matters Mr. Goddard and I discussed the whole question. I myself—and the Secretary for Mines can bear me out in this—prior to any call for investigation, and long before the matter was discussed in this House, had raised the self-same question with Mr. Goddard, and had got him to come to Brisbane so that I could arrive at a decision as to whether Chillagoe should be carried on or not. On that occasion I took the manager to task for including in his assets things which could not be turned into cash, and his justification was that in mining all those things invariably and necessarily appeared in a balance-sheet, and people who studied the balance-sheet knew exactly whether they could be converted into cash or were merely put in the balance-sheet to show that loss of metal was taking place in certain directions and a certain percentage could be recovered. To give an illustration, I mentioned flue-dust, and told the general manager that, while it was certainly necessary to note flue-dust for metallurgical purposes to show that a certain amount of loss of metal was taking place through the chimney, the chances of recovery of the metal contents of flue-dust were very small indeed; yet it appeared in the assets as a convertible asset into cash, and I believe it would cost probably three parts of its value to convert it into cash. On that occasion, with my own limited knowledge of metallurgical finance and accountancy, I pointed out to Mr. Goddard

that the balance-sheet would have to be brought to a point where the Government would understand how they stood in relation to this proposition at Chillagoe—that we could not go on running an uneconomic industry without knowing where we stood. On that occasion thousands of pounds were written off arbitrarily by myself, and Mr. Beal, who was then Under Secretary of the Treasury, and the Secretary for Mines were in the room when I stated that I thought these assets were not realisable. In spite of that very arbitrary investigation of these assets, it was found even then that assets which did remain and which were permitted to remain without an investigation at that stage were not fair. For that reason—and I regard this as the real charge of mismanagement against the general manager—that we were not kept properly informed with regard to the position of the proposition, and, consequently, we continued long after it should have been stopped and closed down. The whole matter was discussed from that point of view, and I was not satisfied, and I told Mr. Goddard that I was not satisfied. I told him that I thought he had misled the people who were responsible for a decision. Mr. Goddard took up the attitude that the Government desired this undertaking to be continued, and that he was only carrying out the wishes of the Government when he continued working at a loss; and I am not going to say that there is not some truth in that assertion—that the thing was continued long after it had any chance of being an economic success in regard to the smelting of metals in that district.

In regard to the charges made by the Leader of the Opposition—which are rather more personal than general, but to which personally I attach a great deal less significance than to the charge that the balance-sheet had led us into continuing an uneconomic problem like Chillagoe—those charges, so far as preferential treatment is concerned, have been substantiated. In reply to those charges, Mr. Goddard makes the statement that, while it may be said that he did give preferential treatment, that preferential treatment was justified. He again states that it was impossible to keep the smelting proposition going unless he secured ore, and that he gave special terms to the largest ore supplier to enable him to get that ore, and that is shown in the report as having been justified. It has been stated that Reid and Goddard have been acting in collusion. I put it to him, and he rather pertinently replied that anybody who takes out the cost of getting that ore or slag and paying wages and railage to Chillagoe on the one hand and takes the amount of money paid to Reid for it on the other will find that there was no margin for Reid or the smelters or anybody else, and that it is impossible to suggest that there was any advantage in the preferential treatment granted to Reid.

Mr. MOORE: You do not believe that. Other men who sent in ore were turned down.

The PREMIER: The hon. member knows as well as I do that the amount of ore sent in by other clients was infinitesimal.

Mr. MOORE: Other ore of that quality was turned down.

The PREMIER: I am not justifying Goddard in giving that preferential treatment. I think he was a most foolish man.

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I told him that he was leaving the door open to the criticism—that he was giving preferential treatment to his friends, and that sooner or later it would be said that he gave preferential treatment to one individual who was supplying ore.

In answer to the suggestion that we should have prosecuted Mr. Goddard for these actions, I reply that there were no grounds for prosecution—none at all. Complete control over this undertaking was given to Mr. Goddard by this Parliament.

Mr. MOORE: He was not given authority to issue false balance-sheets.

The PREMIER: The balance-sheet was not false in the sense that it was criminally false. Surely the hon. member does not say that! I feel more put out over the balance-sheet than I do over the matter of preferential treatment, because the balance-sheet no doubt was the cause of the Government continuing that undertaking long after it should have been closed down.

Mr. KELSO: You admit that the balance-sheet was issued with intent to deceive?

The PREMIER: He said "No"—that nobody could gain by it except that he might continue his job—there would be no financial gain to anybody. I say that the general manager was appointed with certain powers, and he can be removed only by this Parliament. Hon. members all know the provisions of the Act. He has certain definite powers, like the Commissioner for Railways and other Commissioners, and can be removed only by a vote of this Parliament. I know that no criminal charge can be made against the manager of Chillagoe—none whatever. As a matter of fact, the idea is only put forward to try to defame the Government by suggesting that we are not prepared to make that criminal charge. That is not true, because the general manager of Chillagoe had the power to do all these things that he did. If he has laid himself open to a charge, that is by the way; but to say that there is any evidence of criminal intent is quite wrong.

Mr. MOORE: You said last year that, if what I said was true, there would be a lot in it.

The PREMIER: I do not believe all that I hear. Neither does the hon. member.

Mr. MOORE: Do you believe what you say?

The PREMIER: I believe what I say. After the general manager of the Chillagoe smelters had discussed the matter with me, I told him that he should resign. He did resign. No other action could have been taken.

Mr. KING: He is still associated with Mr. Reid.

The PREMIER: I cannot help that. I intend to deal with that aspect later on. When Mr. Goddard resigned he lost many privileges, including six months' leave, to which he was entitled. He was employed under an agreement for a definite [11 a.m.] term, and that agreement could have been terminated only by this Parliament. That is the position with regard to the action of the Government in connection with Mr. Goddard. During the debate on a previous occasion I said that, after reading the charges made by the Leader of the Opposition, anyone must conclude that there were others in collusion

with the manager if these things were happening. The Leader of the Opposition quotes that. Surely he knows, now that the whole thing has been publicly stated by the Auditor-General, that the main charge is in the giving of a preferential tariff to some individual.

Mr. MOORE: That was the main charge.

The PREMIER: That was the main charge, consequently that has nothing to do with the other individuals under the control of the general manager. Consequently, as the main charge is one of policy, and not one of figures, there is no use chasing an assayer or someone else, because the policy was laid down and the responsibility was assumed by the general manager.

Mr. MOORE: The others knew that it was going on.

The PREMIER: The others knew that it was going on; but their work did not give them the information that preference was being given under that preferential tariff, and that there were departures from it.

Mr. KERR: They knew what it meant.

The PREMIER: They might have known it, but they did not commit any crime in their everyday work, consequently these men are not associated with the charge.

Perhaps at this stage it would be wise if I made reference to the speech delivered by the hon. member for Enoggera, in which he, in a veiled way, attempted to associate me personally with all these wrong doings.

Mr. KERR: I asked you to clear the matter up.

The PREMIER: I have read very carefully the speech delivered by the hon. member for Enoggera. If it is suggested that, because at one period I was associated with Mr. Reid as a shareholder in the Mungana company, I must for ever and ever carry the stigma of anything that Mr. Reid or someone else does during their lifetime, then I am in a very unhappy position. I feel sorry for every member of the Opposition or anyone who takes shares in a company if he has to carry the burden of the action of every individual shareholder in that particular company. On a previous occasion I took the House into my confidence in regard to my association with the original company at Mungana. I was Speaker at that time, quite outside of politics. I am not going into that matter again, nor am I going to reply to every person who might feel it his business to cast some slur on me. If the hon. member for Enoggera does not mean me, then whom does he mean? Let him say whom he means.

Mr. KERR: I quite distinctly asked that you should clear this matter up.

The PREMIER: When dealing with this question some hon. members are at pains in trying to hit at me, or aim at somebody else; but they have not the courage to say so. The hon. member for Oxley remarked that I was absent when this debate took place. Is it necessary to reply to that hon. member? I might say I did not know that this question was to be raised by the Leader of the Opposition on Thursday afternoon. I was rather indisposed, but, had the Leader of the Opposition told me he was going to refer to the question, I would have remained. I was not so ill that I could not remain in the House. He told me he was going to

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discuss "grievances." I do not blame him for not telling me he was going to bring this matter forward, for he has a perfect right to keep to himself what he is going to discuss. The suggestion of the hon. member for Oxley that I was absent from my place in this House on that occasion because I knew this matter was to be discussed is worthy of him.

Mr. MOORE: I suggested to you that you should go on with Supply and move that the Speaker leave the chair.

The PREMIER: That is so. I mention that fact for the purpose of replying to the suggestion that I purposely absented myself from the House. I am sorry that the hon. member for Oxley is not present this morning.

Mr. ELPHINSTONE: Yes, he is here.

The PREMIER: That hon. member also stated that it had been suggested we were not game to prosecute Goddard because he might involve somebody else. I put it to you, Mr. Speaker, and through you to the House, Is there any evidence in the Auditor-General's report of that? That report need not have been made public by me if I had the fear that the hon. member speaks of and asserts—that I was afraid of involving somebody. I went straight on with it. I obtained the information and gave it to Parliament. The Auditor-General actually found many things which were not mentioned in this House, and reported on them to this House. Is there any evidence there that I was afraid of anyone, or that I was associated with anyone connected with the affair? I wanted to get the truth of this matter, and I got at the truth. It is a well known fact—and the hon. member for Chillagoe knows it as well as anybody—that it was rumoured freely in the North that, had I succeeded to the leadership of the Government at the time Mr. Gillies was selected for that post, I would have closed the Chillagoe smelters down.

Mr. C. J. RYAN: That is true. It was stated throughout the North.

Mr. MOORE: You said that, if I were returned as Leader of the Government, I would close the smelters, but, if you were returned, they would be continued. (Opposition laughter.)

The PREMIER: Other speakers may have said that. I opposed the Secretary for Mines, the hon. member for Chillagoe, and Mr. Goddard himself with regard to keeping the Chillagoe smelters going, because I believed this enterprise was uneconomic, and would do more injury by being continued in order to keep a number of men in employment, because it never yet had been able to pay its way.

Hon. W. H. BARNES: Apparently at that stage you were like Sir George Reid—Yes-No.

The PREMIER: There is nothing in my actions to suggest that I was afraid of anyone—even the hon. member for Oxley.

Mr. BEDFORD: He is only after the leadership of his party.

The PREMIER: If the hon. member succeeded to the leadership of his party, and succeeded in inducing the electors to return him to the Treasury benches, he would find that having control of the Government is a very difficult problem indeed.

HONOURABLE MEMBERS: Hear, hear!

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Mr. ELPHINSTONE: He is not after the leadership; that is the trouble.

The PREMIER: When I leave the position as Leader of the Government I feel sure that the man following me will not have to face some of the problems which other leaders have found when taking over the control of the Government. I am doing my level best to put this State on an even keel. I think I have dealt effectively with the statement of the hon. member for Oxley.

Mr. ELPHINSTONE: Why not prosecute Jackson, and clear the whole thing up?

The PREMIER: I am going to deal with Jackson. In regard to the statement of the hon. member for Enoggera with respect to the payment of royalty to the Mungana company, if he reads the report of the Auditor-General, he will discover there was nothing wrong in that payment. It was of advantage to the Chillagoe smelters, and the whole matter has been properly adjusted, and is all aboveboard.

Mr. POLLOCK: It saved the smelters over £1,000.

The PREMIER: What did the hon. member for Enoggera mean to convey?

Mr. KERR: Just what the Auditor-General says.

The PREMIER: That there was something wrong with it?

Mr. KERR: I quoted exactly what the Auditor-General said.

The PREMIER: The quotation is all right; but the inference is that someone with whom I was associated some years ago had obtained some advantage wrongly.

Mr. MOORE: I think he did.

The PREMIER: That is not true. This policy of defaming their political opponents is getting the Opposition nowhere. It got them nowhere during the election campaign; but it is doing an immense amount of damage to the State, and, what is more important, is hamstringing the Government in coming to decisions because of fears of charges of corruption. It is hamstringing the progress of this State, because men in public positions are fearful of these innuendoes and charges that in matters of public policy somebody has paid for some concession. During this session the hon. member for Kurilpa came out and told me that I was a scoundrel.

Mr. KERR: He did not. You misunderstood him.

Mr. FRY: The statement is not true, and the Premier knows it.

The SPEAKER: Order! Order!

The PREMIER: The hon. member asked me straight out what I got—

Mr. FRY: That is not so.

The PREMIER: I don't take offence at nothing.

Mr. FRY: The statement of the Premier is not correct, and I decline to take any further notice of it.

The SPEAKER: Order! If the hon. member does not obey my call to order, I shall take steps to have him removed.

The PREMIER: I want to deal at some length with the charges made. Anybody in this House who is truthful and can believe

his own ears knows that the hon. member for Kurilpa made a definite charge when he asked me how much I got out of the Russo-Asiatic Consolidated Company, Limited.

Mr. KERR: He did not.

Mr. PEASE: The statement appeared in the London press the following morning.

The PREMIER: As the hon. member says, the question brought forward a statement in the London press. I asked the hon. member for Kurilpa to substantiate the charge. Perhaps he made it unconsciously; but there can be no doubt that his definite statement contained an inference on which only one construction could be put.

Mr. KERR: You misunderstood the whole thing.

The PREMIER: This sort of thing has been going on for a number of years. It is the outside man concerned only with defaming public authorities who seizes on statements made in Parliament and repeats them to the public, and gets some sort of hearing because they have their foundation in Parliament. What has been going on in regard to Chillagoe? I will read the police reports in regard to two matters—one concerning a thrice convicted man named Jackson, who is now under arrest in New South Wales and is a person who has been making certain statements.

Mr. PEASE: He is supposed to be paid by the Opposition.

OPPOSITION MEMBERS: That is not true.

The SECRETARY FOR PUBLIC WORKS: You are hurt when you get a touch of your own medicine.

The PREMIER: The Opposition do some foolish things. Almost on top of that statement comes a statement by Mr. Rymer in Ipswich—a statement which it is impossible to prove, although I am sure he said it—that I received £30,000 commission for a loan I did not float.

Mr. BRAND: Do you know that Rymer, when asked the question, denied having made the statement?

The PREMIER: I cannot get sufficient men to come forward to support a criminal charge, and it is the same with regard to Jackson. It is most difficult to get a man arrested on a charge of criminal libel—it is quite different to a civil proceeding—but the inference was certainly there in the statements that were made, and, if Rymer did not make the assertion, he at any rate left it in the minds of his audience that I had received £30,000 commission on a loan which I did not float. I had nothing whatever to do with the flotation of a loan in London. The Commonwealth authorities carried out the whole of the flotation.

Mr. BRAND: Why don't you chase Goddard like you chase Rymer? (Laughter.)

The PREMIER: I am not chasing Rymer. If I get an opportunity, I will institute an action for criminal libel against these people who are defaming me.

Let us examine Jackson, of whom we have heard so much.

Mr. O'KEEFE: He is being examined now. (Laughter.)

The PREMIER: I have police reports in regard to what Jackson said. There are

some interesting things which he said, and which I am sure will interest the Leader of the Opposition.

Mr. BEDFORD: Which one?

The PREMIER: Mr. Moore. (Laughter.) Jackson, speaking at Cairns, said—

"I am here to tell what kind of a man you have as Prime Minister of Queensland. He and Theodore. I am referring now to what occurred at Mungana and Chillagoe, and which, in my opinion, is the greatest scandal which ever occurred amongst politicians of this country. I have been in Chillagoe and Mungana, and I have interviewed men who have told me that they brought valuable ore to the smelters and obtained low percentages while a man named Fred Reid brought muck and obtained high percentages. This was all caused by the conspiracy which existed between Reid and Manager Goddard. I have all these men in the palm of my hand, and I have sufficient documentary evidence to give these political crooks ten years in gaol."

In making this statement he goes on to say—

"I have no axe to grind."

(Laughter.) Now listen to this—

"Take the case of poor old John Stone, of Chillagoe"—

That is the informer of the Leader of the Opposition—

"who was wrongfully dismissed by this gang of thugs from the position of night watchman at Chillagoe smelters."

You will be surprised at what he did—

"Whilst at Chillagoe I conversed with Stone from 7 o'clock in the morning till 1 o'clock the next morning regarding the 'enormous' swindle. Stone definitely and distinctly told me that he broke into Goddard's office."

That is where the information came from—

"that he broke into Goddard's office and took copies of all documents pertaining to the swindle at Chillagoe."

Mr. MOORE: He made no secret about it.

The PREMIER: He broke into the office.

Mr. MOORE: He is prepared to go into the box and swear to it, if you like.

The PREMIER: We received a wire in connection with this man Jackson from the police in Sydney wanting to know all about him. The point I want to make in regard to this matter is that it is very easy to say you have grounds for an action for criminal libel, but it is very difficult when you go round to people and ask them to give evidence. I have had dozens of people examined in regard to the speeches made, and I cannot get any evidence. He always uses the word "political," and there are no grounds for a criminal libel action against a man while he safeguards himself in that manner and allows his damage to be done by innuendo. That is how the damage has been done.

Mr. BRAND: Don't you think a Royal Commission would clear it up?

The PREMIER: What good could a Royal Commission do? The hon. gentleman keeps reiterating that parrot-like because he

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believes that it will leave some inference. That is all he does it for.

The statement made by Mr. Rymer is exactly on the same lines as these other statements. I have also had the police inquiring into the matter to try to get evidence and witnesses in regard to the statements made. Many of them say that Rymer mentioned  $\frac{1}{4}$  per cent. commission. Others say that they gathered from what Rymer said that he was insinuating that I made £30,000. One man said that Rymer, replying to a question, said—

“I have been told that, if Mr. McCormack received  $\frac{1}{4}$  per cent. in connection with the loan which he is supposed to have floated in London recently, he would be a very rich man, as he would have received £30,000.”

This is the sort of thing that is going on all the time. I have no objection to the statement of the Leader of the Opposition. He has been most careful in not making wild woolly charges against individuals; but members of this House can make these inferential statements which are seized on by this crowd outside, who are not concerned with damaging me personally but with damaging authority. That is, all they are concerned with; and because I, in my position as Premier, have come into conflict with them in regard to law and order. It is so easy to damage a person's reputation by inference, and so difficult to prove. The appointment of a Royal Commission to go round and listen to grievances would not have given the detailed information which was secured by the Auditor-General. My own opinion of Royal Commissions is well known; I have stated it again and again.

An OPPOSITION MEMBER: A Royal Commission got information with regard to two bags of cement on one occasion.

The PREMIER: Yes, and I think that was a foolish thing, as I said at the time, to have charged Mr. Paget with, but that is dead and gone. My own opinion is that the Government then rushed in where they had no occasion to do so.

At this stage, the hon. member for Murilla entered the Chamber.

The PREMIER: I congratulate the hon. member on his return to the House with renewed health. (Hear, hear!) Royal Commissions are used for whitewashing the situation, and in regard to Chillagoe investigations have been made. The place has been shut down. There is no chance of reopening unless metals get to a price at which it will pay to run the concern. I have stated that again and again. If the group of people in Chillagoe are more concerned in damaging the Government because it is shut down than they are in trying to set themselves up elsewhere, it is no business of mine. This man Stones, to whom the Leader of the Opposition referred, was stated to be a tin stealer or something else.

Mr. MOORE: No.

The PREMIER: I am not concerned about Stones. No one believes his story that he went to Nicholls, and Nicholls told him to “put the hard word on Goddard” for £1,000. I never heard such a cock-and-bull story.

Mr. KERR: Where did you get that?

Mr. MOORE: It was a definite signed statement.

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The PREMIER: It is a pity the Leader of the Opposition did not stick to his information from the Prospectors' Association or the people who bona fide gave him the information.

Mr. MOORE: All the information that Stones gave me is proved to be correct.

The PREMIER: It may be so, but the charges based on Stones's information would never be substantiated. Stones would get a terrible time in the witness-box, though a convicted thief or anybody else can tell the truth as well as most honest men in the country.

Mr. MOORE: He was not a convicted thief.

The PREMIER: A tin stealer. I never gave the information; the hon. member gave it.

Mr. MOORE: I only took it out of the report of a Royal Commission in 1911.

The PREMIER: He has been subject to investigation before—Mr. Appel had the investigation made. The hon. member knows the result of that—I do not want to drag that in. Apparently Stones thinks he is a man who has a mission in life, even if it is necessary to break in to get information. I have nothing to say about that except that, if he had been caught breaking into Mr. Goddard's office, he would have had to pay the penalty at law. The appointment of a Royal Commission by the Government on a bare charge of corruption by members of the Opposition is not going to do any good. It is not going to do anyone any good. Why, I know charges have been made—I do not say by any sitting member of the Opposition—in which the Government were accused of corruption because they gave a man a concession to put sheep on a cattle property. In dealing with the land problem that has to be faced the Government are always open to charges and suggestions of corruption. If you do anything, you are charged with corruption. Ministers are actually timid of tackling these problems because of past charges and suggestions of, “How much did you get out of it?”

Mr. KERR: That is an extraordinary statement.

The PREMIER: It is true.

Mr. KERR: You are losing your nerve.

The PREMIER: The hon. member cannot say that. Governments must take some notice of these things. (Opposition interjections.)

The SPEAKER: Order! I again appeal to hon. members of the Opposition to allow the Premier to proceed with his speech without interruption.

The PREMIER: Hon. members are continually making political capital out of it. The hon. member is not hurting me a little bit; but I say that, when anything is done, to some extent public men, not only in this State but also in every other State of the Commonwealth, are being increasingly met by the charge that there is an element of corruption in it. One man who was running as the candidate of hon. members opposite alleged corruption because this Government did not go on with the resumption of about £1,000,000 worth of property after they had given notice of resumption—

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

The SECRETARY FOR PUBLIC WORKS (Hon. M. J. Kirwan, *Brisbane*): I beg to move—

“That the Premier be allowed an extension of time to enable him to complete his speech.”

The SPEAKER: Is it the pleasure of the House that the Premier be allowed an extension of time?

HONOURABLE MEMBERS: Hear, hear!

The PREMIER: A charge was made in that regard in an outback centre in the Dalby electorate, and the hon. member for Dalby knows that it was made—and I attacked the man who made it in the open at a public meeting at Dalby. These charges are made again and again, and it is impossible for a Government to do anything in regard to helping people if suggestions are made that there is corruption behind that help. It is an extraordinary attitude of mind because something is done which will help somebody to establish himself—in the case of a pastoral lease, for instance, by allowing a man to have a full lease if he will stock it with sheep—the Government who agree to it have to face a charge of corruption. I say that sort of thing ought to be encouraged when men are prepared to spend £30,000 or £40,000 on improvements; yet Ministers are apt to say, “What is the good of it if we are going to have these charges continually made?”

Mr. CORSER: Your deputy leader accused the Opposition of getting funds from the pastoralists for extension of leases. (Laughter.)

The PREMIER: That is by the way. (Renewed laughter.) I repeat in regard to Chillagoe that there were no grounds for a criminal prosecution—none whatever. The general manager had full power to do what he did. I have investigated the complaint, and I say there is no evidence that there was any corruption or collusion between the manager and the ore supplier. In fact, the small value of that ore after getting it and riling it left no margin for his wages.

Mr. MOORE: What about the lorry?

The PREMIER: Well, the lorry was a case of special preference. I have not had an opportunity of discussing that matter with Mr. Goddard, because he was gone before I received the information.

Quite recently an investigation was carried out in the Department of Public Works, where definite charges were made against certain officers of the department. The hon. member for Enoggera knew all [11.30 a.m.] about that. I do not know who told him, but he knew all about it. Does he suggest that there were not just as good grounds for a prosecution and for a Royal Commission in that case as there is in this? There were just as good grounds; but at law there was not sufficient evidence to sustain a prosecution.

Mr. KELSO: Are you quoting the opinion of the Crown Law Office with regard to Chillagoe?

The PREMIER: I am referring to an identical case in the Department of Public

Works. What did the Government do? They took the necessary action to clean up matters in regard to certain officials, and we have followed the same course in connection with Chillagoe. We have done all that can be done at Chillagoe.

Mr. KERR: At that time the Secretary for Public Works said there was nothing wrong taking place in his department, and you are saying the same to-day with regard to Chillagoe.

The PREMIER: It is not always wise during the course of an investigation to tell the hon. gentleman or to tell anybody that an investigation is taking place. The Audit Department carried out the same investigation as was carried out at Chillagoe, and the result has been the same. Chillagoe has been closed down, and for the life of me I cannot see what there is to investigate unless it is the inferences made by hon. members on the other side against myself. I invite them to make a definite charge. For many weeks Mr. Vowles, when member for Dalby, made speeches in connection with Wando Vale, but would not commit himself. Finally he said, “I can prove it.” Hon. members now have an opportunity of saying if they can prove any charge, and as soon as the charge is made they will get all the investigation they desire if they are willing to take the consequences.

Mr. KELSO: Is the Crown Law Office of the opinion that no criminal charge lies against Mr. Goddard?

The PREMIER: Mr. Goddard is not guilty of any criminal charge. I say that as head of the Government. The hon. member knows that, too. There is no more a criminal charge against Mr. Goddard than there would be against the Commissioner for Railways in regard to something that it was within his jurisdiction to perform. The action by the officials might have been unwise.

Mr. MAXWELL: The Commissioner for Railways has not issued a false balance-sheet.

The PREMIER: The balance-sheet in connection with Chillagoe was not a false balance-sheet.

Mr. MAXWELL: The Auditor-General thinks so.

The PREMIER: It was a misleading balance-sheet.

“An OPPOSITION MEMBER: It is false and “crook.”

Mr. KELSO: It was intended to mislead—that is the trouble.

The PREMIER: The hon. member for Enoggera stated that the Chillagoe enterprise was conducted efficiently under private management, and that the Government butted in. That shows how much he knows about it. The Chillagoe Company lost £3,000,000, and the works was closed down for nine long years. The hon. gentleman never heard of that. That never struck him.

Mr. KERR: You paid a very big price for it.

The PREMIER: The Government have done all they possibly can do in the matter. The position has been thoroughly investigated, and those with the responsibility have been relieved of all responsibility.

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Again, I invite the hon. member for Enoggera or any other hon. member opposite to make a definite charge.

Mr. KERR: You will get the statement.

The PREMIER: I will get the statement! There is nothing else behind the mind of the hon. gentleman but a desire to defame somebody.

Mr. KERR: Why take it to yourself like that?

The PREMIER: The hon. gentleman and his charges remind me of a tenth removed relative of an individual who heard something. I think it goes like this—

“Absolute knowledge have I none;  
But my aunt's sister's chauffeur's son  
Heard a policeman on his beat  
Say to a housemaid in Downing street  
That he has a son who has a friend  
Who knows when the war is going to  
end.”

(Laughter.) That is about the gravamen of the charges made by the hon. member for Enoggera. That quite illustrates the mind of the hon. member and his whisperings about “Did you hear So and So say so and so about So and So?” There is a lot of that in the assertions by the hon. gentleman. I invite him again to say straight out that he can prove that any association of mine in connection with Chillagoe or Mungana has been dishonest.

Mr. KERR: I pointed out your connection with the Mungana company, and asked you to explain it.

The PREMIER: If the hon. member will make that direct charge, I shall know where I stand. Unless he does so, he is doing no good. In fact, he is only doing damage generally by making inferences, which are not true, against my personal reputation.

GOVERNMENT MEMBERS: Hear, hear!

Mr. KING (*Logan*): I have listened very attentively to the speech delivered by the Premier, and I must confess that I was extremely disappointed with it.

OPPOSITION MEMBERS: Hear, hear!

Mr. KING: The hon. member made a long speech; he went all round the subject, and he has not in any way attempted to answer any of the questions that have been asked.

OPPOSITION MEMBERS: Hear, hear!

Mr. KING: As a matter of fact, I feel more convinced than ever, after hearing the Premier, that a greater demand exists for the appointment of a Royal Commission.

OPPOSITION MEMBERS: Hear, hear!

Mr. KING: The Opposition is reluctant to make a direct charge against the Government, as it was considered that a function of the Royal Commission, which we ask to be appointed, would be to ascertain the names of all the persons in any way associated with these irregular transactions connected with the Mungana purchase and the affairs of the Chillagoe smelters. Seeing that the Government apparently intend to shield themselves behind the fact that no direct charge has been made against them—although the Leader of the Opposition definitely charged the Government with being acquiescent—I want to say here right

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away that, although it is not necessary for the Opposition to make a direct charge, it has been decided that the Opposition have now no option but to make the following definite statement of facts.

OPPOSITION MEMBERS: Hear, hear!

Mr. KING: I am therefore authorised by the Leader of the Opposition to state facts which I submit to the Government for their serious consideration. Remember, I am only stating facts.

The SECRETARY FOR AGRICULTURE: Facts which you or someone else will establish?

OPPOSITION MEMBERS: Listen!

Mr. KING: I am only stating facts which we say will be put before the Royal Commission, if appointed, and which will show the true state of affairs so far as Chillagoe and Mungana are concerned. I am sorry that the Premier is not in his place. I would rather have spoken before he delivered his speech.

The SECRETARY FOR LABOUR AND INDUSTRY: He will not be absent long. He has just been called out.

Mr. KING: The Opposition make this statement—

“1. That the circumstances connected with the purchase by the Government of the Mungana Mines for £40,000 furnish grave reasons for suspicion that the present Premier (then Home Secretary) and perhaps other members of the Government (present or past) wrongfully used their public positions for the purpose of the acquirement of private gain, the relevant facts of this case being as follows:—

(a) The Mungana mines, which had been the main sources of ore supply for the Chillagoe smelters, were forfeited (presumably because of the inoperation of the smelters) on 31st March, 1917, and reverted to the Crown.

(b) At this time the Government was negotiating for the purchase of the Chillagoe smelters and railways with a view of working them as a State enterprise.

(c) An agreement for the purchase of the smelters, railways, and other assets (for £701,000) was finalised on 6th November, 1917.

(d) On 11th September, 1917, the Government allowed the Mungana mines to be applied for by Frederick Reid and party and subsequently (after the signing of the above agreement for the purchase of the smelters, etc.) granted leases of them to the Reid syndicate.

(e) The present Premier was a member of that syndicate and shared in the £40,000 paid for these mines by the Government.

(f) From 1922 onwards, the Secretary for Mines, although questioned on the point both in Parliament and in other quarters, professed ignorance of the names of the persons associated with Frederick Reid in this syndicate.

Dealing with the question of the expressed ignorance of the Secretary for Mines of the

names of the shareholders in Mungana, I want to say this—

1. The question of the names of shareholders was raised in Parliament in 1922 and subsequent years.

2. At a meeting of the Trades and Labour Council on 10th March, 1926, at which Mr. Jones was carpeted in connection with the Mungana transaction, he said (in answer to Mr. Tink) that he could not say who were the shareholders in Mungana. (It was shortly after this that Mr. Kel-o exposed the fact that William McCormack was a shareholder).

3. Mr. McCormack was Home Secretary and Mr. Jones was Minister for Mines in the Cabinet which decided upon the purchase of the Mungana mines from Reid, McCormack, and others.

Continuing my statement—

(g) Although in 1922 the non-compliance with the provisions of the Companies Act requiring registration of the names of shareholders was pointed out to the Attorney-General, no action was taken to remedy this state of affairs.

(h) The same condition of non-registration of shareholders exists in the case of the Fluorspar Mining Company and the Argentum Mining Company, whose transactions have also been questioned in connection with the operations of the Chillagoe smelters.

(i) It was only after the public exposure in March, 1926, by a member of the Opposition of the fact that William McCormack was a shareholder with Frederick Reid that the Premier admitted his association with the Mungana transaction.

(j) The Auditor-General's report for 1924-25 (page 106) discloses that, with Ministerial approval, the payment by the Government for the Mungana mines was accelerated in that year, a sum of £14,642 being paid instead of £6,422 due on the royalty basis under the terms of the contract.

"2. The special report of the Auditor-General on the Chillagoe enterprises, following the charges made by the Opposition last year, definitely discloses that the same Frederick Reid has obtained from the Chillagoe State smelters large sums of money to which he was not entitled, and, in view of the Premier's association with him in the Mungana transactions and the fact that all answers to questions by and statements of responsible members of the Government have in the past evidenced a strong desire to shield this individual—"

Mr. POLLOCK: Are those your facts?

Mr. KING: Those are the facts.

Mr. POLLOCK: That we endeavoured "to shield this individual"?

Mr. KING:

sound grounds exist for belief that one or more members of the Government are implicated in this misappropriation of public funds."

I say there were great suspicions—

"3. The fact that the only action taken by the Government since the receipt of

the Auditor-General's report is the acceptance of the resignation of the general manager of the Chillagoe smelters furnishes further grounds for belief that the Government are in some way implicated in this matter, and fear the exposures which might result from the requisite action being taken."

Those are facts—

The SECRETARY FOR AGRICULTURE: Assertions!

Mr. KING: These facts must be admitted by both sides, and they certainly give the Opposition every right to demand a commission of inquiry to investigate—

"1. The circumstances connected with the taking up, the subsequent operations of, and the sale to the Government of the Mungana mines.

"2. The names of all persons who may have received any unjustifiable benefit in connection with the operations of the Chillagoe State smelters.

"3. The names of shareholders or partners in the Mungana mines syndicate, the Fluorspar company, the Argentum company, the Pacific Hotel, Cairns, and any other mines or businesses which may be discovered to have received preferential treatment or unjustifiable payments either in cash or kind in connection with the operations of the Chillagoe State smelters.

"4. The names of persons and the recommendations of the Commission respecting criminal action being taken against those found guilty of malpractices during the above investigations."

These facts establish the necessity for an inquiry. The Opposition demand that inquiry, and the people expect it.

After a pause—

The SECRETARY FOR AGRICULTURE: Question!

HON. W. H. BARNES (*Wynnum*): In rising, as I am now doing, I quite recognise that any statements I make will be statements that primarily have to do with the report in connection with Chillagoe which has been furnished by the Auditor-General to this House. I take it that no one can read that report without feeling at once that the Auditor-General and Mr. Goode did their work well. I think I have a right to make that remark at the very outset. As far as one can see, and as far as their authority went, their service was well rendered to the community. Every member of Parliament ought to express appreciation to the Auditor-General for going into the matter as he did, because it must be remembered that he was confined very largely in his inquiry, and as far as the inquiry went I think he did splendid work. But I do want to say that it appears to me the work that was undertaken by the Auditor-General has practically led to other things. It is almost impossible to separate the report which has been furnished to this House by the Attorney-General from the further action which should be taken by this House. It seems to me that the two are linked together, and, for the sake of the honour of the Government and all concerned, further action should be taken. I take it that the biggest question in connection with Parliament is the honour of those

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who are associated with it. The Premier himself touched upon this matter this morning. I am not for a moment suggesting that there has been anything opposed to that, but I can say for myself that, if I happened to be in the position which the Premier is in—by his own admission this morning, because he has taken some hon. member's suggestion as applying to himself—if I happened to be in his position I would say at once, "Let us have the fullest inquiry."

No member can read the Auditor-General's report without saying that it is of a most illuminating character. There are references in it which have a right to get into "Hansard," because they are cold facts with which every member of the House will agree. Take page 2 of the report. Will anyone deny from a perusal of that that preference was given to Mr. Reid? I do not think anyone can deny that. I will read what the Auditor-General says, so that there may be no mistake about it—

"The charges which I was required to investigate were based mainly upon alleged preference to Mr. F. Reid in respect to payments for ores and slag fluxes supplied by him to the smelters. It was charged that Mr. Reid had been paid under tariff rates and conditions which were more favourable than those applied to other ore suppliers."

Is that not a fact? When you read this report and get to bedrock, is it not a fact that there have been payments made to Mr. Reid for stuff which, so far as we know, has never been delivered yet? As we read the report, coupled with the motor truck transaction, are we to take it that this is the kind of principle that has been governing those things which have been controlled by the Government? I said a little while ago that Mr. Reid had been given special treatment. It may have been because he was a big supplier, but somehow or other he was a kind of "white-haired boy" who always seemed to receive preference. Surely the cursory report which the Auditor-General has made should be sufficient to lead us to make further inquiry. I hold distinctly that, if payments were made improperly by Mr. Goddard, the general manager, then someone should be prosecuted for having made them.

THE SECRETARY FOR LABOUR AND INDUSTRY: Don't you know that Mr. Goddard had full power to make the payments?

HON. W. H. BARNES: The hon. gentleman who has just interjected must know that wherever there is a wrong done there is no protection for the man who does it; he is not protected by Parliament. I say that, in the interests of Mr. Goddard himself, there ought to be an inquiry.

MR. POLLOCK: Do you know the difference between a wrong and a crime? Nobody knows it better than you do.

HON. W. H. BARNES: The hon. gentleman knows and I know the difference between a wrong and a crime. If someone pays something to a man that does not properly belong to him, it is a crime. However, the hon. member will have an opportunity of speaking later on. There is another statement I want to make. Will hon. members say on looking at the report that Mr. Reid did not receive preference so

far as the carriage of ore was concerned? On page 5 of the report this is stated—

"Ore-purchase notes of 15th January, 1926, denote that F. Reid delivered from Irvinebank during December, 1925, 510 tons of lead ore and slag, whereas at this time the smelters had stacked on the line 3,868 tons awaiting railage to the works. Reid's ores were given preference of delivery over ores already purchased by the smelters, although the price of metals was falling."

Should we not get that into "Hansard" to let the public of Queensland know what has been happening? The public of Queensland has a right to know. No one can say that any member of the Opposition is traducing the Premier or anyone else by having the cold bare facts put into "Hansard." We must not forget that the questions before us to-day are bigger than whether a man is a member of the Opposition or a member of the Government party. They affect the whole of Queensland.

Then we have another striking instance on page 6 of the report—a quantity of stuff which was purchased was apparently no good at all; I will not read the whole of it. I am glad the Secretary for Mines is here, because I am going to get back to 1922 if I have time, and show the Minister that he himself distinctly stated at that time—not once but several times—that Mr. Goddard was an ideal manager.

On page 6 of the report of the Auditor-General reference is made to some flux ore obtained from Reid, and the statement is made—

"Apparently the ore had no value as regards recoverable metals and no furnace fluxing value."

AN OPPOSITION MEMBER: It was paid for, though.

HON. W. H. BARNES: It was paid for, of course. Everything was all right in that regard. On page 7 of the Auditor-General's report we read—

"As the value of the flue-dust at the works was discussed in Parliament, Mr. Goode had the flues opened up, and, after examination, the two metallurgists agreed that the recoverable value of the metal contents, after allowing for treatment and realisation costs, was £1,743. The value for balance-sheet purposes for the year 1925-26 was originally set down by the general manager at £40,676, but was later eliminated."

There again we have an indication of the methods which were being adopted in this business. Without going into details, let me remind hon. members that there was an over-valuation of stock of no less than £10,732. The blue pencil must have been used very freely in making out the returns: they must have been raised very frequently in order to make them appear very much better. Surely, when we find that there is an excess valuation of fluxes and miscellaneous stock of £20,111 7s. 10d., the valuer must have been expecting something to turn up! He must have been looking into the future, and hoping that something would happen to justify his putting that down.

Now I want to deal for a moment with the Mungana mine. In the balance-sheet

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attached to the report of the Auditor-General, the purchase money of the mine is shown at £40,000 as an asset, whilst the expenditure on the development of the Girofla mine is put down as £96,515, and that on the Lady Jane at £86,131, both amounts being put in as assets. I want to draw attention to one fact which has to do very largely with the definite statements of the Deputy Leader of the Opposition. In his report for 1924-25, at page 106, the Auditor-General said—

“The purchase price of the Mungana mines was £40,000, payable monthly, on a royalty basis of 5 per cent. on the gross metal contents of ore raised, with a minimum payment of £2,000 per annum.

“In a memorandum to the Minister, dated 25th May, 1925, the general manager pointed out that paying under the 5 per cent. method made it necessary to sample and assay every truck of ore received from the mines, which was a costly procedure, and, to avoid the unnecessary expense, suggested that the balance be paid in one amount. Ministerial approval was given, and, on 29th June, 1925, the balance, £9,724 7s. 6d., was paid, making a total payment of £14,642 2s. 6d. for the financial year, whereas on the royalty basis the amount would have been £6,421 12s. 11d.”

[12 noon.]

That is a deliberate statement made by the Auditor-General.

The SECRETARY FOR MINES: Before I gave approval the general manager made a definite statement that the saving to the State would be nearly £1,000.

HON. W. H. BARNES: The more explanations come in the more need there appears to be for an inquiry.

The SECRETARY FOR MINES: The money had to be paid.

HON. W. H. BARNES: The Secretary for Mines has always been a very optimistic individual, and no one can blame him for being an optimist. The hon. gentleman is thus reported in “Hansard” for 1922, at page 719—

“There are no white elephants in the Mines Department. I have indicated certain losses on the Chillagoe works. They have been due—not to mismanagement, because we have one of the most competent and one of the most able men in the mining industry in Australia, as general manager, in the person of Mr. Goddard.”

A GOVERNMENT MEMBER: What did the hon. member for Windsor say about the manager of Chillagoe?

HON. W. H. BARNES: I will tell you what he said. The hon. member for Windsor remarked that it was a wonder that the manager of Chillagoe did not buy everything offered to him, and the Secretary for Mines replied that he was not so foolish as all that. If he was not so foolish as to do that, he would have been wiser to have done other things. The Secretary for Mines also stated—

“It was absolutely necessary to purchase that mine so that we would have sufficient ore supplies to carry on smelting operations.”

The SECRETARY FOR MINES: When we appointed Mr. Goddard we had recommendations in his favour from the very best mining men in Australia.

HON. W. H. BARNES: I have not the means, nor have I the desire, to discredit that statement. I am perfectly certain that the Minister would not make such a statement if it were not true. He has stated that Mr. Goddard had good references, but somehow and in some way he has lost those good references.

Mr. O'KEEFE: Would you give him a good reference to-morrow?

HON. W. H. BARNES: The interjection is a very foolish one because I do not know Mr. Goddard.

Mr. WEIR: Then why abuse him?

HON. W. H. BARNES: The Secretary for Public Works is also reported in “Hansard” to have said—

“You will get it again if you make a lot of wild charges.”

We are not making wild charges to-day. We are making charges upon which we are prepared to stand or fall. The Secretary for Public Works, by interjection, then made a promise. We now ask him to assist to have a Royal Commission appointed to go into this matter. He never breaks a promise. Every promise he makes to me he keeps to the very letter. I feel quite sure that, if he gives this matter his consideration, he will carry out his promise and see that something is done in getting a Royal Commission.

I want to deal now with how to buy a motor lorry. It seems to me we have some very instructive information in that direction. It indicates how someone was enabled to purchase a motor lorry without paying for it. I need not refer to it definitely, but what are the facts? A motor lorry is sold for over £1,000, and, after it has been used for some months, it is handed back and credit given for the full amount of purchase. We find that subsequently, after having a lot of tyres and accessories renewed, it is revalued. Great expenditure was incurred in that direction. The revalued price is put down at somewhere about £400. Is it any wonder that, under such conditions, the position with regard to Chillagoe is most unsatisfactory? Apparently the Government have no control, and the Minister in that regard is very blamable. He was responsible. He apparently had no control, and did not know what was going on. Is it any wonder that State enterprises have in many cases ended as they have when we find that condition of affairs? The control exercised was practically nil, and things have happened in connection with them which have been a disgrace to the Government, and have, unfortunately, meant tremendous losses to Queensland. The total cost of the Chillagoe smelters is approximately £1,200,000; and, after deducting the various items that have been charged, the value of the assets is £70,000, showing a loss of over £1,000,000. Is it any wonder that there is unemployment? Is it any wonder that Queensland is in the position she is in to-day? Why, the facts are such that anyone facing them must realise that Queensland has been brought into her present position by—I was going to use the word “wilful,” but I will not do so—the carelessness which has been shown by those who had to do with these enterprises. I take

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it that the Opposition accepts full responsibility for any action it takes. In the interests of good government, there is a call for further inquiry. The Deputy Leader of the Opposition is to be complimented in bringing forward so clearly the charges which have been made; and a solemn duty is cast upon us to see that action is taken in that regard.

I am going to ask one question, and I do so with all due deference to the hon. members sitting behind the Government—What would have been the position to-day in Queensland if the Leader of the Opposition had been sitting on the Government benches and these things had happened? Why, scapboxes would have been used at every street corner to defame and damage the Government.

OPPOSITION MEMBERS: Hear, hear!

HON. W. H. BARNES: We have done something more open than that. The duty of the Government is clear, and they should not hesitate for one moment in deciding what they are going to do. If I were the Leader of the Government I would say, "You shall have the fullest inquiry"; and that is the plain duty of the Government in this matter. It is their honour and their management that are at stake, and it is their duty to deal with the matter in a way that will be satisfactory. The members of the Opposition feel that they have a duty to the people of Queensland in this matter, and they have not hesitated to take steps. The Leader of the Opposition has not hesitated on this question, and I ask you, Mr. Speaker, to follow his candid action when he placed the documents on the table of this House and stated that, if an inquiry were made, others would be forthcoming.

Mr. O'KEEFE: Not one of them is truthful.

HON. W. H. BARNES: What is the use of the hon. member saying that not one of them is truthful? That does not prove anything; that is a flimsy assertion which proves nothing.

Mr. O'KEEFE: So are all your charges.

HON. W. H. BARNES: Charges have been definitely made this morning.

Mr. O'KEEFE: What are they?

HON. W. H. BARNES: What did the Premier say? That the honour of the country is at stake. I do not for one moment say that the Premier has in any way done anything which is dishonourable. That would be an unfair thing to say, and I do not believe it; but I do say that these charges are made, and should be investigated; and, if it is found that they are not correct, then those who made them should be punished. I go further, Mr. Speaker, and say, without backing or filling for one moment, that if the Premier or any member of the Ministry, present or past, was proved to have done something that was not right, then he should suffer for his actions. That seems to me to be the only clear way of looking at the matter; and my own view is that every member of this House is so concerned that he should resolutely support the action which has been taken by the Deputy Leader of the Opposition.

The SECRETARY FOR MINES (Hon. A. J. Jones, *Paddington*): I feel it incumbent upon me to reply to one or two of the charges—very flimsy indeed—made against

me, particularly by the Leader of the Opposition in the course of this debate on Thursday last. The hon. member made two charges against me, one of which was that on 19th November last he asked me a certain question regarding the dismissal of a foreman at the Chillagoe works, and that I had answered that question by saying that I had no knowledge of the dismissal of the foreman. The Leader of the Opposition referred to that answer as a quibble. As a matter of fact, he is reported in "Hansard," as having stated that it was practically an untrue statement.

Mr. MOORE: I made the remark in connection with the Ti-tree ore slag.

The SECRETARY FOR MINES: I have some regard for the hon. member; I regard him as an honourable member of this House; and I hope that he will take my word at least as a member of this House against his informant, who said that I had particular knowledge. What knowledge could I have? What motive could I have in saying that I had no knowledge of the dismissal of any man at Chillagoe? Then the Leader of the Opposition quoted a letter in which the writer had said that he was discharged because he would not accept a bribe. If such a letter had reached me, does any hon. member of this House think for one moment that it would not have been investigated and a full inquiry made? The Leader of the Opposition knows that very well. I have in my hand a letter from Stones. I do not want to weary the House with these small matters, because, after all, it is a small matter; but I do wish to deny the charge made by the Leader of the Opposition that I was trying to evade questions, and that I stated that I had no information when I had information.

Mr. MOORE: Don't you think your reply to my question about Ti-tree ore was evasive?

The SECRETARY FOR MINES: Any question that I answered during the debate on this matter last year was answered from the official information given to me by the general manager at Chillagoe. I had to wire for the information, and I do not think one hon. member in the House really believes that I would try to evade a question, shirk any issue, or give incorrect answers in this House. I have a letter from Mr. Stones, the informant of the Leader of the Opposition, dated 20th August, 1926.

Mr. MOORE: He was not "sacked" then.

The SECRETARY FOR MINES: No. I had a search made of the official file, and the only complaint made by that informant was in this letter.

Mr. MOORE: About overtime?

The SECRETARY FOR MINES: Yes. I will not read the letter because it would be only a waste of ink to print it in "Hansard." He complained that he was not paid overtime. To that letter my department replied—

"I have by direction of the Minister to acknowledge receipt of your letter of the 20th ultimo in regard to the reduction of your wages and the matter of overtime worked by you, and to state that the general manager, State smelters, has been asked to furnish advice in regard to the matter."

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Stones's complaint was that his wages had been reduced from £8 to £6 a week, and that he was entitled to certain overtime that had not been paid. The overtime that he demanded was—

1925—	£	s.	d.
January ... ..	25	12	0
February ... ..	20	11	0
March ... ..	21	5	6
April ... ..	23	18	0
May ... ..	16	10	0
June ... ..	27	16	6

Total for six months £136 13 0

Mr. MOORE: It is only fair to read the rest of his letter, if you say that.

The SECRETARY FOR MINES: I do not want to read the whole of his letter and put it into "Hansard." Overtime claimed in 1926 was—

1926—	£	s.	d.
January ... ..	20	18	0
February ... ..	14	9	6
March ... ..	22	13	0
April ... ..	19	10	0
May ... ..	25	16	6
June ... ..	14	9	6

Total for six months £118 16 6

In this letter he claimed overtime to that extent, independent of his wages. He claimed time and a-half and double time, and the only thing I am surprised at is that he did not claim "double double" time.

Mr. FRY: How do you connect this with the charges in regard to Chillagoe?

The SECRETARY FOR MINES: I connect this with the charge of the Leader of the Opposition that I evaded questions.

Mr. ROBERTS: Why didn't you make that explanation last year when the inquiry was on?

The SECRETARY FOR MINES: I had no knowledge then.

Mr. ROBERTS: Of course you had in August.

The SECRETARY FOR MINES: On 21st October, the department wrote the following letter to Stones:—

"With further reference to your letter of 20th August last in regard to the reduction in your wages and the matter of overtime stated to be due to you, I am directed to inform you that it has been ascertained you were employed at a salary of £8 a week, but, on the closing of the smelters in June, this was reduced at the same time as the salary of other departmental heads.

"So far as overtime is concerned, you, being a salaried man, are not entitled to overtime, and as you had shift bosses under you, it should not have been necessary to be called up at any time during day or night (as stated by you) to see that the plant was kept in proper running order.

"As a matter of fact, if the shift bosses under you were not capable of attending to their work properly, it was your duty to either dismiss them yourself or report the matter to the management, when steps would have been taken to replace these men by competent workmen.

"Under the circumstances I do not think that you are entitled to the overtime claimed."

That letter is signed by the Under Secretary for Mines and is based on the information I have put on the table. It proves that the gentleman who gave the Leader of the Opposition this information has a grievance against me—against the Mines Department—because we would not pay his absurd claim for overtime that he was not entitled to; but it further proves that I had no knowledge of his dismissal. He was dismissed after this for some reason best known to the general manager, and he never wrote a letter to the department complaining about the dismissal.

Mr. O'KEEFE: He broke into the office.

Mr. MOORE: The door was open, and he went in.

The SPEAKER: Order! I must ask the hon. member for Chillagoe and the Leader of the Opposition to cease interjecting.

The SECRETARY FOR MINES: The Leader of the Opposition stated that he asked me a question on a certain date last year regarding slag that was supposed to come from a place called Ti-tree. I do not know whether Ti-tree is a man, a town, a railway siding, or what it is; I have not an intimate knowledge of the district. I was asked for some information, and I replied that no slag was purchased from Ti-tree. The Leader of the Opposition said that the answer was perfectly true, but that I knew there were other things purchased from Ti-tree. The Mines Department has no record of individual quantities of ore, either ores or fluxes used in smelting, or slags, and naturally we have to depend upon the books and the works at Chillagoe for our information. We do not know whether Tom Jones, for instance, sends in 500 or 1,000 tons of ore, or whether Bill Smith also sends in 500 or 1,000 tons. I think it was a trumped-up charge for the Leader of the Opposition to level when he said I had knowledge at the time of this ore being purchased from Mr. Reid.

Mr. ROBERTS: We find they got paid for what they did not send.

The SECRETARY FOR MINES: I shall probably deal with that presently. The Leader of the Opposition, in dealing with the report made by Mr. Goode, the metallurgist, went so far as to say that Mr. Goode deliberately gave certain recoverable values to cover up certain things that had been going on at Chillagoe.

Mr. MOORE: Yes, I said that.

The SECRETARY FOR MINES: The hon. gentleman castigated Mr. Goode as a metallurgist in rather an unjustifiable way, and one which, as the Premier said, was likely to do a man of his standing some injury in the country. Mr. Goode is a young man. I knew him many years ago at Mount Perry when I represented Burnett in this House. He received his training under Mr. Smith at Mount Perry, and he has a mining reputation that any young man might be proud of. It does seem a pity that that man's reputation should be bandied about in this House when he has not an opportunity to defend himself, and in such a way that it is likely to injure his career. I think we should be very careful not to do that sort of thing, especially when it affects a young man whose

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only offence was that he took on this investigation at the request of the Government in conjunction with the Auditor-General, and he did his work successfully and well. Mr. Goode has a reputation in the mining world, particularly in Australia, of which any young man might be proud; and I am satisfied that mining people will take notice of the remarks of the Premier of this State, even if they do not agree with him politically, in trying to vindicate the character and honour, the integrity and metallurgical ability, of a young man like Mr. Goode. I hope that Parliament will not be used for the purpose of damaging such a man. The strange part about the case of the Leader of the Opposition is that he accepts Mr. Goode's figures in the case of the Ti-tree flux ore.

Mr. MOORE: He says it has no value.

The SECRETARY FOR MINES: That is right, and the hon. member accepts his assay in one case but will not accept his assay in the other case.

Mr. MOORE: I accept it in the one case because it corresponds with the figures I have.

The SECRETARY FOR MINES: Exactly, but we all know how assays differ, although I am afraid that there is a lack of knowledge of the metallurgical part of the business amongst hon. members opposite. You very rarely get two samples or two assays alike. So far as that is concerned, I am satisfied that Mr. Goode's report was of some value to the Government. I am not going to say from my place in the House that I defend any wrongdoing, nor have I ever done so; but I do say to-day that the head officers of the Department of Mines are in no way connected with any wrongdoing, nor do we plead guilty to any charge of incompetency or neglect of duty so far as this enterprise is concerned. I was Leader of the Government in the Legislative Council when the Chillagoe and Etheridge Railways Act of 1918 was passed. We tried to purchase the Chillagoe undertaking a year before it was purchased—we tried all we could to get the necessary powers for the Government—but the Legislative Council threw out our proposals. Eventually we accepted the Bill with amendments, and the general manager of Chillagoe smelters was appointed with certain definite powers, and, although I do not think any member of this House would say that the report of the present Auditor-General is not based upon an investigation and upon solid facts—

Mr. TAYLOR: Parliament did not give Goddard power to rob the Government.

The SECRETARY FOR MINES: And no Minister, when made aware of them, could be guilty of shutting his eyes to what was going on—

Mr. KING: You are continuing to shut your eyes.

The SECRETARY FOR MINES: We are not.

Mr. KING: You are shutting them now.

The SECRETARY FOR MINES: According to the report of the Auditor-General and the report of Mr. Goode, there were two or three tariffs, and the preference which Mr. Reid and one or two other sup-

pliers of ore obtained was due to the fact that they were paid under the "60-40 tariff" when they should have been paid under the other tariff, so that they got a concession of 1 oz. of silver to the ton; but the total amount of that concession was not more than £485. The concession was given deliberately for a particular purpose by the manager of Chillagoe, who had the power under the terms of his appointment to do it. As I said by way of interjection to the hon. member for Kurilpa, the manager brought with him recommendations and testimonials from some of the biggest mining men in this State. He purchased ore on the "60-40 tariff," and he had power to give that concession. Why did he give that concession?

[12.30 p.m.]

Mr. TAYLOR: To rob the Government.

The SECRETARY FOR MINES: He gave the concession to get ore. If we opened Chillagoe to-morrow, with present metal prices we could not operate on any tariff that we are discussing this morning and give the miner a living wage. I am not going to defend any wrongdoing.

Mr. TAYLOR: You are defending it.

The SECRETARY FOR MINES: I am not.

Mr. KING: You are shielding wrongdoers.

The SECRETARY FOR MINES: I am not. The matter pointed out by the Auditor-General in regard to the purchase of the motor truck cannot be defended, and the action with regard to 1 oz. of silver involving £485 cannot be defended, but under the Act the manager had power to frame a tariff.

Mr. TAYLOR: Had he the power to wipe out an overdraft?

The SECRETARY FOR MINES: No.

Mr. TAYLOR: He did it.

The SECRETARY FOR MINES: Hon. members opposite have referred to the losses on Chillagoe. Let me quote them again from the report by the Auditor-General. In 1920, the first year of our operations, Chillagoe showed a profit of £6,000—metal prices were high then.

Mr. KELSO: Go on.

The SECRETARY FOR MINES: The hon. member does not know anything at all about metals.

Mr. DEACON: Was that on a correct balance-sheet?

The SECRETARY FOR MINES: Then came the losses—£37,000, £50,000, £26,000, £56,000, and £29,000.

Mr. DEACON: All your balance-sheets have been wrong.

The SECRETARY FOR MINES: If the balance-sheets have all been wrong, then the blame must be laid at some place other than at the door of the Mines Department. The Auditor-General in his report for 1925 states—

"It will be seen that the loss last year was the second lowest, but as a set-off against the respective losses it might be noted that the Government obtained considerable revenue in the shape of railway receipts (last year from smelters alone, £13,253), hotel license fees, income tax, etc."

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That should be the guide of the Minister in the execution of his duty. No Secretary for Mines can assume the duty of a mines inspector or a metallurgist, nor can he examine the books at any particular works. All that he can be guided by is the report by the audit inspector and the report by the Auditor-General. Up to the time of the appointment of Mr. Beal as Auditor-General there was only one irregularity mentioned in an audit inspector's report on Chillagoe. That is what I have to be guided by.

Mr. COLLINS: You should bring the ex-Auditor-General to the bar of the House to give an explanation to Parliament.

The SECRETARY FOR MINES: I shall not give the name of the individual, but an accountant at Chillagoe was responsible for a deficiency of £100. I am not going to throw his name about this Chamber. It so worried him that he was found dead. That was the only irregularity reported in connection with Chillagoe until the last report by the Auditor-General.

Hon. members opposite refer to the losses of Chillagoe. Is Chillagoe the only metallurgical works in Australia to show a loss? The Mount Morgan Gold Mining Company was given assistance by the Government—£50,000 being paid in one year. They had a better plant and probably better ore to treat—with a large gold content—they did not have to buy the ore, and kept men in employment by smelting their own ore and carried on continuous operations; yet the cumulative losses over the years 1924, 1925, 1926, and 1927 were greater than the cumulative losses over the same period at Chillagoe.

Mr. WARREN: That shows your bad business ability in taking on Chillagoe.

The SECRETARY FOR MINES: Chillagoe was taken on before that. The losses incurred by the Mount Morgan Gold Mining Company Limited were—

	£
1924 ... ..	55,000
1925 ... ..	157,000
1926 ... ..	152,000
1927 ... ..	137,000

while the losses at Chillagoe ranged from £26,000 to £155,000. I am not denying the losses that have been made at Chillagoe. I am regretting them; but there are certain factors—and I ask hon. members to be reasonable—which operated in that connection. One big factor that operated against the Government at Chillagoe was the want of ore supply. We had not sufficient ore there to smelt continuously, and no industry—particularly an industry carrying such large overhead charges as Chillagoe—could possibly be successful with intermittent operations. The main factor contributing to the success of the enterprise is continuous operations—not intermittent smelting operations especially, as we had to pay big interest charges. That is one thing we should consider in talking about the establishment of Australian industries which hon. members opposite are always talking about. What Australia requires is more people to carry on industry so that our industries can be continuous. What was required at Chillagoe was more ore. The ore could not be obtained. The works could probably have smelted ten times as much ore as was produced. In one year we smelted for less than ninety-eight days—that is, the ore pro-

duced enabled operations to be carried on for that length of time only. One reason for the issue of the higher tariff was by way of encouragement to ore suppliers.

Mr. TAYLOR: But the more you smelted the more you would have lost.

The SECRETARY FOR MINES: Absolutely. The more Mount Morgan smelted the more it lost. It would not be so if there were sufficient ore to enable operations to be carried on all the year round. The production then would enable the overhead charges to be met.

Another cause of the losses—and hon. members opposite will follow me in this matter—was the prices of bullion. The price of ore purchases either at Chillagoe or any other works is based on the metal quotations published in the Sydney "Daily Telegraph" one week prior to and one week following its purchase. Those prices are then averaged, and the average is paid to the producer. In the case of metal sold in London the prices of that metal during the fortnight before and the fortnight following its arrival in London are averaged. It has happened at Chillagoe that silver-lead was quoted at £29 to £30 per ton when silver-lead ore was purchased, and by the time the ore was smelted, its mineral contents recovered, and its arrival in London the market had fallen £5 to £6 per ton. That was a genuine loss. Hon. members opposite do not give the Mines Department or the Government any sympathy in regard to the fall in the prices of metals and the consequent loss to our mining enterprises. I have known of a fall in price of nearly £6 per ton between the despatch of a shipment of bullion at Cairns and its arrival in London.

Mr. MOORE: How much has been lost here?

The SECRETARY FOR MINES: The point I want to make is that up to the last report of the Auditor-General every other report of that official has contained a statement that the accounts at Chillagoe were well kept, and that upon examination they were found to be correct.

Mr. MAXWELL: The Auditor-General didn't say so in his last report.

The SECRETARY FOR MINES: I say up to the last report. The last report was the first occasion on which the Auditor-General's Department made known any irregularities so far as Chillagoe is concerned, and immediately the Premier knew the position he instituted an inquiry.

Mr. MOORE: I made the statement previously.

The SECRETARY FOR MINES: I was in the Premier's room when a discussion took place with the Auditor-General and the general manager of the Chillagoe mines, which led up to the institution of an inquiry into the matter.

Mr. MOORE: Two years ago I said there were irregularities.

The SECRETARY FOR MINES: Coincidentally with that the Leader of the Opposition had gained certain information from Chillagoe which he used in this House. I hope the hon. gentleman will believe me when I say that every answer to a question and every figure I

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gave were supplied to me either from Chillagoe or from the official records of the Department.

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

The SECRETARY FOR MINES: I am just concluding, Mr. Speaker. I defend the administration of the head office of the Mines Department, where no lack of knowledge and no incompetency have been shown. It was not the function of the department to act as an audit inspector, and immediately anything of an irregular character was made known to me I had it investigated. Many small matters mentioned by hon. members opposite have been investigated by me—for example, charges of articles being taken from Chillagoe and sold elsewhere; but I have found that in every case the charges were unfounded. I am not afraid of any charge that any hon. member opposite may level at me.

Mr. KELSO (*Nundah*): I think the impression left on the minds of those who have listened to the Premier and the Secretary for Mines this morning is that both these hon. gentlemen have been talking round the subject. Never has the Premier been heard to less advantage than he was this morning. Certain salient points might have been debated by him; but he tried to get over them by spending most of his time in defending what he called his "personal honour." I am not imputing any motives, but the action of the Premier in devoting so much time to defending himself and his honour reminded me of the quotation from Shakespeare—"The lady doth protest too much, methinks." If the Premier had confined himself to the statements made, he and his Cabinet should unhesitatingly have said, "If there is anything to clear up in this matter that has not been cleared up, and if the Leader of the Opposition can assure us that certain facts will be brought before a Royal Commission, when witnesses can be examined on oath, then we will give every opportunity for that to be done. We shall not give the slightest opportunity for anybody to say that the Government put a block in the way of finding the whole of the facts in connection with this matter." But on every occasion when any hon. member has risen on the other side he has put every obstacle possible in the way and made every excuse why this inquiry should not be granted. The Secretary for Mines pointed out that the Auditor-General's report from year to year made no complaint about any irregularity.

The SECRETARY FOR MINES: Only the one I mentioned.

Mr. KELSO: While the hon. gentleman was speaking, the hon. member for Bowen interjected that the late Auditor-General should be called to the bar of the House to answer for the reports he made.

Mr. COLLINS: Hear, hear!

Mr. KELSO: That is a slur on a very honourable officer who is now retired. I happen to know a little bit about accounts.

Mr. COLLINS: I have not such faith in Auditors-General as you have.

Mr. KELSO: That is rather a slur, if the hon. member says he has no faith in the

late Auditor-General. He certainly has no faith in the present Auditor-General. I think the present Auditor-General and every other Auditor-General has done his work well, and it ill befits the hon. member for Bowen to cast an undeserved slur on these gentlemen who are held in the highest esteem by every member of the community. If the hon. member knew what an audit is, he would not talk like he does. When the hon. member for Sandgate was speaking the hon. member for Herbert suggested that it was the fault of the Auditor-General that the discrepancies had not been discovered. We hear a lot about why auditors do not do this, that, and the other thing, but the function of an Auditor-General, just the same as it is the function of an auditor, is to examine accounts and certify to their correctness, if the evidence submitted appears to him to be satisfactory. He is not a watchdog. He is not a detective. He takes the facts placed before him, and, if he has any suspicions, then he follows these facts up. The previous Auditor-General did not have sufficient to warrant his acting as a watchdog in this matter. Things appeared to be all right. He is not supposed to have a knowledge of the value of minerals, and he must take the stock-sheets presented to him and the values in those stock-sheets.

Mr. WEIR: Don't forget "and the quantities."

Mr. KELSO: The quantities and the values. I ask the assistance of the hon. member for Maryborough, who is a member of the Institute of Accountants, of which I also am a member. Is it not a fact that the Auditor-General in these things must take the stock-sheets and the quantities on trust?

Mr. WEIR: Not necessarily.

Mr. KELSO: Unless he has reason to believe that the information which is given to him is wrong.

Mr. WEIR: That is so.

Mr. KELSO: The late Auditor-General had no suspicions; but the present Auditor-General in his special report refers to certain operations of the previous year. Under the heading "Financial" he says—

"£541,303 0s. 8d. has been treated as capital expenditure. In view of the way in which the financial position has been misstated in the balance-sheet at 30th June, 1925, it is questionable whether similar methods were not employed in previous years in order to reduce losses."

The present Auditor-General having got on the scent of the thing, is it not a fair thing that we should go back to the previous year and find out exactly what was done? He is now put on inquiry, and it is the duty of any auditor, when put on inquiry, to follow it up and to get any assistance he can to enable him to come to a right conclusion on the subject.

Mr. WEIR: No auditor has a right to shut his eyes.

Mr. KELSO: The hon. member is assuming that the previous Auditor-General or his officers—because the Auditor-General himself did not go up—deliberately shut his eyes. On the information he had there was no reason to believe anything but that everything was all right; but now that they know things are not all right the Government should be the first to say that a further inquiry

should be held. Certain statements have been made by the Auditor-General, and he only got these statements at the inquiry; and I would remind the Secretary for Mines that the evidence which he obtained on inquiry was voluntary evidence, and not evidence under oath. The Leader of the Opposition has told the Secretary for Mines and the Premier that much more will come out if a Royal Commission is appointed, as men are prepared to give evidence under the protection of a Royal Commission which they cannot do at the present time. At the present time they would be subject to the law of libel, and no man wants to get into trouble in that connection. That evidence will be given before a Royal Commission.

The SECRETARY FOR MINES: Why don't you give it here? You have the protection of Parliament.

Mr. KELSO: The hon. gentleman is not going to lead me off the track, as he attempted to lead us off during the morning. I am dealing with another question altogether. We have asked for this inquiry. When anybody goes up North it is found to be common report, and they take it for granted; yet the Government actually hesitate to give us an inquiry by a Royal Commission before which every man will give his evidence on oath. Is there anything wrong with that?

Mr. POLLOCK: You say it is common report. How do you account for it that every representative from the North is a Labour man?

Mr. KELSO: On the confession of the Premier this morning, he knew before the last election that Chillagoe was not a paying proposition, and he said himself this morning that the thing should have been closed long ago; but it is evident that the Government kept Chillagoe on for political purposes so that they might win seats in the North. That is an open confession; the Premier is quite honest in saying what he has said. We know that the hon. member for Chillagoe was one of the most disappointed of men when he found out after the election that Chillagoe was going to be closed because it would not pay the Government. That is one of the reasons why Labour members in the North got in—because the electors were promised that Chillagoe was to be kept going. They were also promised childhood endowment, and a lot of other things; and that is how they got in.

The SPEAKER: Order!

Mr. KELSO: The hon. member for Chillagoe was rather in evidence in this matter. He would lead us to believe that nobody in the House knows anything about Chillagoe but himself.

Mr. O'KEEFE: I never attempted to convey that impression.

Mr. KELSO: At any rate the hon. member led us to believe that the Opposition were at a great disadvantage. He knew Mr. Goddard and Mr. Reid, and, when the debate took place last year, this is what he told us at page 1597 of "Hansard"—

"I listened to the charges, or what the Leader of the Opposition has called charges, in regard to the management of the Chillagoe State smelters, and also to the accusations he has thrown across

the floor of this Chamber in regard to the integrity and honesty of certain individuals at Chillagoe. I am personally acquainted with the manager of the State smelters, and also with Mr. Reid, whose name has been mentioned a great deal in connection with this question, and I tell hon. members once again, as I told them last week, that I would just as soon trust Mr. Reid as any member of this Chamber, irrespective of what political party he is a member of. Mr. Reid is a hard-working man."

Mr. O'KEEFE: I repeat it now.

Mr. KELSO: Will the hon. member say that Mr. Reid is an honourable man?

Mr. O'KEEFE: Yes. You prove that he is not.

Mr. KELSO: I can hardly appreciate the fact, after the speech of the Premier this morning, that the hon. member really believes there was no collusion between Mr. Goddard and Mr. Reid. The facts stated here should convince any unprejudiced person that Mr. Goddard and Mr. Reid were hand in glove with each other in order to gain some advantage for themselves. I hold that, when any two men are in collusion with each other in order to get an advantage for themselves, they are creating a breach of trust and should be prosecuted. I say that Mr. Goddard and Mr. Reid should be prosecuted for what they have done—Mr. Goddard for giving the preference, because he knew perfectly well that he was giving a preference he did not give the other people, and Mr. Reid for receiving that preference. Impartial men will have no doubt about that when they get the whole of this evidence. We want the Government to give us this inquiry, and, if we are wrong, we will admit it. The Leader of the Opposition has said that he is quite willing to bring forward a lot more evidence than he has put on the table from men who are willing to give evidence so long as they are protected by a Royal Commission. The Leader of the Opposition has said that the evidence which will be given on oath will astonish this House and will astonish Queensland.

An OPPOSITION MEMBER: We have made definite charges.

Mr. KELSO: We have. I ask again, dare any Cabinet refuse a commission under these circumstances? Their honour is at stake. The hon. gentleman says that he has not done anything wrong.

The SECRETARY FOR MINES: Nor have I.

Mr. KELSO: I accept the hon. gentleman's statement; but, if he is so sure of his integrity, he should have no fear of an inquiry. It will not hurt him; but there are certain other people in this State—I am not referring to members of Parliament—who must be mixed up with this case. The Auditor-General went only as far as he could go with the evidence at his disposal. Although what he has found out is bad enough, it is only part of what there is to come out; and, when we tell hon. gentlemen who are members of the Cabinet that there is more to come, I think it is the duty of the Government, not only for their own honour but also for the honour of this Parliament of which we are jealous, to give us an inquiry.

I could go into details, as other hon. members have done, and point out certain

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things, but I need not do so. I say unhesitatingly that, in the first place, the balance-sheet to which the Premier referred and which he found was not in order had been systematically "faked." I give that as a capital charge against Goddard. I say that any man who is a manager of a company and who for purposes known to himself deliberately puts down in a balance-sheet values or figures which he knows are not correct is guilty of "faking" that balance-sheet. The Premier himself, when he investigated the figures, discovered that they were incorrect. The Secretary for Mines no doubt was astonished also at some of the figures that were there—of inflated assets—and, when a man has done it systematically in order to boost up Chillagoe and keep the thing going—

The SECRETARY FOR MINES: Mining assets fluctuate according to the values of metal prices.

Mr. KELSO: I know sufficient to know that mining assets do fluctuate; but the evidence we have and the statements of the Auditor-General are so explicit that we can say that there was absolute "faking" going on. We have the plain statement of the Auditor-General as to what it is necessary to do in order to put these assets on a sure foundation. In the second place, the stock-taking revealed, as the Auditor-General says, "serious shortages." That is a serious statement to make. He also says that he is of opinion that "the stocks have been inflated in previous years"—deliberately inflated to hoodwink the Auditor-General as the representative of the Government. The Auditor-General also said—

"The profit and loss account for the year ended 30th June, 1927, shows a loss of £156,126 2s. 11d., but of this amount a sum of £94,055 5s. is attributable to the previous year and may be dissected as follows:—

	£	s.	d.
(1) Over-valuation of crude ores and by-products ... ..	66,326	3	1
(2) Excess valuation of fluxes and miscellaneous stock ... ..	20,111	7	10
(3) Loss on sale of metals as compared with values taken for balancing purposes at 30th June, 1926 ... ..	7,617	14	1
	£94,055	5	0."

[2 p.m.]

The Auditor-General, in his report on the State smelters at Chillagoe, stated—

"When reviewing the accounts for the year ended 30th June, 1926, I stated in respect to the item 'Mines and Plant,' appearing in the balance-sheet at £298,275, that a revaluation of the fixed assets was necessary, and would undoubtedly result in a heavy writing-down of the capital value of the undertaking.

"Included in the above item are the following:—

Einiasleigh mine, which stands in the books at a value of £25,512 15s. 6d., was closed down in May, 1922.

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The mine was dismantled and the machinery and most of the buildings were removed years ago.

The Consols mine is shown at a value of £33,893 9s. 11d., although the mine has not been worked for over two years, and tribute agreement expires in January, 1928.

Wilson's leases, value £5,527 11s. 2d.

The tribute agreement lapsed years ago, and the smelters have no title to the lease.

"These 'assets,' totalling £64,933 16s. 7d., should be written off."

I can quite imagine that the Auditor-General must have been smiling when he suggested that £64,933 16s. 7d., representing assets that did not exist, should be written off. Yet we hear expressions of disapproval from hon. members opposite when we say that the balance-sheet was "faked." I am not going to say that the Minister knew all this, nor am I going to bring any particular individual into the matter. Did not the Mines Department, with all its experts, know that the Einiasleigh mine was closed down in May, 1922; that the Consols mine had not been worked for over two years; and that with respect to Wilson's leases the tribute agreement had lapsed years ago, and the smelters had no title to the lease? The Minister has told us that there was nothing wrong in the Mines Department.

Mr. COLLINS: What were the audit inspectors doing?

Mr. KELSO: If I were to undertake to teach the hon. member for Bowen the first principles of auditing, I would be undertaking a very big job—for two reasons: In the first place, it would take a long time, and I would very much doubt whether the hon. member would be able to absorb the valuable information; and you, Mr. Speaker, would rule me out of order. So I decline to be side-tracked by the remark of the hon. member.

Mr. COLLINS: Your egotism will get you down before long.

Mr. KELSO: On page 6, the Auditor-General states—

"I will refer to the matter of the timber supplied to Mount Mulligan coal mine by the Tarzali sawmill when dealing with that enterprise in my general report to Parliament."

That report has now reached us, and the Auditor-General says—

"The large timber purchase from Tarzali sawmills was referred to in my report for the financial year 1925-26. I took the opportunity when at Chillagoe in February last of visiting Mount Mulligan and obtaining further information upon the matter. I found that considerably more than half the timber was still on hand, and later when an audit inspector visited the mine in May the quantity then unused was 35,568 superficial feet, of a value of £1,331 19s. 11d.; the total quantity purchased cost £2,511 4s. 1d. Thus, although it was represented the work was so urgent that it necessitated an order for timber to the value of £2,500 being placed immediately after the inspection of the mine, at the end of twelve months less than half the timber had been used."

Although it was represented that the work was so urgent that it necessitated an order for timber to the value of £2,500 being placed immediately after an inspection of the mine, at the end of twelve months less than half the timber was used. It should be noted that no tenders were invited for such large supplies of timber, and no evidence was produced of any written contract.

Mr. PETERSON: Who owns that sawmill?

Mr. KELSO: Those are the words of the Auditor-General. That is a total condemnation in regard to that particular transaction. Let us see who the owners of the Tarzali sawmill were, for this will show a reason why some of the charges should be investigated. We are told that we have no specific charges. Hon. members opposite have suggested that. The hon. member for Logan gave us some specific charges this morning; yet the Minister, who followed him, side-tracked and brushed his remarks aside as if they were of no account. Hon. members opposite still say no charges have been made, notwithstanding the fact that Reid and Dunlop were the proprietors of this sawmill.

Mr. PETERSON: Who is Dunlop?

Mr. KELSO: Mr. Dunlop was the late warden at Chillagoe. He has now been transferred to Gladstone.

Mr. PETERSON: Was he one of the commissioners who redistributed the electoral boundaries?

Mr. KELSO: We know that, if any public servant takes part in any public enterprise, that fact renders him liable to dismissal. I ask the Secretary for Mines why Mr. Dunlop was not dismissed for his connection with this sawmill.

The SECRETARY FOR MINES: He cannot hold an interest in a mine.

Mr. KELSO: I understand that no public servant can take part in any transaction like that. Mr. Dunlop was a partner of Reid, and for his connection in this matter he has been promoted from Chillagoe to Gladstone. That is one of the things which have been going on which we wish to probe into. I am afraid that the Minister has been drawing a red herring across the track. He knows very well that, if any other public servant had entered into a partnership with another man in a sawmill, he would have been "booted" out of the service. Evidently Mr. Dunlop has been rewarded, because he has been promoted from a one-horse town to Gladstone.

Mr. KING: Is he one of the three gentlemen who redistributed the electoral boundaries?

Mr. KELSO: I am coming on to that in a minute.

The SECRETARY FOR MINES: We have no knowledge of him having any interest in a mine.

Mr. KELSO: The hon. gentleman tells me now that they have no knowledge of Mr. Dunlop being interested in a mine. Here is a definite statement on the part of the Auditor-General that he was in partnership with Reid in a sawmill which was very much interested in Chillagoe, for they secured a splendid contract whereby £2,500 worth of timber was supplied to Chillagoe.

If that is not holding an interest in a mine, I do not know what it is.

The SECRETARY FOR MINES: That timber was not supplied to Chillagoe; it was supplied to the Mount Mulligan coal mine.

Mr. KELSO: The timber was for the Mount Mulligan coal mine, but the point is that it was paid for before delivery by a credit entry in favour of Reid in the books of the Chillagoe smelters. Therefore, our friend Reid comes into the transaction again. We thereby get more information. The Chillagoe books showed that Mr. Reid—who received preferential treatment as a supplier of ore—was in debit in the books of the Chillagoe smelters, and the amount of this contract was set off against that debit. That timber contract was paid for before the timber was delivered by being credited to Reid's debit in the Chillagoe smelters' books. The more we discuss this the more we see what devious tracks there are, and the more necessary there is for an inquiry. Surely these facts will convince the Ministry, in their own interests and in the interests of this House, that they should appoint the commission that is asked for in order that matters may be squared up!

Reference was made this morning by the Deputy Leader of the Opposition to Mungana, and certain charges were made. I want to supplement what the hon. member for Logan has said by pointing out one or two things in connection with this matter. The Secretary for Mines all through the Mungana—I was going to say "scandal," because it is nothing more nor less than that—professed a lot of ignorance about the business.

The SECRETARY FOR MINES: I know all about the purchase of Mungana.

Mr. KELSO: The question of the Mungana shareholders was raised in Parliament in 1922 and subsequent years. At a meeting of the Trades and Labour Council on 10th March, 1926, at which the Secretary for Mines was carpeted—

The SECRETARY FOR MINES: Who said "carpeted"?

Mr. KELSO: I said "carpeted."

The SECRETARY FOR MINES: I had a vote of confidence passed in my favour.

Mr. KELSO: The hon. gentleman could not say who were the shareholders in Mungana.

The SECRETARY FOR MINES: I could not say that; it is not my business; I don't know who the shareholders are in any mine.

Mr. KELSO: It was shortly after that occasion that I made a search in the registry of the Supreme Court.

The SECRETARY FOR MINES: Where did you go for the share list?

Mr. KELSO: I went to the Supreme Court and paid 1s.

The SECRETARY FOR MINES: I am not a "sticky-beak."

The SPEAKER: Order! Order!

Mr. KELSO: It is not a question of "sticky-beaking" at all. Any person has a right to go to a Government department.

The SECRETARY FOR MINES: The hon. gentleman said I should have known from the list in the Mines Department.

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Mr. KELSO: I believe the hon. gentleman did know.

The SECRETARY FOR MINES: I did not know. I do not concern myself with these matters.

Mr. KELSO: Let me proceed, and I shall give my reasons why I think the hon. gentleman did know, and, as my argument advances, I think I will convince the hon. gentleman against his own wish that he did know. It was said that at the time of this purchase of Alungana Mr. McCormack was the Speaker and had no say in the negotiations for the purchase of the mine. I am not going over the whole of the Mungana business just now, because we thrashed it out last year.

The SECRETARY FOR PUBLIC WORKS: It was your "stalking horse" at the last election, and you could not win on it.

Mr. KELSO: During the debate it has been stated by interjection that the Premier was the Speaker of the House at the time. I say definitely that the Premier was the Home Secretary at the time, and was a member of the Cabinet that considered the question of the purchase of Mungana. I make the definite statement—and I dare the Secretary for Mines to contradict it—that the hon. gentleman himself was a member of the Cabinet which decided on the purchase of Mungana from a syndicate, and it has not been contradicted by the Premier that the syndicate was composed of Reid, Goddard, and Mr. McCormack. When I spoke on this matter last year, I said that the fourth member of the syndicate was Mr. Theodore, and the only objection taken to my statement by the Premier was that Mr. Theodore was not a member of that syndicate.

The SECRETARY FOR MINES: Do you say we knew that Goddard was a member of that syndicate?

Mr. KELSO: I stated that these four men were in the syndicate and the Premier did not deny it, although he did deny that Mr. Theodore was a member. Then the usual practice was adopted, in order to limit their liability and to make it look better, because it looks much better when a public company buys or sells something. The whole of the shares that Reid had originally were cut up amongst quite a number of shareholders. I was not able to follow up the thing, because the returns for four years were not sent in, and I could deal only with the returns that were in the registry of the Supreme Court.

Mr. KING: The regulations were not carried out.

Mr. KELSO: The regulations were broken for four years, no statement being put in, and I was informed that the Mungana company had "petered out." That is the way the information was suppressed.

The SECRETARY FOR MINES: What do you mean when you say no returns were sent in?

Mr. KELSO: Surely the hon. gentleman knows that a joint stock company must send in a return of shareholders at least once in every year!

The SECRETARY FOR MINES: I thought you meant that no returns were sent to the Mines Department.

Mr. KELSO: No; I did not mean that. At least once in every year a return of share-

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holders is filed with the Registrar of Joint Stock Companies in the Supreme Court. That information is available to the public for the protection of the public—not for "sticky-beaking" purposes, as the hon. gentleman stated, but for the protection of the public. On payment of 1s. any member of the public may inspect that list, and it is no degradation for any person to be interested enough in a company to go and have a look through the register of shareholders. I am sure that the hon. member for Logan often has to do that for his clients. The next thing is this—

"1. At the meeting of the Trades and Labour Council on 10th March, 1926, Mr. Jones stated that after the old Mungana company forfeited the mines they were regarded as being worked out.

"2. In answer to a question by Mr. Maxwell on 19th July, 1922, he justified the purchase of these mines on the following grounds:—

(a) That the mines are required to provide ore supplies for the State smelters.

(b) That, according to reports by experts, the value of machinery and ordobodies warrant the purchase.

Yet in 1917, when the Government had the Mungana mines in its hands and was negotiating for the purchase of the smelters, etc., for £701,000, these mines were not considered to be worth retaining, but were allowed to be taken up by Reid and syndicate."

The SECRETARY FOR MINES: They were held by an entirely different company than the company we purchased from. You are entirely wrong.

Mr. KELSO: The hon. gentleman will have an opportunity to supplement that. These are extra facts which have come up in connection with this deplorable matter—because the whole thing is deplorable. We find that Reid benefited monetarily to the extent of £8,775. On page 12 of his report the Auditor-General says as distinctly as it can be said—

"By direct preference in the non-deduction of the 1 oz. of silver and the variations of the published tariffs previously referred to, F. Reid benefited to the amount of £8,775."

The Minister this morning tried to make us believe that the reason why Mr. Goddard, as manager of Chillagoe, preferred Reid and gave him extra preference was that Reid was the only man apparently who could produce ore. He admitted immediately afterwards that never on any occasion had Chillagoe enough ore to keep going.

The SECRETARY FOR MINES: Not to keep going for twelve months.

Mr. KELSO: That is so. Yet Reid could only supply a certain amount of ore, just the same as other people could only supply a certain amount of ore. It certainly was not enough to keep the mine going, and I for one am not prepared to admit, unless this subject is fully gone into, that Mr. Reid and Mr. Goddard were not in collusion. On the evidence which has been produced by the Leader of the Opposition, the evidence we have, and the facts given in this debate,

I say distinctly without fear of contradiction that Goddard and Reid were hand in glove with each other, and were out to make all the money they could, and I say again that the action of Goddard in getting a benefit out of the trust which was reposed in him makes him criminally liable. I am perfectly certain that it is an absolute breach of trust. It is quite true, as the Minister says, that he was appointed by Parliament; but I claim that Goddard abused his trust when, for his own benefit, he gave certain preference to Reid. I believe he and Reid were in collusion.

Mr. KING: Partners.

Mr. KELSO: Yes, partners in this concern, and they were chopping up the proceeds, or, rather, dividing the spoils.

Mr. O'KEEFE: Why don't you say that outside?

Mr. KELSO: I am saying it here.

The SECRETARY FOR PUBLIC WORKS: Where you have the protection of Parliament.

Mr. KELSO: We are continually hearing about "the protection of Parliament"; but it is our duty to state these things here, and insist that there is sufficient evidence to warrant an impartial inquiry. If that inquiry is held, every person who gives evidence will give it under oath. I am safe in saying that there will be plenty of people who will give evidence which will extend the scope of this inquiry, which could only go a certain distance on the part of the Auditor-General, because he had not the material to go on. There will be plenty of people who will give evidence on oath, and the revelations which will be made in connection with this matter will astonish the people of Queensland.

I make one last appeal. I say that the Ministry, for their own honour, ought to grant this inquiry. I say that Parliament is in honour bound to clear its name, and should do it. There is an absolute duty on the part of the House to agree to the wishes of the Opposition to have the thing cleared up. If the Government refuse then there is a suspicion that there is something wrong. No body of men who have a clear conscience can deny an investigation into what appears to be a scandal, and, in our own interests, we should offer every facility for the holding of an inquiry by a Royal Commission under which witnesses will be protected when giving evidence on oath.

Mr. BRUCE (*Kennedy*): Quite a lot has been said during this debate about Mr. Goddard, with reference to his ability and his actions, and whether he is a competent manager or not. Mr. Goddard was probably as competent a smelter manager as you could get in Queensland; and I think the initial mistake made by the Government was in making him general manager, because, as a matter of fact, he would not know a mine from a rabbit burrow. But he was an excellent smelter, and he took a crew with him from Cloncurry which could not be excelled, I suppose, in any part of Australia. I think it was on these grounds that he was first employed by the Government. There is no doubt that, when they took over the Chillagoe proposition and were looking for an efficient man to smelt the ores at Chillagoe, they could not have got a more efficient man or a more efficient staff than he had

with him—probably the pick of the Mount Elliott staff together with the pick of the staff at Chillagoe when it was opened. The general policy is to put a mining expert in the position of general manager, who very often has a knowledge of metallurgy and smelting. At Mount Morgan, for instance, you have Mr. Boyd, who is a mining man, as general manager. Mr. Goddard's knowledge of mining was nil. He had been employed at Mount Elliott as smelter foreman at a comparatively moderate salary; and, if his salary had been reasonably raised, he would very likely have been satisfied with that during the whole term of his operations in Chillagoe as smelter manager. But I looked on it as an unfortunate appointment when the Government put him in the position of general manager—I think that was the initial mistake.

Some reference was made by the Premier, and quite correctly, to the fact that those working under the general manager should not be in any way implicated in the matter that has been brought before the House irrespective of what the result is. If you are working for a firm, you take your orders from the general manager. A metallurgist has naturally to assay his ores and put his assays into the office; the furnace man has only to look after the furnace and see that the ore goes through the furnace; and the converter foreman has only to see that the matte goes through the converter and is converted; and none of them should be implicated in the statements made on the floor of this House. The Leader of the Opposition had quite enough in the inquiry board's report to bring before the House without introducing any outside matter at all. For instance, he evidently got another assayer to check Mr. Goode, the assayer who furnished the material for this report. There is no necessity to criticise it. On Mr. Goode's word, on the facts he had, and the assays of the ores and slags at Chillagoe, the report is quite sufficient.

The Leader of the Opposition introduced a man called Stones, and read a letter in which he made a statement in regard to another employee, Mr. Nicholls. Stones said that, when he went to see Nicholls on one occasion Nicholls got quite excited. Now, a good many members have known Nicholls for a number of years—I have known him personally twelve years—and in the most pressing circumstances, looking after the furnaces and in the outside work, I have never known Nicholls to get excited.

GOVERNMENT MEMBERS: Hear, hear!

Mr. BRUCE: So, when he says Nicholls got excited, he is really putting across a good joke to those who know Nicholls, who is supposed to have said to Stones, "Go and put it on Goddard for £1,000." Well, to anybody who knows Nicholls, it at once suggests itself that Nicholls was pulling his leg, and, when Stones came to him, he remarked, "Oh, go on, put it on Goddard for a thousand!" When you come to pick a smelter foreman, Nicholls stands head and shoulders above all other men with whom I have been associated in the Cloncurry district. Mr. Goddard has also a good smelting knowledge and is a good handler of men, under another manager; but Mr. Nicholls, as a smelter only, is the premier smelting man in Australia in lead and

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copper. To drag him into this debate and say that he has told another man to go and "put it on Goddard for £1,000"—well, he was only pulling Stones' leg. We need not worry much about Stones, as his record is sufficient.

Then there is the question of the flue-dust. The value of the flue-dust can be ascertained. This dust goes up into the flues; but the area covered can be ascertained, and that calculation will give the amount of dust, so that the selling value can be found. The Premier said this morning that you could not get the value of the flue-dust. You can. Flue-dust has been handled by every company which is handling a smelting proposition, and you can get the assay value and know what it is worth. It was put down by the Auditor-General at £1,743; but it appeared on the balance-sheet as worth £40,000. There is no doubt that on that particular point that balance-sheet was "cooked"—it is no use stressing it. In a mine, when you put a certain value on an asset, you cannot challenge it, because the values may be there to be won; but with flue-dust it is otherwise, and, so far as the flue-dust is concerned, the balance-sheet was wrong.

On the question of Reid's preferential treatment and the suggestion that he had to be encouraged because he supplied large quantities of ore, the facts convict the manager and Reid from this point of view—that Reid could pay the gougers a higher price for their ore than those gougers could get direct at the smelters.

OPPOSITION MEMBERS: Hear, hear!

Mr. BRUCE: That very fact shows that Reid must have got higher preferential treatment, and he could go to the gougers and buy their ore and resell it to the smelters at higher prices than those gougers could get from the smelters direct.

It is no use stressing this question. Hon. members on both sides have talked about it. It is fairly obvious to everybody that things have not been correct, and, no doubt, now that the charges have been made by the Deputy Leader of the Opposition, the Cabinet will have to consider the question of appointing a commission, and, so far as I am concerned, if my advice were sought, I would say that the commission should be appointed.

OPPOSITION MEMBERS: Hear, hear!

Mr. SWAYNE (*Mirani*): There is a rather remarkable diversity of opinion amongst hon. members on the other side about what is evidently a very bad job. So soon as the Leader of the Opposition mooted the question and the Premier refused his request, the Premier said that it would require the connivance of quite a number of the employees and officials of the smelters. If I heard the hon. member for Kennedy a right, [2.30 p.m.] he said that it would not be fair to blame anybody but the general manager. The Premier stated that, if what had been stated by the Leader of the Opposition were true, then quite a number of people were involved. I am very pleased that the hon. member for Kennedy agrees that there is need for further inquiry into this matter.

There is one utterance by the Premier this morning with which we all agree—that

[*Mr. Bruce.*

the good name of the Government of Queensland is concerned. Therefore, everyone who has that at heart must agree that this matter cannot rest where it is at present. It is all very well to say that the manager was culpable and has resigned; but, when you come to consider the magnitude of the defalcations, the corruption, or whatever you like to call it, you must realise that it cannot very well remain there.

Mr. HYNES: Why do you not make a definite charge, if you want a Royal Commission?

Mr. SWAYNE: According to the Auditor-General preference has been given to one vendor of ore to the value of over £8,000, and it is quite possible that, after full inquiry, a great deal more wrongdoing might be brought to light. We are confronted with the fact that material has been paid for and not delivered. The system of sampling ore in the truck lent itself to wrongdoing. The information which has come to light indicates the possibility of greater evils being divulged if an inquiry is held. I have this information in connection with the sampling of trucks—

"In 1920 F. Reid was sending ore from Bullock Creek, and the chief metallurgist gave orders to McCarthy, yard foreman, that all the ore from Bullock Creek was to have the samples taken right down the centre of the truck."

That was to be the invariable custom; and, if the vendors wished, they could always place the richest ore in a position where a sample would be taken from it. I understand that the method generally is to take a sample across the end of one truck, across the other end of the next truck, then across the middle of the next truck, and not always in the one place. In the sugar industry, if the canegrowers knew the place from which samples would be taken for the purpose of ascertaining the c.e.s., they could always load the trucks in such a way as to allow of their best cane being taken for sample. My information further states—

"This was done for some time till the men working off loading began to 'smell a rat.' So one afternoon shift when McHardie, shift boss, came along twenty minutes before knocking off time he found that the men had disobeyed his orders and had left the samples in their proper places. McHardie grumbled but the men said that it looked 'crook' and they would not do it. Matter reported to metallurgist next morning. McHardie reprimanded, who then drew his time and left."

It is stated that in 1922 men were put on to demolish the Huntington-Heberline plant, which was used for roasting lead-sulphide ores, and which was able to treat 100 tons of ore at a time. The plant was torn down for the purpose of securing the steel columns and girders, which were sent away to Cairns. Was it to the Pacific Hotel? The consignments sent away are said to consist of 16 tons of steel rails, 8 tons of pine timber, 3 trucks of steel rails—60 tons—and were said to be consigned to Louis Hansen, the foreman.

Mr. KING: Foreman of what—the Pacific Hotel?

Mr. SWAYNE: It may be so. I have looked through the report of the Auditor-General, but can find no mention of this

transaction. We must recognise that these girders and timber are valuable material, and that some record should exist of the transaction. It should be known if the money for this material was credited to the proper source. It all brings home the fact that full inquiry is required.

The SECRETARY FOR MINES: Do you definitely say that the rails went to the Pacific Hotel?

Mr. SWAYNE: The accumulated debt of the Chillagoe enterprise amounts to nearly £1,250,000, and, but for the action taken by hon. members of the Opposition, these matters I have referred to would still be covered up. This is one of many instances that must bring home to the people of Queensland the advantage that would have accrued to them if they had but returned the Leader of the Opposition with a majority in this House. I can promise them that, when that time comes, there will be no such happenings as this to inquire into.

In reference to the method of the recent inquiry, I would point out that the Auditor-General worked along the lines of his instructions. He was sent up to Chillagoe to audit the accounts of the enterprise, and was given the assistance of a metallurgist in order to do so. I think he found enough during the short time he was there to justify statements made from this side of the House. The Government now state that sufficient has been done in the matter. Sufficient has not been done, and nothing short of a Royal Commission will suffice. Some hon. members have contended that a criminal prosecution should take place. That may or may not be; but it seems that there is justification for it. Certainly fraud has been committed.

The point also arises as to whether money has not been obtained under false pretences. Many statements have been made concerning the Chillagoe enterprise. Those statements are freely circulated in the community. I frequently travel in the Northern mail train, and every time I meet men travelling from the neighbourhood of these activities it is the constant topic of conversation; and the consequent inference is that, although names have been freely mentioned, there are others higher up implicated who are as culpable as they are.

I take it that any Royal Commission which may be appointed would be presided over by a judge of the Supreme Court. That commission would have the power to compel witnesses to attend to give evidence on oath. Those witnesses would be afforded protection, so that they need have no fear because of their having given evidence. The evidence would be open to cross-examination, for it is only by such means that we would be able to get to the bottom of the matter. For instance, Mr. Nicolls could be confronted with Mr. Stones, who says the former told him the Government would be against him in his action.

Only this morning the Deputy Leader of the Opposition told us that a Minister of the Crown was involved in one of the transactions mentioned by the Opposition. Considering all things, is there any possible reason why a Royal Commission should not be appointed? Surely the small expense of such a commission—it would not exceed £2,000—cannot be urged as a valid excuse

when we remember that the indebtedness of this enterprise to the Treasury is over a million and a-quarter, and when it is considered, further, that the charges are some of the most serious that have ever been made in this House.

Whilst it is not my intention to deal at length with the report of the Auditor-General, I think that one or two matters might very well be drawn attention to. Following on what has been stated by the hon. member for Nundah in regard to the Tarzali sawmill, the following extract from the Auditor-General's report for the financial year 1925-26 is illuminating as showing the complications that come about in the various dealings between the individuals whose names have been mentioned:—

“In May last, an arrangement was entered into between the general manager, Chillagoe State smelters, and Tarzali sawmill, whereby timber to the value of £2,500 was to be supplied by the sawmill to the State coal mine at Mount Mulligan for timbering the main tunnel of the mine. The total value of the timber to be supplied was credited by the State smelters to an account standing in the books of the smelters against one of the owners of the sawmill. Mount Mulligan mine was to receive the timber, and to credit the value of same against the charges for coal supplied to the smelters. Up to 30th June last, timber to the value of £911 12s. 11d. only was supplied by the sawmill, leaving deliveries of £1,588 7s. 1d. still to be made.”

As the Auditor-General points out, the State smelters paid an amount of £2,500 owing to itself, and allowed the debtor to adjust the account by supplying timber required for the use of another State undertaking, which transaction was, in the words of the Auditor-General, “quite irregular.” That is only one of the small irregularities that have been brought to light through the action taken by the Leader of the Opposition.

Perhaps one of the most serious features of the report of the Auditor-General on this matter is in regard to the advances which were made to Reid. A perusal of Appendix 3 to the report shows that from July, 1925, to June, 1927, advances made to Reid totalled £59,523 11s. 5d., whereas credits to him for ore supplied, etc., totalled only £57,308 18s. 9d., which means, of course, that over the period mentioned he was in debt to the extent of £2,214 12s. 8d. Is it possible to excuse that kind of thing?

The concessions given to Reid—the non-deduction of the 1 oz. of silver, and so on—were not justified. We were told that this concession was given to Reid in order to encourage large suppliers of ore; but, when this undertaking was first embarked on the excuse was that it would encourage the small men—that gougers and men working small shows, and so on, would have an opportunity of disposing of their ore. That is the class of man that the Labour Government said they were out to encourage; yet we find most expensive concessions—amounting in one instance to over £8,000—were given to a man because he was a large supplier, while similar concessions were denied to the small supplier. Still they say they are out to encourage

*Mr. Swayne.*

the small man. How can they justify such treatment as that?

One of the things that I particularly wish to mention is that I have been informed of cases where miners sent ore to the works, but the works would not buy the ore. The miners were then able to sell the ore to Mr. Reid, and Mr. Reid sold it to the works. That is another matter that should be inquired into.

I do not think it necessary to debate the subject further. In view of what has been brought before the House, it is a matter of surprise to me that we have not already heard from the Government that a commission will be appointed to inquire into the whole thing. I am sure that no one will be more pleased than members on this side if the good name of the Government is vindicated by such a commission. They must realise that there is a good deal of suspicion outside, a great deal of which is justified. There is not a page in the Auditor-General's report that does not contain some glaring instance of mismanagement on the part of those concerned. Of course the Ministers say they are not involved in that, and that the trouble has been caused through an incompetent manager. One paragraph of the report states that 188 tons of flux were shown in the stock book to be at a certain siding. An audit inspector and one of the employees were sent out to report on this asset; and, when they got to this siding, they found that the asset was not there. It had been paid for, but the ore was not at the siding. What sort of management could there have been when such a thing as that could take place? Year after year this state of things prevailed, and it was only brought to light, fortunately for Queensland, when the Leader of the Opposition went North and heard about it. We have got so far in what is altogether a very unsavoury business, that the Government should not hesitate in having a full inquiry made into the whole matter.

Then, regarding the lease to the Mungana syndicate, it has been definitely stated in this House this morning that Ministers were implicated. It must be obvious to everyone that inside information—information that could only be in the possession of the Government—was used for personal aggrandisement. What other construction can be put on it. We find that these leases were forfeited in April, 1917. Then they lay vacant until 11th September of that year. After a period of only fifty-six days from that date the agreement between the Government and the Chillagoe company for the taking over of the works was finalised. Those mines would have been of no value were it not for the consummation of that agreement. As I said, within fifty-six days of the agreement being made these leases were applied for and granted to the persons I have spoken about. Then it was suddenly discovered that the leases which were granted were of considerable value. I notice that in the report of the Auditor-General the amount of £40,000 is set down as the price of those leases. It was suddenly discovered that the leases were essential for the purposes of the smelting works, and they had to be bought at this great price. Who received it? During the time that these leases were lying vacant the Crown must have

[Mr. Swayne.

had ample intimation of what was going on. Negotiations for the purchase of the Chillagoe smelting works had been in train since 1916, and the Government had to get through the enabling legislation to authorise the purchase of the works and railway. They got the Upper House packed with their own supporters, and then the enabling Bill was put through. As I pointed out, the purchase of the works and railway was finalised, and fifty-six days before the arrangement was consummated the leases were granted to certain individuals, amongst whom, it is said, was included a Minister of the Crown. That most certainly should be cleared up.

The SPEAKER: Order!

Mr. SWAYNE: A distinct charge was made to that effect this morning. (Government interjections.)

The SPEAKER: Order. The hon. member is guilty of tedious repetition, and I cannot allow him to continue on those lines.

Mr. SWAYNE: I can quite understand that it is distasteful to hon. members opposite. Any further difficulty could easily be avoided by an assurance from the Government that the matter would be further inquired into. I say that the thing cannot remain where it is. These assertions are being repeated outside, and it is not to the credit of Queensland. The Premier showed himself to be sensitive with regard to his own personal honour and the credit of Queensland; and the very best means to place his honour and the credit of Queensland above suspicion is to hold the inquiry that has been asked for by the Opposition. Last year when we asked for an investigation into the matter we were met with exactly the same attitude with which we are now confronted. An inquiry has been made by the Auditor-General, which, so far as it has gone, has amply justified every contention we made, and furnished grounds to show that, if our request is granted, the statements we have made in this connection will be proved.

Mr. ROBERTS (*East Toowoomba*): The Premier this morning, in making some attempt to reply to the charge of the Leader of the Opposition on Thursday last, notwithstanding the repeated request of the Deputy Premier that a definite charge should be made, said that the actions of the Opposition and of the public outside were actually making this Government so timid that they were afraid to go on with the definite work of the country.

The SECRETARY FOR MINES: You are putting a wrong construction on his words.

Mr. ROBERTS: I am putting my own construction on them, and I am not going to allow the Secretary for Mines to frame an interpretation for me.

The SECRETARY FOR MINES: I am not going to allow you to misinterpret the words of the Premier.

Mr. ROBERTS: He said that the actions we were taking and the actions of men outside were making his Government so timid that they were afraid to do their job. If he is serious in those statements, what is his position? Will not this debate for two days be likely to make the country timid?

OPPOSITION MEMBERS: Hear, hear!

Mr. ROBERTS: After all, it is the country that the Government have to consider—the people of this State. We have heard the remarks of the hon. member for Kennedy, who has been the most open man on the other side so far. He has declared that sufficient is contained in this report, quite apart from what the Opposition are saying, to make it imperative that the matter cannot stand where the Premier proposes to leave it. We are not asking for anything more than that. I am not looking for any political capital.

The SECRETARY FOR PUBLIC WORKS: You are.

Mr. ROBERTS: I am not, but sufficient statements have been made in this House to justify the request that has been made.

The Premier remarked this morning that the Select Committee which was appointed by the Denham Government to inquire into a certain transaction of the then Secretary for Railways should, in his opinion, have been refused. I recalled at that moment the strong demand which was made for the commission by the men with whom the hon. gentleman was then associated, and I remembered that he did not offer any protest against the matter being referred to a select committee. If he was an honourable man and thought that that select committee was not required, why was he not game to get up in the House when the Minister was being attacked and say that he did not think there was anything in the charge?

I want to say to-day that there is every justification for the request which has been made by this side of the House. The Premier told us that he could not deal with Mr. Goddard, and he suggested that he should send in his resignation. I want to say that, in my opinion, he was not game to deal with him. I have here a copy of the section of the Chillagoe and Etheridge Railways Act under which Mr. Goddard was appointed; and I find from it that he might be suspended from his office by the Governor in Council but could not be removed from office except by resolution of Parliament. There was nothing to prevent the Premier or the Secretary for Mines, if it was his job, from dealing with Mr. Goddard. Under the terms of his appointment, he is deemed to have vacated his office—

“(iv.) If he becomes in any way concerned or interested in any contract or agreement made by or on behalf of the Crown or in anywise participates or claims to be entitled to participate in the profit thereof or in any benefit or emolument arising therefrom.”

I think there is any amount of justification for definite action with respect to Mr. Goddard.

The SECRETARY FOR MINES: We have no knowledge that he is guilty of those things.

[3 p.m.]

Mr. ROBERTS: Quite apart from Mr. Goddard, the Secretary for Mines and his Government will not give the opportunity for obtaining that knowledge.

The SECRETARY FOR MINES: You are trumping up things.

Mr. ROBERTS: This morning the Secretary for Mines questioned the information

produced on Friday last by the Leader of the Opposition. Last session the Secretary for Mines told this House that he was satisfied with the information he had received. He cannot honestly make that assertion to-day. All his information has been proved valueless. The expert metallurgist appointed by the Government and the report by the Auditor-General prove that the information given by the Secretary for Mines—no doubt in good faith—was wrong. The information was misleading. That has been proved by the Auditor-General and the expert appointed by the Government. That is sufficient justification for this matter to be taken further than the present stage. The hon. member for Mirani, when speaking, referred to certain steel rails that had been shifted from the smelters.

Mr. HARTLEY: Did you hear him refer to that matter?

Mr. ROBERTS: Yes.

Mr. HARTLEY: Then you were the only one who did hear him.

Mr. ROBERTS: There was some indication from the Secretary for Mines that he knew that this was done.

The SECRETARY FOR MINES: I had not heard of it until I heard of it in this House.

Mr. ROBERTS: When speaking this morning, the hon. gentleman said that certain statements had been made about transfers of property from the smelters to the Pacific Hotel, Cairns.

The SECRETARY FOR MINES: I did not use the words “Pacific Hotel.”

Mr. ROBERTS: The full value for these rails might have been paid, but I say as a business man and as a public man that private trading between the manager of the smelters and some undertaking in which he is interested privately should not be permitted. There can be no honesty in that.

We were told by the Premier that we should study those men who are being attacked. I am quite prepared to study them. They should be given an opportunity of being heard. All that was said on Friday and all that has been said to-day is quite sufficient to warrant an inquiry. A few days ago the Premier said, “Show me the man who has got something, and I will go for him.” I hope that we have not reached that position. It is all right to talk about someone being charged in New South Wales or about Mr. Stones being discredited. The Leader of the Opposition placed his cards on the table. He told the House that this man had a history; but we have to recognise that, whatever might be the history of that man, he was employed in a responsible position by the then head of the Government, Mr. Theodore, who knew his history. His history was public property. He had been before a Royal Commission; but, notwithstanding that, the Government saw fit to appoint this man as foreman of the job, and also as nightwatchman.

Mr. POLLOCK: How would the Premier know that he had been appointed night-watchman?

Mr. ROBERTS: I guarantee that he knew it.

Mr. POLLOCK: You know better.

*Mr. Roberts.]*

Mr. ROBERTS: If I did, I certainly would not make that statement. The Leader of the Opposition told us that a considerable amount of information was forthcoming, but that it was always difficult to get a man to make a statement. A man making a statement must first know that he is protected. We were told last week that one man suspected of giving information had been threatened to be shot.

Mr. KING: They are entitled to protection.

Mr. ROBERTS: It can be understood that these men are a bit "nervy" on the position. I have information on a certain matter. I am told in connection with one of the contracts for the supply of firewood that the price paid was not a reasonable price or at all necessary. All that could be inquired into by the commission. We are told that the price of that wood was probably based on some favours done.

The SECRETARY FOR LABOUR AND INDUSTRY: Who told you that—Stones or Jackson?

Mr. ROBERTS: The hon. member can fish in his own waters; I will not allow him to fish in mine.

The SECRETARY FOR LABOUR AND INDUSTRY: You have no water at Toowoomba. (Laughter.)

Mr. ROBERTS: I will not give any man away. I want to see every man protected, the same as I desire to see the Premier protected. The information supplied is quite sufficient to damn the Government. The Secretary for Mines cannot come into this House and talk loudly, as he does, about hundreds of thousands of pounds, and then come along now and say that he knows nothing about this matter. He must take the responsibility.

OPPOSITION MEMBERS: Hear, hear!

The SECRETARY FOR MINES: You are not game to make any charges against me.

Mr. KERR: Why don't you take the matter into your own hands?

Mr. ROBERTS: I am not making a charge against the Minister. With all the force that I possess, I am making the charge of incompetency and want of honesty in so far as the administration of this enterprise is concerned.

The SECRETARY FOR MINES: You would say anything. You inferred just now that I would alter the "Hansard" proof of my speech this morning.

Mr. ROBERTS: I did not say you would alter it.

The SECRETARY FOR MINES: You said I would alter it before it appeared in "Hansard."

The SPEAKER: Order! Order!

Mr. ROBERTS: I will not allow the hon. gentleman to put words into my mouth, especially words that I am not answerable for.

Mr. WINSTANLEY: You said that the Minister made a certain statement this morning, but that you did not know whether it would appear in "Hansard."

Mr. POLLOCK: You said that, all right.

Mr. ROBERTS: I did not.

[Mr. Roberts.

Mr. POLLOCK: You did say so. You said the Minister made a certain statement, but you did not know whether it would appear in "Hansard."

The SECRETARY FOR PUBLIC WORKS: What do you mean by that?

The SECRETARY FOR MINES: That is a reflection on my honesty.

Mr. ROBERTS: It is not.

The SPEAKER: Order! Order!

Mr. ROBERTS: I am sorry that the hon. gentleman has interpreted my remarks in that manner, for I did not mean to convey the inference that he would alter his "Hansard" proof.

We do know that there has been a mystery all along in connection with the Chillagoe enterprise. We heard the hon. member for Nundah say that certain hon. gentlemen opposite were interested in certain mining propositions. It is a remarkable feature that those facts cannot be ascertained. The Premier has admitted that he was a shareholder in one of the mines. Why cannot we be able to secure that information? Is it right, if any members of the Government are interested in any company, that we cannot obtain a list of the shareholders? Why is it that, when we attempt to trace the documents relating to these companies or syndicates, we find documents have been filed without any name appearing thereon? There is an Act governing company law. That Act is administered by the Attorney-General. He has been told definitely that these documents have not been registered in the proper form. Is that not a charge that can be inquired into? What sort of charges do the Government want before a commission will be appointed? So far as we know, the Premier has not raised his little finger to do anything in this matter. All the supporters of the Government do is to shout out, "Make a charge!" I say definitely that the Attorney-General has got all the charges he requires. When he is told that certain companies in which men associated with this Government were financially concerned were not registered, he did not take any action.

Mr. DEACON (*Cunningham*): Mr. Speaker—

A GOVERNMENT MEMBER: Here is another miner!

Mr. DEACON: An hon. gentleman on the (Government side has said, "Here is another miner"; but I am anxious to hear a miner on that side of the House who knows something about this matter. I would not like to hurt the personal feelings of hon. members on that side, and it is not my wish to kick the Government, because they cannot kick back—they have no case; they have nothing to say. It is awkward for me, and I do not like kicking a man when he is down. (Laughter.)

The SECRETARY FOR PUBLIC WORKS: Well, sit down!

Mr. DEACON: I am sorry to hear the Secretary for Public Works appeal for mercy.

The SECRETARY FOR PUBLIC WORKS: I am not concerned about what the hon. member says, and he may proceed with his speech for all it matters to me.

Mr. DEACON: I would remind the hon. gentleman that we are all interested when

the country's money is being wasted; and there can be no doubt that it has been wasted. The Opposition ask for the appointment of a commission, and I agree with the hon. member for Kennedy that, if nothing else had been said, the report of the Auditor-General itself is sufficient to warrant the appointment of a commission to inquire into this matter.

Mr. POLLOCK: A commission on what?

Mr. DEACON: On their carryings on at Chillagoe. (Laughter.) I have always understood that a number of members on the Government side represented mining constituencies. Certainly some of them have endeavoured to lead us to believe that they knew something about mining; yet, when they are given control of a mine costing over £700,000, they incur a loss of over a million pounds in carrying it on. I would not trust the Government with any mine for a week! (Laughter.)

Mr. POLLOCK: To which mine do you refer?

Mr. DEACON: Without referring in any way to his personal ability, I would not put the hon. member who has just interjected, or indeed any other hon. member on that side of the House, in charge of any mine in which I was interested.

When this matter was discussed last year the Secretary for Mines attempted to prevent any inquiry, saying that he did not require any expert to tell him what was wrong—that he knew what was wrong. The hon. gentleman on that occasion also said, "I have been closely in touch with the Chillagoe enterprise ever since I have been Secretary for Mines." Hon. gentlemen will see what happened—and the hon. gentleman had been closely in touch with it. (Laughter.) He knew his job, he said, and was prepared to take full responsibility for the administration of the departmental losses. I ask the Secretary for Mines if he took full responsibility before the inquiry. It seems to me that the hon. gentleman should have realised his position and should have taken responsibility then. Sufficient revelations were made in the Auditor-General's report to warrant any Minister affected relinquishing his office. The hon. gentleman should have resigned at once. Here he was in charge of a big enterprise that he knew all about and kept closely in touch with; yet the losses amounted to over a million of money, and the hon. gentleman did not even know about the motor lorry. (Laughter.)

Mr. O'KEEFE: It is very funny.

Mr. DEACON: It is not funny at all. It is a very serious position. The Premier, when speaking this morning mentioned every person who had been referred to during this debate, but he said there had been no charges made. On Thursday the Leader of the Opposition stated definitely that the figures supplied by Mr. Goode were not correct—that that expert must have been misled, because his figures would not bear examination. That is one matter that needs inquiring into. The Premier was told that Mr. Goode's story was not correct; yet the Premier said there was nothing to investigate. That is a direct charge made against one man who assisted at the inquiry—that he did not know his job. Is that not enough for further inquiry? We are told that one-half

of the evidence is not to be relied on, because, as the Leader of the Opposition said, his figures were not correct. The Leader of the Opposition got that information from an expert before making the statement. It is impossible to allow this question to stop at that.

There is just another point that I would like some information on. Speaking about Mr. Reid last year the Secretary for Mines said that he was a most honest man. He said Mr. Reid was a very capable man, and he stated that if, in North Queensland, there were more men like him with initiative and enterprise, North Queensland would go ahead. He also said that Mr. Reid was not a wealthy man. Mr. Reid has been selling stuff of no value at all to this enterprise. He was given a motor lorry free and he had all the repairs paid for. It did not matter to him whether the ore contained mineral or not—he had just to load it; yet we are told he did not make any money. (Opposition laughter.) If North Queensland has many men of that capacity, it will not get very far ahead. I think if I were in the same position I would show some profit. Give me all my machinery; give me my own price; supply machinery to cart the ore; and I think I could show a living out of it, at any rate. (Laughter.)

The Auditor-General says Mr. Reid was considerably overpaid, and the only excuse made by the Premier and the Secretary for Mines was that it was necessary to have ore to carry on. We have had all the miners on the other side of the House assuring us year after year that there was any amount of good ore at Chillagoe that could be obtained. They bought out mines that they said were good mines, yet they were willing, in the end, to take any sort of stuff at all without any value.

Mr. MOORE: Even ant-bed. (Laughter.)

Mr. DEACON: Yes, even ant-bed. It was necessary to get some stuff in order to carry on. We heard some reference about men in times past being put on to shift sand to keep them employed. What were they doing but simply shifting sand at Chillagoe—paying men for stuff that had no value at all—in order to keep men employed and keep the smelters going? It was all paid for with the country's money. Is there nothing else in North Queensland in which they could invest money? Surely there must be something better than Chillagoe somewhere else where they could employ these men! I hold that the Government must make an inquiry into the matter. If they do not, they deserve to be kicked out of office. If the Secretary for Mines had a true sense of the responsibility of his position, he would resign to-morrow. Whatever capability the hon. gentleman has in any other direction—he is a good fellow personally, and might make a success in some other avenue—he has been an awful failure as Secretary for Mines.

Mr. HARTLEY (*Fitzroy*): Before you leave the chair, Mr. Speaker, I would like to say a few words on this recurring question of Chillagoe. If there was anything to prevent an inquiry being made by a properly-constituted commission, it would be speeches like those of the hon. member for Cunningham and other hon. members opposite.

Mr. DEACON: Are you a miner?

*Mr. Hartley.]*

Mr. HARTLEY: I have done a good deal of mining, and I dare say have lost a good deal more money than the hon. member would care to put into his industry. If the hon. member had lost as much in his pumpkin farm as I have lost in mining, I think he would have thrown himself into the Brisbane River long ago. That is the difference between a miner and a "cocky" farmer—the miner is content to lose; he knows he stands a chance of losing in the main; but that is what hon. members opposite do not understand about a big proposition like the Chillagoe mines.

I am not going to defend the administration of Chillagoe. The hon. member for Cunningham said this Government should have been kicked out long ago for what has been done at Chillagoe. Why have they not been kicked out? At the last three general elections there has been a campaign of slander, innuendoes, and defamation by members of the Opposition, both on the platform and off it, in order to induce the public of Queensland to kick the Government out of office; but the people have replied every time by returning the Government with a substantial majority. Why is that? It is because right down in the heart of the people there is a sentiment that everyone must be tried honestly and fairly, and because, if an opponent is not game to come out into the daylight and fight squarely, the sympathy of the public goes to the man who is slandered. That is why the Government have always been returned, in spite of the slanders about the purchase of State stations, of Wando Vale, and of Chillagoe. I have repeatedly asked, while this debate has been in progress, if hon. members opposite will make some specific charge which will implicate any member of this Government; and, if they do so, they will have my support so far as getting an inquiry is concerned—not a Royal Commission, but a parliamentary commission of inquiry under the Official Inquiries Evidence Act, under which evidence is taken upon oath. I am sick of Royal Commissions; they are generally whitewashing commissions, generally covering up things, and the people who are most interested in the Chillagoe matter are the members of this House, if they are interested at all. Until a definite charge specifically connecting some member of this Government or party with these Chillagoe transactions is made, there are no grounds for a commission of inquiry.

They quote the Auditor-General's report. There is no doubt that it is a damaging report on the administration of Chillagoe. It is very definite in some instances. But the proof is in it; there is no need for any inquiry into the statements in the report. The Auditor-General would not have made the statements unless they were proved to the hilt. The transaction in which a motor car was returned after a year's use without any deduction for damage or depreciation cannot be defended; but what is to be done about it? Are you going to prosecute Reid or Goddard? If you are, what are you going to prosecute him for? Goddard was the manager of Chillagoe, and the administration was in his hands. If he thought it was good business in the interests of the concern to give a thing away, I doubt whether there is a ground for legal action against him. I am not going to set up as a bush lawyer; but bigger things have been done by managers of mining companies

[Mr. Hartley.]

and by mining companies throughout the history of mining in Queensland.

As regards the purchase of the ore, it is proved by the Auditor-General's report that Reid got special consideration, and netted £11,000 more from the Government than he should have done. There is no need for an inquiry into that. It is settled; it is an established fact. The only question that remains is whether the Government can take any action to punish Goddard for doing that. Where is the justification for an inquiry into that and many other things mentioned in the Auditor-General's report? To bolster up his case the Leader of the Opposition says the figures and the assays given by Mr. Goode are incorrect. How does he know they are incorrect? Mr. Goode is a thoroughly qualified metallurgist and assayer. On what authority can a layman, whose main talent lies in cheese-making, challenge him?

Mr. MOORE: It is quite easy of proof.

Mr. HARTLEY: The general manager of a cheese factory comes along and says that a metallurgical expert is not correct. Now, I want something more than that. I am not going to take the word of the Leader of the Opposition that an assayer of the standing of Mr. Goode—who has held a responsible position such as he has with the Mount Morgan and other companies—is incorrect, particularly when he knew that he was engaged upon an inquiry in which his figures were likely to be challenged. Of course, somebody may have told the Leader of the Opposition that the figures are incorrect. I daresay you could find a lot of people who would say that the figures are incorrect; but that does not prove that they are incorrect.

I am tired of hearing the slander and suggestion of crookedness on the part of this Government; but, because I am tired, that is no reason why I should give way to every little campaign of abuse or newspaper propaganda that these people go in for. It is only another reason why I should turn a cold shoulder to it, and say, "Until you are men enough and British enough to point to the people who are wrong and have been implicated in doing dishonourable things, I am taking no notice." That is a logical attitude for a man who wishes to be fair. If hon. members opposite were sincere, and were not making the charges merely for the sake of political propaganda, they would realise that their duty to the State as legislators and as members of the Opposition charged with the responsibility of criticising this Government is to sheath home any blame for misappropriation or mismanagement on the part of the Government. Until they do, then I for one am taking no notice of it.

[3.30 p.m.]

Mr. MOORE: You talked the same sort of drivel last year. You took no notice last year; but it has all been proved true.

Mr. HARTLEY: The Government did take notice last year. The Premier said that he was not satisfied with the management at Chillagoe, and that he was going to have a thorough investigation into the conduct of Chillagoe made by experts; and the report by the Auditor-General is the direct result. Still hon. members opposite are not satisfied. It appears to me that their attack is merely an ordinary campaign of political slander

backed by the press, and, until they are prepared to make some definite charge connecting the Government with this matter, then I am taking no notice of it.

Mr. POLLOCK (*Gregory*): This attack—if you can call it an attack—on the Government is placing Government members who usually support the Government in a very difficult position; and the position is rendered more difficult by the fact that hon. members opposite are not sufficiently manly to make definite charges. There is no question of party discipline in a matter such as this. If there is any such thing as bribery and corruption alleged, if there is any possible chance of their proving to this House that any member of the Government is in any way implicated with anything at Chillagoe which is not fair and aboveboard, there is no necessity for the sanction of the Government for an inquiry, for it will have the sanction of every hon. member on this side of the House. I am not speaking for hon. members of this party; I am speaking for myself. I would not hesitate to urge an inquiry if some definite statement linking Ministers of this Government or any past Labour Government with anything wrong at Chillagoe were definitely and openly asserted. That is a fair statement to make. I am prepared to urge an inquiry to-day, to-morrow, or any other time, if hon. members opposite will give some reason why an inquiry should be held. No man can go further than that, and no member of the Opposition should refuse to meet a challenge such as that.

The whole outcry against Chillagoe has apparently been more in the nature of a political stink-bomb than anything else, in a sheer endeavour to make a smell round the name of Chillagoe, and to leave that smell attaching to the Government. It is quite true that, on the basis of the charges made last year by the Leader of the Opposition and other hon. members opposite, the Premier ordered an inquiry to be held by two competent and independent men, and they were told not to spare their language when making that report. That report was presented direct to this House; and to some extent it bears out the charges made by the Leader of the Opposition—that is, that there had been bad management at Chillagoe. I am not going to dispute that.

Mr. KING: They found the smell to which you refer.

Mr. POLLOCK: Will the hon. member say what the smell is?

Mr. KING: I have said so.

Mr. POLLOCK: I have been waiting to hear it ever since I have been listening to this debate.

Mr. KING: Read "Hansard" and you will see it.

Mr. POLLOCK: The Premier, as head of the Government, said that no criminal prosecution lies against anyone in connection with Chillagoe. Why the need for another inquiry? What would another inquiry teach us? The Opposition say they have more to follow. I do not believe that statement.

Mr. KING: You did not believe in the first instance that we had any information.

Mr. POLLOCK: I do not believe any member of the Opposition who says that he

has more to follow. I am not endeavouring to defend the Government. I am looking at the matter impartially because I am in an impartial position. I do not care whether I support the Government or not on a question such as this. I do not think any member of the Government is guilty of any of the things that the Opposition which, though they dare not say so openly, are endeavouring to fasten upon them by means of innuendo. That is the trouble. A definite innuendo has been started in this Chamber, and members of the Opposition have endeavoured to connect the Government up with something which they say occurred at Chillagoe; and, though they will not make a definite statement, they ask for an inquiry. They say, "Give us an inquiry; we have more up our sleeve." Looking at the matter impartially, I believe that, if the Opposition could in any way connect up any member of this Government with wrongdoing at Chillagoe, they would do so. I am sufficient judge of human nature to know that.

Mr. KING: Was there any justification for the first inquiry?

Mr. POLLOCK: If hon. members could prove the innuendoes which they are broadcasting, they would do so.

Mr. KING: You cannot say anything without putting us in the witness-box.

Mr. POLLOCK: If the hon. member has a sworn statement, let him produce it. He can do so under cover of privilege of Parliament. There is no law to prevent any hon. member from saying anything under cover of privilege.

Mr. KING: I do not want to say anything in a place where a man cannot defend himself on oath.

Mr. POLLOCK: The hon. member does not want to do anything but throw innuendoes out against the Government.

Mr. KING: You want all the evidence placed before Parliament.

Mr. POLLOCK: I shall be satisfied if the hon. member will make some definite charge.

Mr. KING: You give us the opportunity, and we will place witnesses in the witness-box.

The SPEAKER: Order! Order!

Mr. POLLOCK: What I am concerned about is whether the hon. member has any evidence to connect the Government with the innuendoes. I am not concerned with Mr. Goddard. The Premier has stated that no criminal prosecution can lie against him or against anyone else at Chillagoe. What, then, are the objects of the inquiry? The alleged facts stated by the Deputy Leader of the Opposition are merely his opinions.

Mr. KING: No; I have given facts.

Mr. MOORE: And not opinions.

Mr. POLLOCK: Hon. members opposite have, by innuendo, suggested that there is something wrong with the Premier's association with Mungana.

Mr. KING: I say that it gives rise to grave suspicion.

Mr. POLLOCK: This is the place for the hon. member to tender his information, and no one can touch him for it.

*Mr. Pollock.]*

Mr. MOORE: I will give the evidence to the commission.

The SPEAKER: Order! Order!

Mr. POLLOCK: That is far too thin for me. I do not believe that.

Mr KING: Well, we will.

Mr. POLLOCK: I believe that, if any member of the Opposition had any evidence to offer in relation to Chillagoe that he would not hesitate to give it here. My experience has been that they are not usually backward in that respect. The Opposition have reminded me of the story of the washerwoman who told a friend about the woman next door, "Even if she wears her dresses short, that is nothing against her; but, if you know what I know about her. . . . Of course, I can't tell it to you, but my, if you only knew what I know about her!" That is the position that Opposition members are taking up.

Mr. KING: Will you give us the opportunity to say in the witness-box what we know about it?

Mr. POLLOCK: I will sit down now and give the hon. member an opportunity to prove his assertion, and, if he does, I will vote for an inquiry.

Mr. DEACON: What about the statements concerning Mr. Goode's report?

Mr. POLLOCK: The Leader of the Opposition states they are wrong.

Mr MOORE: I say now that they are wrong.

Mr. POLLOCK: I can easily say that someone else is a liar, but that statement would not mean that the man to whom I was referring was a liar. That is only my opinion. I am not competent to say whether the figures supplied by Mr. Goode are right or wrong. If the Leader of the Opposition, without any knowledge of metallurgy, says that Mr. Goode—who is a competent metallurgist—is wrong in his figures, he should give this House authority for his statement. That is, if he has any authority for making such a statement. I do not know that he has any such authority. He has already said he has.

Mr. MOORE: So I have.

The SPEAKER: Order! Order!

Mr. POLLOCK: If he had the proof, I believe he would give it because he could do so without fear of anything happening to him.

Mr MOORE: To me! I am not afraid of anything happening to me—

The SPEAKER: Order! Order!

Mr. MOORE: But I am afraid something will happen to the people who have supplied the information.

The SPEAKER: Order! The hon. member must not interrupt.

Mr. POLLOCK: The hon. member has not considered the character of Mr. Goode in this matter. Mr. Goode is old enough to look after himself, but what I am concerned with is that a layman who has no knowledge of metallurgy should state that the figures of an expert metallurgist are wrong. I want authority for that statement before I

believe it. It is not too much to ask that some authority should be given.

Mr. MOORE: If I give it and prove it, you will say, "It is proved; there is no need for an inquiry."

Mr. POLLOCK: If an inquiry could establish anything that would enable us to prosecute people who have done wrong, I would say, "By all means let us have it. If there is any evidence that an inquiry will bring out, let us have that inquiry." So far we have not had that evidence. When it comes, I shall be the very first man to vote in favour of an inquiry being given. I give the hon. member my word that I will do it. No one is going to stop me from doing it, and, what is more, no one will want to stop me. Every hon. member who wants to give evidence in this House, and who wants to do any good for anybody is well protected against the law of libel and against any action that may be taken by any person on account of speeches made here. If any hon. member has the information, I am convinced that he will give it to this House so that we shall be able to judge on the matter.

Mr. KING: What is the good of giving second-hand evidence?

Mr. POLLOCK: If that is all the hon. member has, it is as well that this House should know it.

Mr. G. P. BARNES (Warwick): With the exception of the hon. member for Kennedy, every member on the Government side who has spoken on this matter has been most pronounced in stating that there was nothing further to investigate. The hon. member for Gregory interjected in that particular direction, and has further confirmed it in the speech which he has just delivered. In effect, the hon. member asks for the evidence we want. What on earth would we require an inquiry for if all the evidence were forthcoming now?

Mr. POLLOCK: Your party give the impression that they have something "up their sleeve."

Mr. G. P. BARNES: The Auditor-General's report gives abundant reason and justification why further investigation should take place. Here is a matter which concerns the whole country and the standing of the Government; and, if no one else is concerned in the matter, at least the country is concerned to know wherein the maladministration which has resulted in the expenditure of hundreds of thousands of pounds has been brought about, and who is responsible. When the Premier indicated last session that he intended that the Auditor-General should make a report on this matter, the whole country was relieved. The attitude of the Government in that direction met with the highest approbation of every member on this side of the House, and I am sure of all hon. members; but surely no one will contemplate for a moment that, having received the report of the Auditor-General, and considering its contents, the matter should remain there? The hon. gentleman who has just resumed his seat has asked, "You have got the information you asked for; what more do you want?" The Premier acknowledged that the charges made by the Leader of the Opposition have been substantiated—an

[Mr. Pollock.

opinion which is shared by every other hon. member—but the Auditor-General indicates that there is more that could be inquired into.

Under the heading "Financial" the Auditor-General says—

"The cost to the Treasury of the seven and a-half years to 30th June, 1927, was £1,164,822, of which £541,308 0s. 8d. has been treated as capital expenditure."

That is the point; yet hon. gentlemen opposite ask, "What further have we to inquire into?" The charges made have been clearly and successfully proved. What more do hon. members want? The Auditor-General goes on—

"In view of the way in which the financial position has been misstated in the balance-sheet at 30th June, 1926, it is questionable whether similar methods were not employed in previous years in order to reduce losses."

We want the truth, the whole truth, and nothing but the truth; and we want to go back to those previous balances and ascertain to what extent and in what way they were correct or incorrect. Would the Auditor-General have made a statement of that kind, every word of which carries deep emphasis and meaning, unless he felt that there was good reason to doubt the balance-sheets that had been presented heretofore? The Government will do themselves honour, and will do the right thing in their own interests and in the interests of the country, if, without any further delay, they yield to the demands made by this side of the House for a further investigation to be made, and have evidence given on oath in connection with these matters. The Premier, in justice to himself, must do that. He said this morning that he personally desired to get the fullest information. He stated that the report had proved the charges that had been made, and evidently he thinks that the thing should end there. But he himself went further some little time back, and the "Courier," which is supporting the Government in this matter—I am not imputing motives to anyone—in its issue of the 21st instant, referring to this matter made the following statement:—

"In the interests of the Mines Department, in the interests of the Government, and in the interests of the general public, the Premier ought to appoint a Royal Commission to inquire into the transactions regarding the Chillagoe smelters. In the Legislative Assembly last November, Mr. McCormack said that he himself had heard stories throughout North Queensland, and that he intended to authorise the Auditor-General to make an inquiry. 'I will see that these stories are cleaned up,' said Mr. McCormack; 'it is in my power to do so; it is my responsibility to do so.' Again, he said that he hesitated to condemn anybody until some charge was proved, and he added that 'an investigation can, and will be made; and if there is anything in the charges the men who are responsible will get short shrift from the Government.'"

Surely the charges have been proved; and we now demand that the Government should give short shrift to the men who have been guilty of issuing misstatements to the House, to the Minister, and to the country in connection with Chillagoe. It is no use labouring this matter further. Quite enough has been said in connection with it, and there is ample justification for the greatest scrutiny to be made in connection with the management of Chillagoe, and those responsible for the mismanagement should be brought to book.

Question—That the Speaker do now leave the chair (*Mr. Smith's motion*)—put; and the House divided:—

AYES, 39.

Mr. Barber	Mr. Kirwan
" Bedford	" Larcombe
" Brassington	" Llewelyn
" Bruce	" Lloyd
" Bulcock	" McCormack
" Carter	" McLachlan
" Collins	" Mullan
" Conroy	" O'Keefe
" Cooper, F. A.	" Pease
" Cooper, W.	" Pollock
" Dash	" Riordan
" Dunstan	" Ryan, C. J.
" Ferricks	" Ryan, H. J.
" Foley	" Smith
" Gledson	" Stopford
" Hanlon	" Weir
" Hanson	" Wilson
" Hartley	" Winstanley
" Hynes	" Wright
" Jones	

Tellers: Mr. Brassington and Mr. O'Keefe.

NOES, 23.

Mr. Barnes, G. P.	Mr. Maxwell
" Barnes, W. H.	" Moore
" Bell	" Morgan
" Brand	" Peterson
" Clayton	" Roberts
" Corsier	" Russell, H. M.
" Costello	" Russell, W. A.
" Deacon	" Swayne
" Elphinstone	" Taylor
" Kerr	" Walker
" King	" Warren
" Logan	

Tellers: Mr. Maxwell and Mr. W. A. Russell.

PAIR.

AYES.	NOES.
Mr. Farrell	Mr. Edwards

Resolved in the affirmative.

## FINANCIAL STATEMENT.

### COMMITTEE OF SUPPLY.

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

The TREASURER (Hon. W. McCormack, *Cairns*): Mr. Pollock,—When delivering my Financial Statement last year, I mentioned that certain financial measures which it was proposed to introduce would bring in sufficient additional revenue to cover the estimated deficit of £173,765. Unfortunately, this prediction was not realised, and the

*Hon. W. McCormack.]*

year's transactions resulted in a deficit of £543,167, in consequence of a considerable falling-off in railway receipts.

The receipts and expenditure as compared with the Estimates are shown in the following tables:—

## RECEIPTS, 1926-1927.

Head of Revenue.	Budget Estimate.	Receipts.	Increase.	Decrease.
	£	£	£	£
Commonwealth .. ..	1,094,766	1,095,338	572	..
Taxation .. .. .	4,215,000	4,502,340	287,340	..
Land .. .. .	1,470,000	1,390,186	..	79,814
Mining .. .. .	32,000	37,491	5,491	..
Railways .. .. .	7,943,540	7,349,500	..	594,040
Other receipts .. ..	1,771,100	1,772,932	1,832	..
Totals .. .. .	16,526,406	16,147,787	295,235	673,554
Decrease .. .. .		£378,619		£378,619

## EXPENDITURE, 1926-1927.

—	Appropriation.	Expenditure.	Excess.	Saving.
	£	£	£	£
Schedules .. .. .	631,301	537,291	..	94,010
Interest on the Public Debt	4,936,126	4,831,250	..	104,876
Executive and Legislative ..	23,130	22,513	..	617
Premier and Chief Secretary	147,035	163,829	16,794	..
Home Secretary .. .. .	1,493,549	1,502,601	9,052	..
Public Works .. .. .	229,186	184,747	..	44,439
Labour and Industry .. ..	52,935	40,788	..	3,147
Justice .. .. .	189,375	182,320	..	7,055
Treasurer .. .. .	385,607	457,904	72,297	..
Public Lands .. .. .	314,184	313,475	..	709
Agriculture and Stock .. ..	176,974	165,330	..	11,644
Public Instruction .. .. .	1,532,904	1,516,383	..	16,521
Mines .. .. .	77,774	70,194	..	7,580
Railways .. .. .	6,510,092	6,493,329	..	16,763
Totals .. .. .	16,700,172	16,490,954	98,143	307,361
Net saving .. .. .		£209,218		£209,218

The principal items in which the receipts exceeded the Estimates were income tax £121,217 and stamp duty £140,236, but land revenue yielded £79,814 less and railways £594,040 less than anticipated. The total receipts amounted to £16,147,787, which is £378,619 below the estimate, despite the additional sums collected for income tax and stamp duty. The increase in the former item is largely the result of greater activities in the Land and Income Tax Office, the number of assessments issued being considerably in excess of the previous year. The receipts from the Gift Duty Act passed last session amounted to £5,946 only. The railway revenue was £42,741 less than in the previous year, the principal factors for this falling-off being the protracted drought, floods in certain areas, motor competition, closure of Chillagee smelters and Lakes Creek meatworks, and the partial closure of the Mount Morgan mine.

As regards expenditure, the only departments which exceeded the estimates were Chief Secretary, Home Secretary, and Treasurer. The aggregate saving effected on account of other services amounted to £307,361, and the net saving on the total

appropriation was £209,218. The excess of £16,794 in the Chief Secretary's Department is mainly accounted for by the radio service, the transactions in connection with which are expanding rapidly, and expenses on account of the visit of Their Royal Highnesses the Duke and Duchess of York. The cost of provisions and of the general maintenance of Government benevolent and charitable institutions accounts for the excess of £9,052 in the Home Secretary's Department. The excess of £72,297 in the Department of the Treasurer is more than represented by £353, grants for relief in connection with cyclone and floods in the North, and £71,493 paid to the Railway Department, being the rebate allowed by that department in freight on fodder and starving stock. It will be remembered that when making my last Financial Statement I mentioned that, as a matter of Government policy, consideration was being given to the question of allowing the Railway Department credit for various freight concessions. It was not considered equitable that railway revenue should bear the cost of the concessions, and, consequently, it has been decided that the rebate allowed by the department should be a charge upon general

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revenue. This accounts for the amount appearing as an item of expenditure by the Department of the Treasurer. It has also been decided to capitalise interest on moneys expended on unopened railway lines. Interest amounting to £93,074 on expenditure to the 30th June, 1927, was capitalised at that date, accordingly.

## TRUST FUNDS.

Expenditure from Trust Funds reached the total of £7,492,208 last year, as compared with £7,290,655 for the previous year, the receipts being £6,908,163 and £6,758,937 for the same periods. Increases of £171,927 in advances for workers' dwellings, £90,653 for workers' homes, and £182,676 on account of Government central sugar-mills are some of the principal items of heavier expenditure last year. It will be seen on

reference to the Estimates-in-Chief that provision has been made this year on the Loan Estimates for advances on account of Agricultural Bank, workers' dwellings, and workers' homes. This action will have the effect of reducing the rapidly increasing overdraft of the Trust Funds, which is to a large extent due to these activities, and advances will, in future, be made from the Loan Fund, from which all other recoverable loans are advanced. The tables relating to the Treasurer's Financial Statement disclose that there was a considerable reduction in the expenditure under certain Trust Funds, such as Chillagoe smelters, cotton trading, and sapphire trading account.

## LOAN FUND.

The transactions of the Loan Fund for last financial year were as follow:—

	£	£	£
Cash balance, 1st July, 1926 .. .. .			4,795,612
Receipts during the year—			
Repayments by local authorities, etc. .. .. .			371,219
Receipts under Land Sales Proceeds Act .. .. .			323
Proceeds of loan issues—			
Overseas—			
5 per cent. Commonwealth Conversion Loan (London) .. .. .	3,846,300		
Less charges .. .. .	131,036		
		3,712,264	
Australia—			
5½ per cent. .. .. .	894,740		
5½ per cent. (Conversion) .. .. .	165,500		
	1,060,240		
Less charges .. .. .	2,044		
		1,058,196	
State's proportion of Issues by Commonwealth Government—			
5½ per cent. .. .. .	2,197,701		
5½ per cent. (Conversion) .. .. .	843,200		
	3,040,901		
Less charges .. .. .	13,288		
		3,027,613	
			7,798,073
Temporary Loan Advance from Bank of England .. .. .			1,220,000
Loan from Commonwealth Bank of Australia under clause 10 of the Commonwealth Bank Agreement Ratification and State Advances Act of 1920 on account of increase in Savings Bank depositors' balances .. .. .			710,000
Cash deposits under the Insurance Act of 1923 .. .. .			49,000
Repayment by Commissioner for Trade of loan indebtedness of the following State Enterprises:—			
Railway Refreshment Rooms .. .. .		2,914	
State Hotel, Babinda .. .. .		23,129	
		26,043	
Portion of Credit Balance of Brisbane Harbour Fund transferred from Trust Fund and applied in reduction of loan indebtedness			75,000
Refund by Commonwealth of Stamp Duty and expenses in connection with loans raised for the State in previous years .. .. .			12,543
			15,057,813
Disbursements during the year—			
Expenditure as per Budget Table E2 .. .. .		3,901,292	
Redemption of debentures issued under—			
The Government Loan Act of 1914 .. .. .	4,207,218		
The Government Loan Act of 1918 .. .. .	847,532		
The Government Loan Act of 1921 .. .. .	150,000		
The Chillagoe and Etheridge Railways Act of 1918 .. .. .	900		
		5,205,650	
Amount paid to Sinking Fund in terms of agreement with the Commonwealth Government on account of loans advanced for local authorities .. .. .		4,000	
Refund of deposits under the Insurance Act of 1923 .. .. .		2,100	
Amount repaid to Commonwealth Government on account of loan to the State for soldiers' dwellings .. .. .		7,672	
Amount transferred from Central Sugar Mills Trust Fund, being capital expenditure on account of South Johnstone Central Sugar Mill at 30th June, 1927 .. .. .		47,012	
Legal Expenses in connection with Inscribed Stock issued under the Government Loan Act of 1924 (£2,500,000) during 1925-1926 .. .. .		29	
		9,167,755	
			5,890,058
Less—			
Cash deposits lodged by Insurance Companies under the Insurance Act of 1923, transferred to Trust Funds. .. .. .			654,545
Cash balance at 30th June, 1927 .. .. .			£5,235,513

The cash balance at 30th June, 1926, was £4,795,612, the balance at 30th June, 1927, being £5,235,513.

Loan expenditure last financial year reached the sum of £3,901,292, being less by £914,133 than the amount provided on the Estimates, and £1,049,556 less than the expenditure during the previous year.

The loans which matured during the year were dealt with as follows:—

Redeemed from moneys to the credit of the Loan Fund ...	349,750
Converted under the provisions of the Government Loans Redemption and Conversion Act of 1923 ...	4,855,000

Total ... .. £5,204,750

During the year the Loan Council continued to function for the States, with the exception of New South Wales, and loans, amounting in the aggregate to £2,328,000, were raised in Australia on our behalf by the Commonwealth Government, in accordance with decisions of the Council. These loans were issued at par, and bear interest at the rate of 5½ per cent. per annum. We obtained £894,740 by our over-the-counter issue and investments by the Insurance Commissioner and Loan Acts Sinking Funds Trustees, also a further £710,000 from the Commonwealth Bank of Australia under the provisions of the Savings Bank Transfer Agreement.

Pending the flotation of a loan overseas, it was necessary to obtain a temporary advance from the Bank of England to the extent of £1,220,000. Instalments received on account of Queensland's proportions of the loans of £7,000,000 raised in London during July by the Commonwealth Government (£1,350,000) and 40,000,000 dollars floated by the Commonwealth in New York during August (£1,560,000) were utilised to liquidate this temporary advance. The total amount of loan moneys obtained on account of the year 1926-27 is less by £283,170 than the sum which I contemplated raising during the year.

#### PROPOSED FINANCIAL AGREEMENT WITH COMMONWEALTH GOVERNMENT.

The proposed agreement for the adjustment of the financial relations between the Commonwealth and the States will mark a very important point in Australian history. I am satisfied that the arrangements which it is proposed to embody in the agreement are sound in principle, and will prove of distinct advantage to the States. From the point of view of prospective benefit, a continuance of the payments at the rate of twenty-five shillings per capita would be more acceptable, in view of our rapidly increasing population, but the Commonwealth Government has definitely decided to terminate this method of financial assistance to the States, and to substitute the payments provided for in the proposed agreement. Of the results which will be achieved

by the proposals, perhaps that which affords most grounds for present gratification is the settlement of the very uncertain situation which has existed in recent years as regards the Commonwealth Government's intentions with respect to its financial relations with the States. Furthermore, the transferred properties problem, which has been in the realm of uncertainty ever since the Commonwealth was established, will be solved satisfactorily. There is no doubt the credit of the States will be considerably enhanced by the establishment of Public Debt Sinking Funds on a definite basis, in addition to which very great advantage should accrue from the proposed system of uniform borrowing through the Loan Council.

Honourable members will be afforded full information on this subject when the Bill ratifying the agreement is before the House.

#### SOLDIER SETTLEMENT.

At a conference of Premiers held in Sydney last July, matters in connection with the liabilities incurred by the States on soldier land settlement were discussed. The State Premiers maintained that this liability was a Commonwealth obligation and that some relief should be afforded on account of the losses sustained. The conference was of the unanimous opinion that, once a settler was finally placed in a position where he could be reasonably expected to make good, no grounds existed for treatment different from that accorded to ordinary civilian settlers. It was agreed that the liabilities of the soldier settlers should be fairly but finally adjusted by the several States, and the Prime Minister agreed to take up the matter with the States, and examine the position, with the object of evolving general principles upon which a final settlement as between the Commonwealth and the States could be made. In view of this, the Soldier Settlement Revaluation Board is, at present, engaged in reviewing the whole position regarding soldier settlers in this State, with the object of submitting such further recommendations as may now appear to be necessary to enable soldier settlers in ordinary circumstances and with reasonable industry to earn a living and repay their loan-indebtedness, with interest.

#### ESTIMATES, 1927-28.

##### REVENUE FUND.

I am again confronted with an extremely difficult situation in preparing the estimates of revenue and expenditure for this financial year. The drought, which is still paralysing a large section of the State, is becoming more acute and far-reaching in its disastrous effects. Revenue derived from railways, Crown lands, and income tax must continue to suffer from this cause, and, although I anticipate an increase under each of those headings, it must be borne in mind that, if weather conditions were favourable, I would be justified in expecting to receive much larger sums.

I anticipate that receipts will be as follow:—

	Received, 1926-1927. £	Estimated for 1927-1928 £
Amount from Commonwealth	1,095,338	1,096,237
Taxation .. .. .	4,512,340	4,755,000
Land revenue .. .. .	1,390,106	1,425,000
Mining receipts .. .. .	37,491	34,200
Railways .. .. .	7,349,500	7,569,000
Other receipts .. .. .	1,772,932	1,796,000
Total .. .. .	<u>£16,147,787</u>	<u>£16,666,435</u>

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For purposes of comparison I have given the amounts received under the respective headings last year.

Taxation is expected to yield £252,660 more than in the previous year. Of this sum, £178,783 is represented by income tax, £39,764 by stamp duty, and £12,424 by licenses.

The anticipated increase in income tax may appear to be unduly optimistic, but in arriving at this estimate due allowance has been made for the effects of the drought on industries generally. The result is expected to be achieved by issuing assessments more expeditiously, by overtaking the arrears of assessments, and by extending activities in regard to the inspection of taxpayers' accounts and the detection of defaulters.

HONOURABLE MEMBERS: Hear, hear!

The TREASURER: The staff of the Land and Income Tax Office has been temporarily augmented to enable this to be done.

The Gift Duty Act and the amendment of the Stamp Duties Act passed last session are expected to produce the additional amount under the heading of "stamp duty."

The amendment of the Liquor Act, which was also passed last session, should increase collections under the heading of "licenses" to the extent mentioned.

The increase of £34,814 in land revenue is more than accounted for by anticipated receipts from rents of selections. Revenue from pastoral occupation is expected to decline to the extent of £32,137. It should be needless for me to stress the fact that

land revenue is dependent on weather conditions, and if rain does not fall at an early date in the drought-stricken areas it will be impossible to realise my estimate under this heading.

The railways, perhaps more than any other Government service, are adversely affected by drought conditions, and the uncertainty which still exists as regards the return of favourable seasons in a large portion of the State makes it extremely difficult to arrive at an estimate of the receipts likely to be obtained from this service. However, the outlook, although not very reassuring—since improved somewhat—would appear to justify the anticipated revenue of £7,560,000.

My estimate of revenue under all headings is based on the hope that, in the near future, we will be favoured with copious rains over the whole of our pastoral and agricultural areas. If this hope is not realised, my estimate will suffer accordingly.

It is impossible, in the prevailing period of depression, to form even a reasonably reliable forecast of the probable receipts from our most productive sources of income.

## EXPENDITURE.

## REVENUE FUND.

The estimates of expenditure have been prepared with a full knowledge of the necessity for economy, and provision has been made for only such services as are deemed to be absolutely essential. The expenditure for the year is estimated to amount to £16,790,130, which is £299,176 in excess of the actual expenditure last year.

	Expenditure. 1926-1927.	Estimated for 1927-1928.
	£	£
Schedules .. .. .	537,291	572,209
Interest on the Public Debt .. .. .	4,831,250	5,065,460
Executive and Legislative .. .. .	22,513	23,052
Premier and Chief Secretary .. .. .	163,829	157,833
Home Secretary .. .. .	1,502,601	1,529,659
Department of Public Works .. .. .	184,747	210,264
Department of Labour and Industry .. .. .	49,788	52,856
Department of Justice .. .. .	182,320	189,680
The Treasurer .. .. .	457,904	422,518
Department of Public Lands .. .. .	313,475	£24,281
Department of Agriculture and Stock .. .. .	165,330	168,172
Department of Public Instruction .. .. .	1,516,383	1,66,258
Department of Mines .. .. .	70,194	70,388
Department of Railways .. .. .	6,493,329	6,437,500
Total expenditure .. .. .	<u>£16,490,954</u>	<u>£16,790,130</u>
The excess is made up as follows:—		
Increases—	£	£
Schedules .. .. .	34,918	
Interest on Public Debt .. .. .	234,210	
Executive and Legislative .. .. .	539	
Home Secretary .. .. .	27,058	
Department of Public Works .. .. .	25,517	
Department of Labour and Industry .. .. .	3,068	
Department of Justice .. .. .	7,360	
Department of Public Lands .. .. .	10,806	
Department of Agriculture and Stock .. .. .	2,842	
Department of Public Instruction .. .. .	49,875	
Department of Mines .. .. .	194	
	<u>396,387</u>	
Less decreases—		
Premier and Chief Secretary .. .. .	5,996	
The Treasurer .. .. .	35,386	
Department of Railways .. .. .	55,829	
	<u>97,211</u>	
		<u>£299,176</u>

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The increased amount provided for interest on the public debt accounts for nearly the whole of the excess, and when I mention that provision has been made for increases to salaries and wages of employees throughout the Government service, in accordance with awards of the Board of Trade and Arbitration, of which revenue will be charged with, approximately, £153,500, it will be realised that the provision for other services is less than the actual expenditure last year. I cannot be too insistent as to the necessity for economising in every possible direction, and I wish to state emphatically that, so far as lies in my power, my earnest endeavours will be exerted in that direction. The utmost vigilance must be exercised in order to prevent any but absolutely essential expenditure.

#### TRUST FUNDS.

It is proposed to expend the sum of £5,837,105 from Trust Funds. This is £2,009,521 less than last year's appropriation, mainly accounted for by the transfer to the Loan Estimates of provision for advances to borrowers under the Workers' Dwellings, Workers' Homes, and Agricultural Bank Acts, for which £1,600,000 was provided for expenditure during 1926-27.

The provision for central sugar-mills is £700,000 less, owing to the control of the South Johnstone, Gin Gin, Mount Bauple, and North Eton mills having been transferred to associations formed by growers supplying cane to those mills. These associations will provide their own funds, which will relieve the Government of the necessity of financing the operations of those mills.

The sum of £973,864 is provided for the Main Roads Commission, which is £240,456 in excess of last year's appropriation. This is required to enable the State's road construction policy to be carried out, in addition to roads to be constructed under the Federal Aid scheme. The amounts provided for Chillagoe State smelters, £10,000, and State coalmines, £160,000, are, respectively, £150,000 and £54,000 less than the previous year's appropriations. No amount has been provided for cotton trading, as the necessity for the Government to finance the marketing of the cotton crop has ceased to exist.

#### LOAN FUND.

The expenditure from the Loan Fund is estimated to amount to £4,992,661, but that sum includes £1,050,000 for advances under the Workers' Homes, Workers' Dwellings, and Agricultural Bank Acts, provision for which has, hitherto, been made under Trust Funds. The provision for loan expenditure this year is £1,422,764 less than the appropriation for last year, and £224,811 less than the actual expenditure, after allowing for advances on account of those Acts.

The sum of £527,638 is provided for main roads, which exceeds the vote for the previous year by £77,638. The appropriation for this service is necessary in consequence of the commitments in connection with the Federal Aid scheme and our own main roads policy. The sum proposed to be expended on railways is £682,627 less than the amount voted on the last Estimates, and £557,408 below the actual expenditure during 1926-1927.

There is no doubt that expenditure of loan money is a matter which demands very

serious consideration. I realise that grave consequences would follow a sudden cessation of borrowing, but it cannot be denied that it is becoming increasingly difficult to float loans on reasonable terms, in addition to which the interest on our existing public debt is a heavy burden for the State to carry, and it would be extremely unwise to add to that burden to any great extent, unless with the most ample justification. It is the Government's intention to reduce loan expenditure as much as possible, consistent with the demands of development, and keeping in view the fact that the progress of the State must not be retarded. I believe this can be accomplished gradually without jeopardising the development or progress of the State. Indeed, I am convinced that those who know the true position of affairs will agree with me when I say that, if the Australian States do not adopt this policy voluntarily, it will be forced upon them in the near future. Being of this opinion, I propose, during the current year, to restrict expenditure from Loan Funds as far as possible, without delaying any essential works.

#### CONCLUSION.

To revert to the estimated receipts and expenditure under the Revenue Fund, it will be seen that I estimate that expenditure will exceed revenue by £123,695. As I have already stated, the present weather conditions make it impossible to arrive at anything like a reliable forecast, and if we are not favoured with good rains throughout the State in the immediate future the deficit will very probably be much larger. The State will require some time to recover from the depression which it is now experiencing, and for that reason the Government has decided that it would not be advisable, at the present time, to impose additional taxation wherewith to meet the estimated shortage. In arriving at this decision, the Government has been influenced by the fact that an early return to favourable weather conditions may have the effect of considerably reducing the actual difference between revenue and expenditure. I sincerely hope this very-much-to-be-desired result will be accomplished.

It is worthy of mention that on previous occasions when Governments have found themselves financially embarrassed the difficulty has been met by imposing an obligation on Government employees by a reduction in their emoluments. The Government is reluctant to meet the situation by this method, but, in order to relieve the strain on our finances, it will be essential for all public servants to co-operate with the Government in an endeavour to reduce expenditure, and to assist in every possible way in facing the existing adverse situation. A realisation by Government employees of their responsibilities in this direction will be in their own interests, and, as a result, the Government should be helped over one of the worst periods in the history of the State, without being compelled to resort to a reduction of salaries or retrenchment generally.

Despite the deficit in the Revenue Fund on 30th June, I claim that there was no wasteful expenditure of revenue last year. The fact that disbursements on account of Revenue, Trust, and Loan Funds were less than the appropriations in each case is evidence that efficient control was exercised. When it is

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remembered that the interest on the public debt exceeded that for the previous year by £253,600, and that a still further sum of £234,210 will be required to meet the charge this year. I think it will be conceded that there is an insistent demand for a reduction in loan expenditure, and that the Government's intentions in this respect, as already mentioned by me, are not only justified but imperative.

It must not be overlooked that expenditure is capable of being controlled to a certain point, but the collection of revenue is an entirely different matter. If causes over which the Government has no control impair the sources from which revenue is derived, surely the Treasurer is not to blame if he is confronted with the impossible task of collecting sufficient funds wherewith to meet necessary administrative expenses. The demands on the Treasury are constant and heavy, and must be carefully watched in order that they may not become overwhelming, but Nature has no regard for the requirements of State, and, as demonstrated by the drought, sometimes paralyses the activities to which the State looks to provide its financial needs.

Mr. Pollock,—I move—

“That there be granted to His Majesty, for the service of the year 1927-28, the sum of £300 to defray the salary of the aide-de-camp to His Excellency the Governor.”

HONOURABLE MEMBERS: Hear, hear!

The House resumed.

The CHAIRMAN reported progress.

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

## PUBLIC SERVICE SUPERANNUATION ACT AMENDMENT BILL.

### COMMITTEE.

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

Clause 1—“Short title, construction, and commencement of Act”—agreed to.

Clause 2—“Amendment of section 2—*Interpretation*”—

Mr. KERR (*Enoggera*): Can the Attorney-General give the Committee any indication as to whether it is proposed in the near future to include under the superannuation scheme additional public servants, such as the officers of the Railway Department?

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*): I do not know that I am called upon to give an opinion on the matter now. There is no great volume of feeling in favour of the course indicated. In fact, the public servants have not been able to agree among themselves, and it is hardly likely that the Government will bring them under the scheme until they do so.

Clause 2 agreed to.

Clauses 3 to 9, both inclusive, agreed to.

Clause 10—“Amendment of section 13—*Voluntary contributors*”—

Mr. G. P. BARNES (*Warwick*): I beg to move the following amendment:—

“On line 40, page 8, after the word—  
‘thereof’

insert the words—

‘A contributor to the fund under the provisions of subsection two who, prior to the first day of January one thousand nine hundred and twenty-seven, has been retired from the public service other than from the causes mentioned in the said subsection after attaining the age of sixty-five years and before attaining the age of seventy years shall be paid from the fund such sum as represents the surrender value, at date of surrender, of the units of assurance for which he had contributed, the incapacity allowances for which he had contributed with respect to the period between the date of his retirement and age seventy years (or prior death), and thereafter the annuity allowances for which he had contributed. From the sum so ascertained shall be deducted the amount (if any) already paid to him with respect to the units so contributed for and the net amount after such deduction shall be paid to him or, if he is not now living, to his legal representatives.’”

[4.30 p.m.]

It is intended by the amendment to extend certain benefits to the public servants who have been retired from the service.

The SECRETARY FOR AGRICULTURE: It increases the charge on the Crown.

Mr. G. P. BARNES: No. If I remember rightly, when the Minister took this matter up, he indicated fully to the House that he intended that a fair thing should be done to the public servants of the State. It must be apparent that very unfair treatment will be meted out to public servants who have been retired from the service if they do not come within the scope of this Bill. Those public servants have helped to a large extent in accumulating the very fine sum to the credit of the superannuation fund—£700,000 or thereabouts.

It may be contended that the amendment will mean an increased charge on the Crown, but that is in no wise the case. The amendment is not one bit out of order, as it does not involve any additional charge upon the revenue. A permanent subsidy of £5,000 is appropriated, and this amendment does not affect that. The allowance for incapacity between sixty-five and seventy years of age was certainly paid from revenue, but the principal Act provides for its appropriation. Therefore, no additional appropriation is required. That disposes of the contention of the Secretary for Agriculture that the amendment increases the charge on the Crown. I am sure that deep down in the heart of the Attorney-General there is an earnest and intense desire to do the right thing by the public servants who have shown, as a result of their contributions, that they wish justice to be extended to all; and justice can only be extended by accepting the amendment. I trust the Minister will see his way clear to accept the amendment, otherwise an extreme wrong will be done to a very large number of public servants of this State.

The CHAIRMAN: The amendment is not in order, not because it is outside the appropriation, but because it is outside the order of leave. The order of leave provided that

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a Bill should be introduced "to amend the Public Service Superannuation Act of 1912 in certain particulars." This is a particular not provided for in the order of leave; therefore I cannot accept the amendment.

Mr. G. P. BARNES: This matter is of extraordinary importance, Mr. Pollock, for, if your ruling is a correct one, it is patent to every hon. member that an injustice will be done to certain public servants. I would suggest to the Minister that he should delay the further passage of the Bill, adjourn the House, and bring in a Bill so amended that it will fully cover the amendment moved by me. I am sure that the intention of the Government will then be carried out. It is simply an omission. I do not think there is any direct determination in the mind of the Minister to do any injustice to any contributor. The case can only be met by the hon. gentleman acting on the suggestion I have now made, and I trust that he will see his way clear to defer the Bill to do justice to the public servants I have mentioned.

Mr. KERR (*Enoggera*): It does seem to be an extraordinary thing that an injustice should be done to certain public servants who have been retired from the service because no Act of Parliament gives them their due. You, Mr. Pollock, referred to the order of leave to introduce the Bill. The question of appropriation is not concerned, and the Bill can, therefore, be amended in the direction suggested by the amendment by this Committee.

The CHAIRMAN: Order! Order!

Mr. KERR: I know that I should move to disagree with your ruling, Mr. Pollock, and it is my intention to do so, because I do not think you are right.

The CHAIRMAN: Order! The hon. member can only do that in the proper way.

Mr. KERR: That is so. If I am given the time, I will put my motion in writing. I have not had that opportunity, but some hon. member will do it for me while I am speaking.

The CHAIRMAN: The hon. member must discuss clause 10.

Mr. KERR: I understand that, and I am prepared to discuss clause 10. The whole question is whether the Government are going to comply with the original intention of the Act, and confer this concession on those public servants who reach the age of seventy years.

The CHAIRMAN: Order! Order! I take it that the hon. member is going to move to disagree with my ruling?

Mr. KERR: That is so. I beg to move, Mr. Pollock—

"That your ruling be disagreed with." I do so because I cannot see any other way of adequately dealing with this matter. The only possible way of discussing this matter is by moving such a motion. It seems extraordinary that a Bill which was designed to assist the "scale 70" men is inadequate for that purpose, and that the ruling of the Chairman can prevent the matter from being discussed.

The SECRETARY FOR AGRICULTURE AND STOCK: On what ground do you move that the ruling of the Chairman be disagreed with?

[*Mr. G. P. Barnes.*]

Mr. KERR: My ground is that the order of leave gave leave to introduce certain amendments to a certain amending Bill. Surely, when that amending Bill is before the Committee, opportunity should be given to hon. members to move amendments in certain directions. The Bill itself does not seek to amend the Act "in a certain particular," but "in certain particulars." I cannot see why, under the order of leave, we cannot amend this Bill, if we so desire. Notwithstanding the attitude of the Chairman, I unquestionably believe that this Committee has power to move amendments. If you, Mr. Pollock, put such a narrow interpretation on the order of leave, then I venture the opinion that you will restrict members of this Committee and place them in such a position that at no stage can amendments be made. It is vital that your ruling on this matter should be disagreed with. It is no excuse, I say to you frankly, to turn round and say that the amendment disagrees with the order of leave.

The CHAIRMAN: Order! I am not going to allow the hon. member to take control out of the hands of the Chair. I gave a ruling which the hon. member is now discussing, and I heard the hon. member distinctly say that my ruling was an "excuse." The hon. member is not in order in referring to my ruling as an excuse.

Mr. KERR: With all due respect to you, Mr. Pollock, I am not going to allow you as Chairman of this Committee to put words into my mouth. I did not use the word "excuse."

The CHAIRMAN: If the hon. member adopts that tone, I shall ask him to resume his seat.

Mr. KERR: You can do that, but I must protest that I am not going to permit you to put words into my mouth.

The CHAIRMAN: I ask the hon. member to resume his seat.

Mr. KERR: I can do that.

Mr. CLAYTON: The hon. member never used the word.

The CHAIRMAN: The question is—

"That the Chairman's ruling be disagreed with"—

Mr. MOORE (*Aubigny*): I cannot see that the amendment which has been moved by the hon. member for Warwick is outside the order of leave. This Bill deals with the question of men who are retiring to-day, and is retrospective to 1st January, 1927.

The ATTORNEY-GENERAL: The amendment is dealing with men who have retired.

Mr. MOORE: The Bill also deals with men who have retired.

The ATTORNEY-GENERAL: The amendment is dealing with men who have retired and are dead.

Mr. MOORE: I am not dealing with men who have died; but this Bill, which is retrospective to 1st January last, deals with men who have already retired, and makes special provision for these men.

The ATTORNEY-GENERAL: But not prior to that date, and the amendment does.

Mr. MOORE: That is exactly the position; but it is not making an increased charge upon the Government.

The ATTORNEY-GENERAL: It is making an increased charge on both the Government and the Public Service Superannuation Fund.

Mr. MOORE: The individuals referred to contributed to a fund each year, and helped to make that fund what it is to-day. The Government are not giving any more subsidy, because these men have been paid out of the fund.

The ATTORNEY-GENERAL: These men have been paid all they are entitled to out of the fund.

Mr. MOORE: I cannot agree with the hon. gentleman, neither can I see that the amendment is outside the scope of this Bill, because provision is already being made retrospectively for some of the men who have contributed on the basis of retirement at seventy, when they are in fact being retired at sixty-five. The amendment, which seeks to extend that treatment to the men who have been retired and have not had a fair deal from the superannuation fund, does not seem to me to be outside the order of leave.

The SECRETARY FOR AGRICULTURE: Where is the money going to come from?

Mr. MOORE: From the superannuation fund.

The SECRETARY FOR AGRICULTURE: That will make a fresh charge on the fund.

Mr. MOORE: A charge on the fund, but not on the consolidated revenue.

The SECRETARY FOR AGRICULTURE: An increased charge, nevertheless.

Mr. MOORE: Not an increased charge upon the Government, whose subsidy of £5,000 is a steady contribution, so that it makes no difference to the Government.

The SECRETARY FOR AGRICULTURE: Quite so, but the solvency of the fund is guaranteed by the Government.

Mr. MOORE: I am not disputing that; but these people contributed to the fund. My point is that it is not an increased charge, because the Government subsidy has not been increased; and the amendment is proposed to enable the fund to contribute the requisite amount.

The ATTORNEY-GENERAL: That is not the point the Chairman took. His point was that the amendment was outside the order of leave.

Mr. MOORE: I cannot see that it is, because we are already making it retrospective. A Bill is introduced to alter the Public Service Superannuation Act "in certain particulars," and "a certain particular" is that persons of seventy years who are contributing to a fund to take them on to that age may be retired at sixty-five years; and I cannot see that it will make any difference if provision is made to include the men who have retired previously. I do not see that it is altering the principle of the Act or that it is going to make any difference to it. These people are entitled to justice, and it appears to me that, if you issue a special circular and put in a special table—

The CHAIRMAN: Order! Order! The hon. member must keep to the question.

Mr. MOORE: I really cannot see that the amendment is outside the order of leave, nor that it is going to increase the charge on the Government, or affect the fund in any way other than is already proposed in the clause.

The CHAIRMAN: Order! The question of an increased charge does not enter into the matter at all. My ruling is that it is outside the order of leave, as it proposes to amend the Bill in a particular not provided for in the order of leave.

Mr. MOORE: We have often done that before when it applies to the same clause and the same principle. I do not want to disagree with your ruling, Mr. Pollock, but it seems to me that it is rather stretching it on an occasion like this.

Mr. TAYLOR (*Windsor*): I am certainly in a difficult position in regard to your ruling, Mr. Pollock. I fail to see how the amendment conflicts in any shape or form with the order of leave given when this proposal came before the House. If the ruling you have given in this matter is upheld, I fail to see how it will be possible to introduce any amendment at all.

The CHAIRMAN: Might I explain to the hon. member the procedure in regard to Bills; perhaps it will help him. When the order of leave is asked for to amend a Bill "in certain particulars," that is the time when the hon. member should take advantage of the opportunity if he desires to amend the Bill in particulars outside those provided by the order of leave. This is not the time. Once an order of leave to amend a Bill "in certain particulars" has been granted, the hon. member must know that at this stage he cannot move an amendment outside the scope of the order of leave. I merely mention that for the information of the hon. member.

Mr. TAYLOR: When the order of leave is given by the House, hon. members have no knowledge as to the directions in which it is proposed to amend the Act. They are at the mercy of the Minister in that matter, and I fail to see how it is possible for hon. members to protest when the Minister is asking leave to introduce a measure. Certainly we cannot dispute your ruling; still I take it that we all want to be on sound lines in connection with this matter. I do not think that since I have been in Parliament this question has arisen in the form in which it has to-day.

The CHAIRMAN: I can assure the hon. member that the same ruling has been given at least twice since I have occupied the chair.

Mr. H. M. RUSSELL (*Toombul*): The same question arose last year, and the Opposition protested at that time. No doubt your ruling, Mr. Pollock is correct; but that demonstrates to us the necessity of the Minister giving full particulars to the House when introducing proposals of this nature.

The Minister brought forward a motion to amend the Public Service Superannuation Act "in certain particulars," and contented himself with a very brief statement, saying he would give the House further particulars at a later stage. Hon. members are ignorant at that stage of the amendments which are intended to be introduced, and, consequently, have not the opportunity of voicing their

*Mr. H. M. Russell.]*

suggestions as to what amendments should be introduced. Therefore, we are somewhat handicapped; and it is only when the Bill has been circulated that the Opposition have a chance of considering the amendments they would like to introduce. Under the order of leave it is impossible for us to formulate amendments if they conflict in any way with the amendments proposed by the Government in the Bill. The same thing occurred last year in connection with the Income Tax Act Amendment Bill when a similar ruling was given. We considered at the time that it was very unjust, and it showed the necessity for the Government to take the House more into their confidence with regard to the proposed amendments in a Bill. If we happen to be caught "napping" the opportunity is lost of introducing amendments to Bills which would be acceptable to both sides. While the amendment of the hon. member for Warwick may be acceptable, still, because it does not come within the order of leave, it cannot be discussed. It is a pity that our procedure is so strict that it does not enable members to propose amendments vital to many of the Bills which require amendment. I hope that the Government will see that in future wider scope is given to hon. members to formulate amendments to improve the Bills brought before them.

Mr. KELSO (*Wandah*): The point raised by the hon. member for Windsor is a very vital point. I am afraid that the hon. member for Toombul has in his mind the discussion of an Appropriation Bill. You have stated, Mr. Pollock, that the amendment is not out of order because it infringes anything in connection with the appropriation outlined in the Governor's message, and you know that under the procedure adopted when a Bill is introduced an hon. member has no opportunity of knowing what the scope of the Bill is going to be. The motion is usually that a Bill be introduced to alter an Act "in certain particulars," and those particulars were not revealed when the order of leave was given in this case. It certainly seems the proper time to accept an amendment like this, which is within the scope of the Bill and comes within the scope of the appropriation; an amendment is usually ruled out of order because it would add to the expense. You have told us, however, Mr. Pollock, that it is not so in this case; and it was impossible for hon. members at any other period before the present stage to move an amendment to improve the Bill without trenching on the financial point. There is a very big difference between trenching on the financial appropriation and on the order of leave to introduce a Bill, where the Minister fails to indicate what scope the Bill is going to have. The Minister invariably generalises when that particular motion is passed, and we get more details later on. I trust, Mr. Pollock, that you will reconsider your ruling.

Mr. G. P. BARNES (*Warwick*): The real desire in the minds of hon. members is that every contributor to the fund who has retired prior to the 1st January last shall be protected. It might elucidate the matter if the Minister explained the benefits to which they are entitled at present, even if they are not the full benefits I desire.

The ATTORNEY-GENERAL: On the second reading I pointed out the benefits to which they are entitled.

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Mr. G. P. BARNES: If the Minister repeated his explanation, it might obviate the necessity for the amendment.

The CHAIRMAN: The question before the Committee is the motion—

"That the Chairman's ruling be disagreed with."

Mr. G. P. BARNES: It appears to me that you, Mr. Pollock, are in error in ruling the amendment out of order, because what the amendment specifically states is referred to in sub-clause 2 of the clause under discussion—

"2. In the last paragraph of subsection two, the words 'an amount as annuity equivalent to the incapacity allowance' are repealed and the words 'receive an annuity of fifty pounds per annum (with such additional amounts, if any, by way of bonuses as may from time to time be declared), on account of each unit of annuity' are inserted in lieu thereof.

"The operation of the amendments to section thirteen of the Principal Act contained in subsections one and two of this section shall be deemed to have taken effect as from the first day of January, one thousand nine hundred and twenty-seven."

The real point there is that the greater benefits apply as from that date, but in no way interfere with the benefits which accrued to men who were contributors to the fund prior to 1st January, last. I submit that the amendment is quite in order, and might well be part and parcel of the Bill, since it only makes quite definite provision for the case I have raised.

Question—"That the Chairman's ruling be disagreed with"—negatived.

Clause 10 agreed to.

Clauses 11 and 12 agreed to.

Mr. KERR (*Enoggera*): I beg to move the following amendment:—

"After line 37, page 10, insert the following new clause:—

13A. Notwithstanding anything in the Principal Act or in this Act or in the Public Service Acts, 1922 to 1924 or any regulations thereunder to the contrary, any person who at the passing of this Act is a contributor to the Fund under Table II. of the Schedule to the Principal Act and is also at such last mentioned date an officer of the Public Service, shall, except in case of misconduct or mental or bodily infirmity or unless he is incapacitated, be continued in employment in the Public Service until he attains the age of seventy years."

The CHAIRMAN: Order! The amendment is even more out of order than the previous one. It is quite outside the scope of the order of leave; therefore, I cannot accept it.

Mr. KERR: I shall have to obey your ruling, Mr. Pollock, but it seems very difficult under the circumstances that we cannot deal with these amendments.

The ATTORNEY-GENERAL: You are proposing to amend the Public Service Act.

Mr. KERR: I am doing nothing of the kind.

[5 p.m.]

Mr. KING (*Logan*): I am not going to move that your ruling be disagreed with, Mr. Pollock, but during the second reading speeches on this Bill, most hon. members intimated that they were anxious to protect the rights of those who had contributed on the assumption that they would be retained in the service until they attained the age of seventy years. I referred to certain circulars that were sent out by Mr. Rendle.

The CHAIRMAN: Order!

Mr. KERR (*Enoggera*): I desire to support the remarks of the hon. member for Logan. There must be some way of moving that your ruling be disagreed with, Mr. Pollock. The Bill proposes to amend the Public Service Superannuation Act, and, if an amendment of the Bill does not increase the charge on the Crown and is not outside the order of leave, surely we can move it.

The CHAIRMAN: Order! Is the hon. member disagreeing with my ruling?

Mr. KERR: I am.

The CHAIRMAN: Then the hon. member must do it in the proper way.

Mr. KERR: That has already been done.

The CHAIRMAN: I have no motion that my ruling be disagreed with, and no hon. member will be permitted to debate the ruling unless the proper procedure is carried out.

Mr. KERR: Then I beg to move—

“That the Chairman’s ruling be disagreed with.”

The CHAIRMAN: I am afraid that the time of this Committee would be wasted by accepting a motion that my ruling be disagreed with, when a ruling on an identical principle has already been defeated. I must exercise some discretion even with regard to a disputed ruling.

Mr. KERR: The previous amendment dealt with men outside the service, and this one deals with men within the service. They are two entirely different amendments.

The ATTORNEY-GENERAL: Both are irrelevant.

Mr. KERR: That is not for the hon. gentleman to say.

The PREMIER: It increases the charge on the Crown.

Mr. KERR: The hon. gentleman has been out of the Chamber. The Chairman has already agreed that it does not increase the charge on the Crown.

The ATTORNEY-GENERAL: He did not say anything of the kind.

Mr. KERR: He said it was outside the order of leave.

The ATTORNEY-GENERAL: That was the previous amendment.

Mr. KERR: I want to make it definite that these men will be retained in the service until they are seventy years of age, and that the clause relating to the exigencies of the service is properly interpreted.

Mr. KING (*Logan*): I support the motion moved by the hon. member for Enoggera.

The object of the amendment is to protect certain public servants.

The CHAIRMAN: Order! The question before the Committee now is—“That my ruling be disagreed with.” The hon. gentleman must state reasons why my ruling should be disagreed with.

Mr. KING: I intend to do so, Mr. Pollock. I understand that you have ruled that the amendment is outside the scope of the Bill.

The CHAIRMAN: It is outside the order of leave.

Mr. KING: The order of leave was granted, the Bill was introduced, and was discussed, and the principle contained in the amendment was dealt with during the second reading discussion on the Bill. If it was outside the order of leave, we were out of order then, and we could not have discussed it. The discussion on the second reading revolves around this question.

The ATTORNEY-GENERAL: Not on the lines of the amendment.

The CHAIRMAN: I am not responsible for that.

Mr. KING: It was recognised then that the discussion was within the order of leave, otherwise we would not have been allowed to proceed. The discussion was allowed to proceed without any restriction whatever. I mention that fact now in support of my argument that the amendment was covered by the order of leave. Many of the public servants in question applied to come under the superannuation scheme because they were led to believe that they were going to be retained in the service until reaching seventy years of age. The question of the circular issued by Mr. Rendle was also brought up.

The CHAIRMAN: Order! I will not allow the hon. member to discuss the motion on a motion to disagree with my ruling.

Mr. KING: I am connecting my remarks up with the motion. If we are wrong in discussing this matter now, we were wrong in discussing it on the second reading; but no exception was taken to our doing so. I cannot understand why you, Mr. Pollock, should take exception to it now.

Mr. DEACON (*Cunningham*): I hope, Mr. Pollock, you are not going to disagree with the action of the Speaker, who allowed discussion on this matter on the second reading.

OPPOSITION MEMBERS: Hear, hear!

Mr. DEACON: The Committee has two rulings before it—one by the Speaker when the second reading of this Bill was being discussed, and now we have the ruling of the Chairman of Committees, which is quite the other way.

The CHAIRMAN: Order! Surely the hon. member must know that the Chairman of Committees can have no cognisance of what takes place in the House! (Opposition laughter.)

Mr. DEACON: The discussion which took place on the second reading was free and full. An amendment is now framed to cover the questions which were discussed then. That amendment, if framed on those lines, should be allowed, as the House has

*Mr. Deacon.]*

dealt with the principle on the second reading. It has been recognised by the Speaker that the order of leave allowed a discussion on certain lines. Now an amendment framed on those lines is moved out of order. You, Mr. Pollock, are giving a ruling which conflicts with a ruling given by the Speaker.

The CHAIRMAN: Order! I am afraid that the hon. member does not understand the position.

Mr. DEACON: I do so far as I am able to. (Laughter.)

The CHAIRMAN: This amendment has been ruled out of order because it is outside the order of leave, which provides that a Bill shall be introduced to amend an Act "in certain particulars." This is not a particular provided for by the order of leave. That is the reason why I have ruled it out of order.

Mr. DEACON: It must be in order or the Speaker would not have allowed a discussion on the subject matter of the amendment on the second reading. The Speaker is guided by the same rules as you, Mr. Pollock. Yet here is an amendment ruled out of order by you, the principles of which the Speaker allowed a discussion upon during the second reading!

The CHAIRMAN: I would suggest that the hon. member should call on the Speaker. I am ruling the amendment out of order on the grounds I have given.

Question—"That the Chairman's ruling be disagreed with"—negatived.

Clauses 13 to 23, both inclusive, agreed to.

The House resumed.

The CHAIRMAN reported the Bill without amendment.

### THIRD READING.

The ATTORNEY-GENERAL (Hon. J. Mullan, *Flinders*): I beg to move—

"That the third reading of the Bill stand an Order of the Day for Tuesday next."

Mr. DEACON (*Cunningham*): I am going to give reasons why that should not be done. While the House was in Committee an amendment was moved by the hon. member for Warwick providing for participation in the benefits under the Bill of certain persons of the age of seventy years. The Chairman ruled that amendment out of order because it was not mentioned in the order of leave. Hon. members on this side maintain that the Chairman's ruling is wrong, as a discussion on those lines was permitted by you, Mr. Speaker, during the second reading debate, when hon. members on both sides of the House addressed the Chair. The amendment, which was ruled out of order by the Chairman in Committee, was covered by the order of leave, and I, therefore, beg to move—

"That the Bill be referred back to the Committee for the further consideration of that amendment."

Mr. POLLOCK (*Gregory*): Mr. Speaker—

The SPEAKER: Order! I propose to rule the amendment out of order. There is a way of moving an amendment at this stage, but that is not the way.

Question put and passed.

[*Mr. Deacon.*]

## UNEMPLOYED WORKERS INSURANCE ACT AMENDMENT BILL.

### COMMITTEE.

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

Clause 1—"Short title and construction of Act"—agreed to.

Clause 2—"Amendments of the principal Act"—

Mr. COLLINS (*Bowen*): I protest against proceeding further until such time as we have a copy of the Bill distributed to us. I have no copy of the Bill.

The SECRETARY FOR LABOUR AND INDUSTRY: You were handed a copy on the second reading.

Mr. COLLINS: It does not matter what I got on the second reading. I am not supposed to keep a Bill for weeks. I want to know if there are any amendments proposed to this Bill. I am standing up for my rights and privileges as a member of Parliament, and I am not going to pass my rights over to anyone. I have a right to a copy of the Bill and also of any proposed amendments to enable me to discuss them in an intelligent manner. I have not received a copy of any proposed amendments.

Clause 2 agreed to.

The House resumed.

The CHAIRMAN reported the Bill without amendment.

Third reading of the Bill made an Order of the Day for Tuesday next.

## AGRICULTURAL TOWNSHIP PORTIONS BILL.

### INITIATION IN COMMITTEE.

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

The SECRETARY FOR PUBLIC LANDS (Hon. T. Dunstan, *Gympie*): I beg to move—

"That it is desirable that a Bill be introduced to make provision for the issue of deeds of grant in respect of certain portions of land in agricultural townships set apart under the provisions of section 22 of the Crown Lands Act Amendment Act of 1886; to provide for the payment of compensation in respect of certain portions and to declare that certain portions shall be Crown land; and for other consequential purposes."

The desirability of introducing this Bill arises from the fact that under the Crown Lands Act Amendment Act of 1886 a certain position has arisen in regard to agricultural township portions proclaimed under section 22 of that Act which now requires to be cleared up.

Mr. MOORE: It has nothing to do with those sugar blocks?

The SECRETARY FOR PUBLIC LANDS: No. Under the Crown Lands Act Amendment Act of 1886 the Governor in Council was empowered by proclamation to set aside in any agricultural area in which the maximum area of any agricultural farm did not exceed 160 acres certain township portions not exceeding 2 square miles in extent, and allow the selectors of agricultural farms not exceeding 80 acres in the neighbourhood

of that agricultural area to become entitled also to a township portion not exceeding 1 acre. Those selectors were empowered to carry out on either the township portion or the agricultural farm the conditions of occupation and also the conditions relating to one-fifth of the improvements. In those cases in which those township portions have been proclaimed in various parts of the State the position has developed that, in many cases, numbering about 119, no deeds have been taken out for the township portions, and no deed fees paid. The Department of Public Lands, rightly or wrongly, in the past has considered that the unity of the two portions only exists up to the taking out of the deed of grant or the payment of the deed fee, with the result that in these 119 cases it is practically freehold land for which no registerable title exists.

At 5.25 p.m.,

The CHAIRMAN said: Under the provisions of the Sessional Order agreed to by the House on 25th August last, I shall now leave the chair and make my report to the House.

The House resumed.

THE CHAIRMAN reported progress.

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

The House adjourned at 5.30 p.m.