

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 8 NOVEMBER 1932

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TUESDAY, 8 NOVEMBER, 1932.

Mr. SPEAKER (Hon. G. Pollock, *Gregory*) took the chair at 10.30 a.m.

QUESTIONS.

GATTON AGRICULTURAL COLLEGE.

Mr. MAXWELL (*Toowong*), for Mr. SPARKES (*Dalby*), asked the Secretary for Public Instruction—

“1. What is the total area in acres of Gatton Agricultural College?

“2. What is the number of students at the college?

“3. What fee is paid per annum by each student?

“4. What amount is received per annum for produce sold?

“5. What is the total working expenses for the same period, including instructors' salaries.”

The SECRETARY FOR PUBLIC INSTRUCTION (Hon. F. A. Cooper, *Bremer*) replied—

“1. 1,686 acres.

“2.—

	1930.	1931.	1932.
Full-time Students	123	118	139
Students following University Courses	14	20	15
Students attending Tractor Schools	86	72	} Schools deferred in consequence of deficient accommodation.
Students attending Dairy Science Schools	32	15	
Students attending Pig Farmers Schools	18	15	

“3. The fees charged to students are as follow:—

	£	s.	d.	
Full-time students—				
Tuition	12	12	0	per annum
Board	30	0	0	”
Laundry	4	0	0	”
Medical	1	10	0	”

Special short-course students—

	£	s.	d.
Tractor school	3	9	6
Dairy science school	2	11	6
Pig farmers' school	3	9	6

“4. The receipts vary according to seasonal conditions, and to the nature of the activities undertaken. Informa-

[*Mr. Foley.*

tion respecting produce disposed of, including that sold outside the institu-

tion, for the years 1929-30, 1930-31, and 1931-32, is as follows:—

Produce.	1929-30.		1930-31.		1931-32.	
	Total Value of Produce Disposed of.	Value Sold Outside the Institution.	Total Value of Produce Disposed of.	Value Sold Outside the Institution.	Total Value of Produce Disposed of.	Value Sold Outside the Institution.
Cattle	£ 1,588	£ 855	£ 1,127	£ 516	£ 713	£ 404
Pigs	2,078	2,016	1,753	1,620	1,390	1,314
Poultry, Eggs, Bees, Honey .. .	731	443	690	427	590	320
Dairy Produce .. .	9,858	8,563	8,796	7,700	8,148	7,125
Farm Produce .. .	857	343	681	55	756	95
Totals .. .	£15,112	£12,220	£13,047	£10,318	£11,597	£9,258

"5. The working expenses in respect of the teaching, stock production, and research activities of the college for the years 1929-30, 1930-31, and 1931-32, have been as follows:—

	1929-30.	1930-31.	1931-32.
	£	£	£
Salaries .. .	9,018	8,525	6,733
Wages .. .	9,829	8,418	8,367
Contingencies .. .	9,122	6,104	3,146

OVERSEAS INTEREST AND EXCHANGE PAYMENTS, OCTOBER, 1931, AND OCTOBER, 1932.

Mr. MOORE (*Aubigny*) asked the Treasurer—

"1. What amounts were remitted abroad towards overseas interest payments in October, 1931 and 1932, respectively?"

"2. What were the respective costs of making such remittances, including exchange?"

The TREASURER (Hon. W. Forgan Smith, *Mackay*) replied—

"1 and 2. The information will be obtained."

VOTE OF CREDIT.

ON ACCOUNT, 1933-34.

Mr. SPEAKER announced the receipt from His Excellency the Deputy Governor of a message recommending that provision be made, on account, for the services of the several departments of the public service for the year ending 30th June, 1934, of the following amounts:—

From the Consolidated Revenue Fund of Queensland (exclusive of the moneys standing to the credit of the Loan Fund Account) the sum of .. .	£ 1,800,000
From the Trust and Special Funds, the sum of .. .	900,000
From the moneys standing to the credit of the Loan Fund Account, the sum of .. .	450,000
Message ordered to be referred to Committee of Supply.	

SUPPLY.

RESUMPTION OF COMMITTEE—SIXTEENTH ALLOTTED DAY.

(*Mr. Hanson, Buranda, in the chair.*)

DEPARTMENT OF MINES.

CHIEF OFFICE.

Question stated—

"That £13,558 be granted for 'Department of Mines—Chief Office.'"

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*) [10.35 a.m.]: I would like to answer one or two questions which hon. members have asked during the debate on this item.

The Leader of the Opposition wanted to know about the coke ovens at Bowen. The whole thing was decided before this Government came into power. Very little work had been done, but the site had been cleared and certain preliminary work engaged in before I became Minister. Whatever sins might be attached to the letting of the contract, according to the views of the hon. member for Ipswich, must be laid at the door of the past Administration. Personally, I am of the opinion that the establishment of coke ovens at Bowen for the coking of coal from the State mine at Collinsville will be of great benefit to the State. They will be completed towards the end of the year, and we hope to be in a position to supply coke to the Mount Isa Company in March.

The hon. member for Ipswich questioned the wisdom of letting the contract for the erection of the coke ovens upon the conditions laid down by my predecessor. My predecessor in office consulted the successful tenderers, Evans, Deakin, and Company, Limited, and Messrs. Gibson Battle, a firm of high standing in Australia, in connection with the erection of the coke ovens in question. Plans were drawn, but a considerable amount of difficulty was encountered in that it was anticipated that a certain amount of material already in existence, the value of which could not be accurately estimated, could be utilised in the construction of the ovens. After a thorough investigation by the firms I have mentioned, it was agreed that Messrs. Evans, Deakin, and Company, Limited, should act in a supervisory capacity, and that it should be remunerated on the basis of 10 per cent. of

Hon. J. Stopford.]

the total cost incurred in the construction of the ovens. That was a rather loose way of tendering; but, in view of the fact that the company is one of high repute, and that it has carried out work for Governments under contract for many years, there is no justification for any fear in the matter.

Mr. ROBERTS: To tender for work on the basis of 10 per cent. on the cost is a common thing.

The SECRETARY FOR MINES: Not with Governments.

The PREMIER: It is a very undesirable way of tendering.

The SECRETARY FOR MINES: The company referred to was charged with the work of constructing the ovens, and the work is being carried out very well indeed. So far we have been able to increase the number of coke ovens by five as a result of the favourable figures in connection with estimated costs and expenditure. I repeat that the work is being done in an excellent manner. Personally I do not approve of this method of tendering unless the very closest supervision is exercised, but I do object to the method of arriving at the contract price for the supply of coke to the Mount Isa Company which was adopted by the previous Government. I freely admit that it would be an excellent thing for Queensland to have an assured customer for 20,000 tons of coke annually. When we realise that $1\frac{1}{2}$ ton of coal are required to produce one ton of coke, it means that the output of the Collinsville coal mine will be increased by 30,000 tons per annum as a result of this one order alone. It provides an excellent investment, because it means increased employment for the Collinsville miners, increased revenue for the Railway Department, and additional money circulating in the community which otherwise would have gone outside the State. I entirely disagree with the method adopted in arriving at the price to be charged to the company. It was agreed that the coke should be supplied to the company at the cost of production, plus 10 per cent. I want it to be clearly understood that "cost of production" includes depreciation, interest on capital expended, and similar items. The maximum charge has been fixed at £1 13s. per ton. Although the contract had not been finalised when I assumed ministerial control, I felt that it would be of considerable benefit to Queensland, and that I could not repudiate an agreement, although only verbal, that had been entered into by my predecessor with an important customer like the Mount Isa Company. But under the agreement no benefit will accrue to the Government should there be a reduction in the costs of production consequent upon the application of modern methods either in the coal mines or at the coke ovens. The whole of that benefit will go to the company. On the other hand, if the expert of the department has underestimated the cost of production, the Government are limited in their charge to £1 13s. per ton. That is a one-sided sort of agreement. It rests entirely upon the basis of whether the data collected by the supervisor of coal mines has been accurately arrived at. If it has not, then we are "in the soup" if the cost of production goes above £1 10s. per ton.

Mr. BRAND: What was his estimate of the cost of production?

[Hon. J. Stopford.]

THE SECRETARY FOR MINES: The estimate was based considerably below 33s. At the same time, I have seen Government estimates where £100 or so has been thrown in for luck, and then afterwards £100 or £200 more to pull them out of the muck. (Laughter.) That is briefly the history of the coke ovens. I believe the venture will prove of benefit to the State. It will be of great benefit in this way: That a vast organisation like the Mount Isa Company is at present dependent on the supply of coke produced outside this State, and, if it must have a clear uninterrupted treatment of ore supplies, then it must necessarily have a huge stock of coke in reserve. That stock of coke is then dead capital, which might otherwise be applied to developmental work elsewhere. The further such a company is operating away from such supplies the graver the danger in the event of industrial dislocation at the point of production, even though the company may be working in complete harmony with its men at the source of production of its ore supplies. The continuity of operations at Mount Isa in such an event would be endangered; but, if the source of the coke supplies is within the State, then the distance is lessened in the event of such a dislocation occurring between the point of coke production and the place where smelting operations are being carried on.

Mr. C. TAYLOR: When do you think the coke ovens will be operating?

The SECRETARY FOR MINES: I think they will be producing coke in March, but I am hoping that production will be commenced in February.

The hon. member for Ipswich asked me why a separate contract had been made for the making of bricks for the coke ovens. We had the machinery in the Mines Department, and we had the clay at Collinsville. We also had an expert brickmaker, who undertook to mould and fire the bricks at a price which appeared to the departmental experts to be more satisfactory than if they were manufactured in other centres.

There is something in the remark of the hon. member for Ipswich with regard to having the site for the coke ovens at Bowen. Seeing that it takes $1\frac{1}{2}$ tons of coal to produce 1 ton of coke, I have always believed that the proper place for the erection of coke ovens is at the source of supply of coal; but hon. members must remember that Collinsville possesses many disadvantages, which, according to the officials of the Mines Department who advised us, and who no doubt advised my predecessor, involves a considerably greater outlay in the form of an electric plant and increased water supply that would have added considerably to the cost of the coke ovens. These facilities existed at Bowen, 52 miles away, and we hope that Mount Isa will not be the only centre to which we shall be able to sell coke, if the project turns out as successfully as we anticipate. No doubt the previous Government were actuated by a desire to establish these coke ovens with as little delay as possible. Personally, I believe that the investment will turn out satisfactorily.

The hon. member for Cook made some valuable suggestions, and told me that among the many speeches he has made in this Chamber was one which contained the brilliant suggestion that we should have portable batteries. Unfortunately, the hon. member makes so many speeches that, while

he occasionally may deliver a gem, it is covered by so much gravel that I have not had time to dig into it to find that gem. The hon. member does not pay himself very much of a compliment when he says that he made the suggestion during the three years that the previous Government were in power, because, although he was a supporter of that Government, his suggestion was not accepted. It only goes to show the wisdom of making me Secretary for Mines. I was only three months in office when the hon. member's gem was brought to light. It was not allowed to lie away beneath a lot of rubble and gravel but was dug out for use.

Mr. KENNY: That is why I congratulated you.

The SECRETARY FOR MINES: Yes, one for me and two for the hon. member. (Laughter.) However, if any hon. member suggested the matter, it was the hon. member for Bowen. The present Secretary for Public Works has been a keen advocate of batteries.

The hon. member for Normanby is not as modest as the hon. member for Cook. He wanted all the portable batteries the department is getting for a little place called Clermont. The portable batteries, which weigh about a ton and a-half each, will perform a useful service in aiding those who are genuinely trying to bring about a rehabilitation of goldmining in the State. Out of sixty-two hon. members, I have had requests from twenty for one of the three batteries. I am not a miracle worker, and I am not able to give hon. members all the batteries they require. I might, of course, get one cast to be appended to hon. members' watch-chains. (Laughter.) I want hon. members to understand what a portable battery is for. A portable battery is not intended to be dumped in any locality in order to crush all the stone that may be produced in that locality. Where the assay value justifies a party of men to believe that they are on something good, then, instead of having to pick a sample of ore of 5 tons so that they will be able to get enough to rail it to Gympie or somewhere else, the portable battery will be available to crush an average sample of their ore. When a man sends a picked sample of ore, he generally succeeds in pulling every one else's leg, and, indeed, becomes so expert that he ends by pulling his own leg; and, when a miner starts to pull his own leg, that is the end of him. If the portable batteries can be made use of in the way I have suggested, there should be no difficulty in getting capital if the results justify it, because, no matter what mistrust may exist against the person who took the assay, a bulk sample cannot lie when it comes through the battery, seeing that the residue will disclose whether the extraction has been up to the expected standard. In other words, if a miner thinks he has 2-ounce stone and the battery gives him $\frac{1}{2}$ ounce to the ton, he has a check on the residue to find out whether the extraction was bad. After the battery has performed its service at one place, it will be packed up and sent elsewhere. If the experiment is successful, no doubt the Government will be quite pleased to extend their operations.

Mr. KENNY: Where do you intend to put the three batteries?

The SECRETARY FOR MINES: I am leaving that to the departmental officers. I am one of those wily old birds who will not face this hon. member and that hon.

member. (Laughter.) The Government experts will decide the matter, and I can assure hon. members that the batteries will be placed where they will render the best service.

The hon. member for Cook made another suggestion regarding prospecting by organised parties. I differ from his belief that a geologist is the best man to direct a prospecting party. We have already embarked upon the system outlined by the hon. member. In the Thornborough and other areas we are trying to induce parties of six men to go into the old workings and work under the supervision of the district inspector of mines. We have not found many people rushing us; but we have the satisfaction of knowing that we have parties of from four to six men working together. We can understand that in the past men sank to a very shallow depth in the far northern portions of Queensland, and when they encountered water the mine was abandoned, and they went to work shallow ground elsewhere. I believe that, with assistance from the Government and under the direction of the officials of the department, we should be able to place prospecting on a more organised basis than it is to-day. We have 2,000 men out prospecting to-day. I am not going to deceive hon. members into thinking that they are all doing effective work. The prospecting grant, in a measure, is a compassionate one. Take Cracow, for instance. The men who discovered Cracow had received £78 from the prospecting grant of the department. That sum kept them working until they were in a position to prove the value of their show. We have many married men out prospecting, and the value of putting a man prospecting is that he has some incentive. He does not lose his morale, and he may discover a lead. We are continuing to encourage prospecting. I admit that our efforts are not as well organised as I would like, but I hope that in the recess we shall have more time to organise a more systematic manner of utilising the labour available.

I desire to pay a tribute to Mr. Atherton, my predecessor, for having done some good work in the department in the direction of consolidating the Mining Acts. I have issued the consolidated Acts and regulations with his name as the author of the consolidation. But we must realise that, although the Mining Act in its consolidated form is a valuable addition to the mining laws of the State, and simplifies the method of locating any section or regulation, we can hardly expect the average working miner to carry the Act with him when he is out prospecting. To simplify matters, I am bringing out a small pamphlet which I believe will be very valuable to those out prospecting and who have been able to locate something valuable, but who have not got the necessary knowledge to enable them to take full advantage of their discovery. I have officers at work in the department bringing out a handbook containing the salient points of the mining law in simple language so that we shall not have a repetition of the position that exists in many cases at Cracow, where, through ignorance of the proper method of preserving his rights, pegging out his claim, applying for a lease, and fulfilling the labour conditions attached to the lease, a prospector has had his claim jumped. The warden was powerless to protect him, as the application for forfeiture was really

Hon. J. Stopford.]

based upon the main principles of the mining laws of this State. We are issuing a small book that will be sold at a moderate price, which will contain all the points that the average prospector will require to safeguard himself, and will explain how he must peg his claim and make application for a lease. The pamphlet also contains little hints which will guide the prospector in determining the different metals he may encounter. We want to protect the prospector from himself. Nothing is more tragic than for a man to prospect or pioneer a field, only to have the fruits of his labour taken from him. We had such an instance at Mount Coolon, when the man who originally prospected did not know that it was necessary for him to have a miner's right or how to protect himself. A prospector and a miner are two different things. Many a good miner does not know the first thing about prospecting. If you went to some of our coal or metalliferous fields, you would find many a miner who could not answer the simplest question on the law of mining tenure or what is necessary to protect the rights of a prospector. On the other hand, my friend the hon. member for Warrego can tell a story better than I about an old prospector who knew more about the mining laws than the officials of my department.

The Leader of the Opposition said that we are charging the Railway Department more than we should for State coal. I take it that he was basing his remarks on the price of Blair Athol coal, and that he was taking the cost at the pithead. As a matter of fact, we are selling our Styx coal from the pithead too cheaply to the Railway Department. We are selling it for 14s. 4d. per ton, and the cost of Blair Athol coal, landed at the depot in Rockhampton, works out at something like 27s. per ton. At the pithead the Blair Athol mines can produce a coal more cheaply than we can at the State mines, but the Railway Department has to cart it to Rockhampton, and, when that is allowed for, the price of Styx coal works out more favourably. Having our own coalmines, if we can supply in competition with outsiders at a fair price, we are entitled to do so.

There has been some talk of the report of the Auditor-General in reference to the Chillagoe mines and smelters. The Auditor-General sends an officer to Chillagoe who may know a great deal about accountancy but what he does not know about mining would fill our parliamentary library. He criticises the manager of Chillagoe on methods of management. That may be applicable to ordinary business undertakings, but mining accountancy is totally different from ordinary accountancy. When I was at Mount Morgan, I remember that at the time of the annual audit the stores clerk usually was having a job to balance his books, whilst nearly everyone else in the office was finished. On one occasion he could not account for 200 tons of wood. He knew it had not been burnt and it was not on the woodstack, but he could not detect the error. His superior officer came along and said, "Tut, tut, what's wrong? Haven't you found it yet? Better get somebody to help you"; so he did. Then his boss came along a little later and said, "Tut, tut, haven't you found it yet?" and, when he was told that he had not, his boss said, "Tut, tut, put it down to evapora-

[Hon. J. Stopford.

tion." (Laughter.) The point I want to make is that the average man looking at the Chillagoe accounts and, perhaps, seeing that the price of Chillagoe ore was not the same as that of Cloncurry ore, might immediately jump to the conclusion that the manager was giving some preference to one of the two sellers. That does not follow. In purchasing a flux for smelting purposes the manager of smelting works should endeavour to obtain a flux containing sufficient metal to pay for the cost of production. If a manager can obtain a flux containing sufficient metal to cover the cost of mining, plus railage, is it not better that he should make every endeavour to secure it rather than utilise a flux that has no metal value? When the Royal Commission on Chillagoe-Mungana was proceeding, the Commissioner, ex-Judge Campbell, held up his hands in holy horror when the late manager of the smelters, Mr. Goddard, stated that he had smelted native rock. There is not a smelting works anywhere that would hesitate to smelt native rock in certain circumstances. It is far less costly to utilise native rock in the absence of appropriate fluxing ores than to allow the furnace to freeze and afterwards to be cut out for the purpose of restarting. The fluxing ore required at Chillagoe is a sulphide flux. Most of the ores above water-level, at least in that district, are carbon ores, the sulphide ores usually being found below water-level. The manager of Chillagoe experiences considerable difficulty in securing a sufficient supply of sulphide ores, and he endeavours to accumulate this class of ore to avoid any shortage. Yet, when a Government auditor proceeds to the smelters, he wants to know why so much dead capital is represented by ore lying in the bins, and why the ore of other people is being utilised without delay. It simply means that the manager will utilise the easy-to-obtain fluxes as freely as possible whilst at the same time conserving the sulphide ores. It is very difficult to explain the process of smelting, particularly to those who have but a passing knowledge. If I were permitted to do as I liked with the Chillagoe smelters, I would hand the works to a person upon whom I had a set, preferably the hon. member for Cook.

Mr. KENNY: I didn't think you would be so ungenerous.

The SECRETARY FOR MINES: On second thoughts, I would not do that. I would hand him the control of the sapphire field.

Hon. W. H. BARNES: You are not very generous this morning.

The SECRETARY FOR MINES: I would give the Chillagoe works to the hon. member for Wynnum for the same reason as he was given the Treasurership by his party. He knew nothing about racecourses, but he accomplished more in that direction than any other Treasurer in the history of this State. He made every bookmaker an honorary taxgatherer for the Treasury. He appointed all the docile bookmakers to collect the shillings from mugs like myself, so that the money could be handed to the Treasury. We should erect a monument to him on the Ascot Racecourse.

Mr. GODFREY MORGAN (*Murilla*) [11.10 a.m.]: Mining is not carried on to any extent in my electorate, but the new gold-field at Cracow that has been discovered in

close proximity thereto naturally excites some attention on the part of some of my constituents. I cannot understand the conspiracy of silence adopted by the Government towards that new goldfield. Generally, when a new goldfield is discovered, a geologist is promptly despatched to make reports which are furnished to the press. Prospective investors and those interested in the field are then able to obtain some information as to its potentialities. Is it a fact that at the present time the department can say nothing good about Cracow, but does not wish to say anything bad? Is that why the Government maintain their conspiracy of silence in connection with this new field? Is that why the field is attracting investment only from the Southern parts of Australia? We are all well aware of what has happened on the Roma oil field. When the history of this field is written, it will be discovered to be one of the greatest scandals ever perpetrated upon the people of Australia. A number of reports upon the field were issued by the department at the time. A few people were able to amass fortunes by the sale of shares in companies that operated on the field, but others, unfortunately, suffered a considerable loss. The losses were incurred principally by investors in New South Wales and Victoria. The result was that Queensland investments stank in the nostrils of the people of Victoria. If money were required at the present moment to work oil leases, and the share canvasser went among these people again and attempted to sell them shares, he would be required to be protected with a gun. Queensland ruined her reputation in the Southern States on that occasion owing to the misleading reports which were to a great extent issued by the Mines Department.

The SECRETARY FOR MINES: They are not going to be issued now.

Mr. GODFREY MORGAN: Unfortunately that is what happened, and to some extent these reports were issued by the Mines Department. Photographs were published in the press, and statements issued advising that oil would shortly be discovered. Oil shares immediately rose, and then the speculators sold their shares and immediately afterwards the share market became depressed. After a lapse of time there were more press photographs and statements issued in the press, together with a blare of trumpets from geologists and experts who were supposed to be in the know, and up went the shares again. Another swindle was perpetrated, and the result was that the speculators again reaped a harvest and the poor investors once more lost their money.

A great amount of the money that has been invested in Cracow has come from Victoria. I know a great many people who have invested there. It is up to the Mines Department to issue some information to the public in order that they may become possessed of the official point of view. I do not know much about mining, but the information which has come to my knowledge is that Cracow is going to be a good thing from the point of view of two or three big companies; it will not be a poor man's show. I have obtained this information from men well versed in mining matters, who have invested in the field. They say that it will be necessary to erect expensive machinery to extract the gold from the ore; that those who ultimately will be successful will be confined to two or three big companies, and that

thousands of people who have invested their money will lose it, while many people who have pegged out leases are only wasting their time by remaining there. Why has not the Mines Department given the people some information? Why has it remained religiously silent? It is up to the Government to let the people know what is happening at Cracow, and, if the Mines Department has made a report on the field, then it should publish it. It is only fair to those people who have invested their money there. I have not one word to say against Cracow—whether it is going to be good or bad—but I do say that the Mines Department should take a leading part in the matter, especially if by doing so it will prevent a repetition of what occurred in connection with the search for oil. If this is not done, the fair name of Queensland will be ruined from a mining investor's point of view. I do not want to see that happen. We are largely dependent on Southern capital to assist in developing this State. Although the investors may be Southern people, they have a right to some protection, and that protection can be given by the Government issuing monthly, or even weekly, reports, if necessary, as to what is happening on the field.

I am one of those who consider that the Chillagoe smelters should be closed down. They have been a burden on the State ever since they were purchased by the Theodore Government for nearly £1,000,000. Ever since the smelters have been a sink for public money, and the sooner they are closed down the better. The loss on Chillagoe last year was only £30,000, which is considerably less than when operated as a State enterprise by the previous Labour Administration; but one must bear in mind that the subsidies granted by the Railway Department in connection with the carriage of ore to the smelters amount to between £40,000 and £50,000 per annum. Before I left office, the railways were carrying ore to Chillagoe at reduced rates. Hon. members will find that I condemned the principle of the Railway Department bearing the financial burden of this reduced freightage, and that I stated that it was my intention to endeavour to have it rectified. Had the Moore Government remained in office, and had I remained Secretary for Railways—I had already brought the matter up on several occasions—I would have seen that this £40,000 or £50,000 subsidy on the carriage of ore was made a charge on consolidated revenue, and not on the Railway Department. Chillagoe smelters might be a good proposition from the point of view of employing a certain number of men and keeping the town of Chillagoe going; but why has a true and correct balance-sheet of the smelters not been produced? By reason of the fact that the Railway Department is subsidising Chillagoe to the extent of £40,000 or £50,000 per annum, the Chillagoe mine is not producing a true and correct balance-sheet. The effect is that on other commodities, such as wool, sheep, etc., the Railway Department charges exorbitant freights to make good the loss caused by assisting Chillagoe. If the Government desire to keep Chillagoe operating, they should enter into an arrangement with the Railway Department so that the department shall not transport goods to Chillagoe at a loss. The Railway Department should not be asked to subsidise any industry. The previous Labour Government very properly decided that fodder for starving stock carried

Mr. Morgan.]

on the railways at a cheap rate was a charge on consolidated revenue. All the people of the State contributed, and not merely the users of the railways. If the Railway Department is asked to subsidise other industries, it must mean a loss to it in actual earnings, and the loss has to be made good by increased charges on other users of the railways. I trust the Government will take action on the lines I have suggested.

The Minister stated that coal could not be obtained at a cheaper price than that quoted by the State coalmines. That is not altogether true, because when I was Secretary for Railways I called for tenders, which showed that the price being paid to the State coalmines was altogether too high. I was of the opinion that, if the State mines could not compete with the private mines, the tenders should be given to the latter. After all, why should the Railway Department pay 1s. or 2s. per ton more to the State coalmines? The Railway Department has every right to get its coal at the cheapest possible rate. The tenders disclosed that the price quoted by a private company was lower than that charged by the State coalmines at Bowen. In consequence we entered into an arrangement with the State coalmines at Collinsville that the Railway Department would be supplied with coal at the cost of production plus 6d. per ton, which was practically the same price as the private company quoted. We did the same thing at Ipswich.

Mr. GLEDSON: And ruined the coal industry.

Mr. GODFREY MORGAN: That is not the Railway Department's funeral. As a business concern the Railway Department has the same right as private enterprise to draw its supplies from the cheapest possible source. The Railway Department should not be called upon to subsidise other industries. If assistance is to be given to other industries, then let the cost be a charge on consolidated revenue and not merely upon the users of the railways. If fares and freights are increased, it is simply playing into the hands of motor facilities, with a detrimental result to railway workers. The railways should not be expected to subsidise industry. It is the duty of the Minister for Transport and of the Commissioner for Railways to see that the Railway Department is not imposed on by any form of enterprise. The department has a right to get what it requires in the cheapest market and to carry on under business conditions. The Railway Department subsidises Chillagoe to the extent of £40,000 or £50,000 a year, and it also subsidises Mount Isa to the extent of many thousand pounds a year. The Labour Government gave Mount Isa a present of £13,000, and I do not think the Government were justified in doing that. I believe that, if their action was contested in a law court by any taxpayer, the Government would lose and the Mount Isa Company would have to pay that £13,000. The Act of Parliament states definitely that the company was compelled to pay the Commissioner for Railways a sum not exceeding £13,000. When the loss was made, I insisted upon the amount being collected, but, immediately the Labour Government got into power, they said the company need not pay that £13,000. What the Government did in regard to the reduction in freight was a totally different thing. Had that £13,000 been paid, it would have affected

our finances to a considerable extent; but the Railway Department was made to suffer. If the Government want to subsidise Mount Isa to the extent of £13,000, let them pass a vote for that amount and do it in a constitutional manner. The amount should come out of consolidated revenue so that the whole of the people of the State will contribute.

The previous Government made a saving of many thousands of pounds in railway coal bills. We obtained coal at a reasonable price and at a price that was on a par with that paid by other users of coal. I hope and trust that the Government will take into consideration my remarks in regard to Chillagoe and will not continue the silly old policy that the Railway Department shall be called upon at all times to subsidise ventures of that description.

It was reported to me last week by a man interested that a movement was on foot to establish a State hotel and a State store at Cracow. I hope the Government, after their experience of State enterprises in the past, will not be so foolish as to establish a State hotel at Cracow. Cracow is deserving of a hotel—perhaps two or three—but it should be run by private enterprise. I hope the State will not spend money there until Cracow has been thoroughly proved. Once the field has been proved, it will be time enough for the Government to spend money there, if they so desire. We have had such enormous losses in connection with mining fields in the past that we cannot afford to take any risk in the future. The Government in the past spent a large sum of money in constructing a railway to one mining centre in the North, and immediately the railway was opened the mine closed down, and there has never been any mining done on the field since. That cost the Government many thousands of pounds. I could mention numerous other instances where the Government built railways to mining fields at enormous cost, only to find that those fields closed down and they were left lamenting. That is not fair to the taxpayers. I hope that the Cracow field proves one of the most successful in Australia, because a big population there would be of great advantage to Queensland in every respect. It is some distance from the present centres of population, and another large town in the outback, where we want large towns, would help the Railway Department and everybody else. I hope, however, that the Government will take a greater interest in the place and let the people know a little more about it, and that before they are stampeded into spending large sums of money on railways or roads to the field, they will be thoroughly satisfied that the expenditure is justified.

Mr. BEDFORD (*Warrego*) [11.31 a.m.]: The hon. member for Murilla, whilst admitting the ignorance which he ably demonstrated on this question, expressed the hope that, whilst the Cracow field would be of benefit to Queensland, the conditions which applied at Roma will not apply there. The conditions which applied at Roma were perfectly correct mining conditions. If mining were as sure of its profits as soap making, then it would be as safe for the miner as soap making is for the soap maker. It is too much to ask that anybody should try to test some hundreds of thousands of square miles of country for petroleum and be successful at the first trial. Personally, I

[*Mr. Morgan.*]

lost £15,000 at Roma, but if the same circumstances occurred again I would put it in again. The search for oil in this country is not finished, and some of our people hope later to undertake that search again, as soon as they have got their work settled at Cracow, and to conduct that search not only in that field but also in another direction. The reason why Australia has lagged behind some of the other countries is that, whilst we can be optimistic about so many other countries, we can be very pessimistic about our own. The vice-president of the Sinclair Oil Corporation asked why the Government of Queensland had abandoned the search for oil at Roma, on evidence which he said would have got 50,000,000 or 100,000,000 dollars in America. He asked me how much the Queensland Government had spent, and when I told him 150,000 dollars he laughed, because in one field his company had taken on in Oklahoma they spent 30,000,000 dollars before they got anything but a dry well, and were ready to spend another 30,000,000 dollars, but before the spending of the second 30,000,000 dollars was anywhere near finished they had struck oil. It is utterly impossible that a country of the geological age of Australia should be entirely without petroleum, and that the 20,000,000 cubic feet of gas which came from Roma wells in a given time should come off anything but an oil pool. Just so soon as Australians begin to regard their own country a little more warmly than the Imperialist regards countries far distant, so soon will oil prospecting come into its own. If the hon. member is sincere in his desire to see the mining industry flourish, and the State benefit materially and its credit improve, it is incomprehensible that he should have belonged to a Government who put up the most ridiculous schemes for the segregation of large areas which produced nothing. When the Commonwealth Mines Preliminary Syndicate, Limited, Agreement Ratification Bill was going through this Chamber, and when other large concessions were being granted, I and the Opposition at the time called attention to the fact that nothing was to be done but to make these propositions stalking horses for the sale of shares in the old country, and that the money would be retained there and not sent out here.

At Cracow there are tremendous quantities of low-grade ore, sweetened by fairly large quantities of high-grade ore. It may be useful to the Committee to know the result of the assay at the first assay plant established on the field on 22 feet of the Warrego north drive, taken in 2-foot cuts—

Oz. dt. gr.	Oz. dt. gr.
1 18 19	0 11 10
1 18 0	2 0 0
1 4 10	0 10 0
1 12 10	0 14 0
0 16 0	0 5 0
1 18 0	0 13 0

Mr. MORGAN interjected.

Mr. BEDFORD: Of course, one would not send a prickly-pear expert to sample a mine. Anybody could get little rich bits of stone from anywhere. I could get samples which would go 200 ounces to the ton, but they would not be representative. These were. They were taken, as I told the Committee, in 2-foot cuts, and are representative of the whole, ranging from ounces down to 2 dwt.; but, as I said before, a large

quantity of 2-dwt. ore is payable with all this sweetening. It is a question, not of small quantities of ore carrying high values, but a question of big milling, taking all the ore. That is what will be done at Cracow. Certainly, there has been the usual wild-cating that will operate on any field. One has just gone out this morning. Another one, the "Golden Flea" or the "Golden Fleece," and the "Golden Crest" will make their exodus without very much delay. Taking the field all round, large quantities of ore have been exposed, much of it low grade. The "White Hope," which, after having had the softer rock eroded, now shows 16,000,000 tons on the surface, 1,100 feet long, 400 feet wide, and 400 feet to the level of the plain. The highest assay from that show was 6 ounces 10 dwt., and the lowest 8 dwt. If it gives only 5 dwt., it will be a tremendous proposition, worth somewhere about £20,000,000 gross on the surface already exposed.

It is very easy to belittle a new field. There are a number of people who are ready to belittle the field through ignorance—probably because they are not in it. There is the case of a small barrister, already regarded as mentally disabled because he is a member of the Young Nationalist Speakers' Association. This gentleman is related to the owner of Cracow Station, who has had a very bad deal from quite a lot of indecent people camped around the field. He has had his fences broken down, gates left open, his stock scared, and, generally, his rights have not been observed. Having decided that mining is destructive of pastoralism, he does not give the field a good name at all, and describes it as a swindle. The case of Broken Hill could be duplicated. Mr. Urquhart, the manager of Mount Gipps Station, hated prospectors because they cut his fences and occasionally allowed a few sheep to get away. In order to keep the people away from the proposition as a horse paddock—the Mount Gipps horse paddock is now Broken Hill itself—Mr. Urquhart decided to take a one-seventh interest in Broken Hill at a cost of £70, and he was exceedingly surprised when that £70 became worth £1,000,000. In any case no field exists without its detractors. Cracow presents opportunities that are not available elsewhere for the good of this State, and for the purpose of lifting the State out of its difficulties in the quickest possible time. For that reason, I ask the Committee and the public generally to be patient with the developments that are progressing.

The Government have been taken to task by the hon. member for Murilla because they have not done more on that field. Why should they? If there is one speculation which is intended for private enterprise, it is the tricky goldmining speculation. If the Government were to spend money on the field, the first critics would be the members of the Opposition, and probably rightly so. In this case the Government have had nothing from the field but revenue. No expenditure has been involved. The mining companies have constructed their own roads because no help was forthcoming from the Main Roads Commission, which turned down the easy route from Eidsvold to bring in the impossible wet weather road from Rockhampton. The Main Roads Commission decided to do nothing with the Eidsvold route either by bettering it or by shortening it until such time as the field was proved.

Mr. Bedford.]

When we shall be able to prove the field to the satisfaction of the Main Roads Commission, I do not know. The fact remains that in this new field we have something to cut at. There are no small runs of stone rich in themselves, tricky and elusive, but there is a tremendous mass of crushing ore running in the case of the "Golden Mile," and in the case of the "Mile Junction," for $1\frac{1}{2}$ mile. Then there is the "White Hope" at the other end, giving the field practically $4\frac{1}{2}$ miles of ore of some sort of value.

In common with many other hon. members, I have received applications from people in my electorate requesting assistance from the department for the purpose of trying some new field or other. In all these cases care should be taken to select the people who are sent out, and care should also be taken to prove the localities to which they are sent, otherwise nothing but loss will accrue to the department.

The hon. member for Murilla, who is most virtuous when not in Government, said that Chillagoe should be closed down. I need only refer to the fact that during the three years the Moore Government were in power, when metal prices were much lower than they are to-day, the scheme of Chillagoe was persisted in in order to keep Mr. Atherton there as the member for the electoral district.

Mr. MOORE: That could not help him.

Mr. BEDFORD: It did not help him, because the Moore Government had committed other crimes for which they were sacrificed. The axe did not fall on the Moore Government for Chillagoe alone, but it fell on them for a dozen other matters, each one in itself being sufficient to shorten their life.

Mr. MOORE: The Chillagoe smelters benefited nobody except Chillagoe.

Mr. BEDFORD: The Moore Government considered that Mr. Atherton would have a better chance of election if the Chillagoe smelters were kept open. That was a promise given to him when he was going to his first political campaign—that the Moore Government, if returned, would not close down the smelter. If the Moore Government then decided that the smelter should be closed, it would prove that they were only offering the people a bribe, which was wrong; but now, knowing that it was a bribe and that they did not benefit, they desire it to be closed down.

Mr. MOORE: Chillagoe was not restarted to benefit Mr. Atherton.

Mr. BEDFORD: Then it was opened to benefit the hon. member for Cairns, who was then a candidate for Chillagoe.

Mr. KENNY: Chillagoe was reopened for the benefit of North Queensland.

Mr. BEDFORD: Then for the good of North Queensland, the hon. member for Cook should get a pound or two of cyanide.

Mr. KENNY: And give it to you.

Mr. BEDFORD: That will be the only mining operation which the hon. member is fitted for.

Mr. KENNY: It would not be to the disadvantage of Australia if that cyanide were given to you.

[Mr. Bedford.]

The CHAIRMAN: Order! The hon. member for Cook must cease his interruption. I will not permit it any longer.

Mr. BEDFORD: Having succeeded in starting this young person on his way to oblivion—

The CHAIRMAN: Order!

Mr. BEDFORD: I have now only to reiterate this statement, that any criticism of Cracow which is not authoritative is even less than valueless. That field will prove itself, and in the meantime it has given to Queensland a new hope, which is badly needed.

Mr. KENNY: It has given you a new hope.

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*) [11.44 a.m.]: The hon. member for Murilla complained that the Mines Department has not issued any statement regarding Cracow. The Committee will agree that I might make any statement as Jim Stopford, the member for Maryborough, but I must be careful what I say as Secretary for Mines. While all who know me will assess my opinion in regard to mining for what it is worth, yet if I made an over-optimistic statement on which the man outside placed a certain value, and events did not turn out exactly in accord with my statement, I would do the State more harm than good. The hon. member for Murilla is wrong in stating that the Mines Department has not made available geological reports on Cracow. Two such reports have been published, one by Geologist Reid, and the other by Geologist Denmead. At the time of their visit to Cracow it was purely a surface show. Certainly the surface had been trenched and well sampled, but the deepest shaft was 50 feet. What the Mines Department wants to know is whether the show is going to live at a depth or not. The hon. member for Warrego, who knows Cracow probably better than anyone else in the State, has had a geologist on the field in a private capacity, and so have other people who hold options. They have been able to satisfy themselves to such a point that they have bought options at a very high figure. If those options are to be valuable, then they must be exercised within a given time.

Mr. KENNY: How much did they pay for those options, and what conditions apply?

The SECRETARY FOR MINES: The holders of an option pay for a look at the area. If they look at the surface all the time they get nothing; but the average person holding an option buys it with the idea that he will sink as far as the option allows him to do. Then he has to make up his mind whether he will complete the purchase of the lease or not. A Government geologist is at present on the field. The option companies have had a reasonable time to develop and open up their shows; therefore, when the geologist makes his report, it will be on something which will be worth giving to the public. I can assure the Committee that it will be released. I am not going to comment on Cracow; but I believe, as the hon. member for Warrego stated, that it is a low-grade proposition with a considerable amount of rich patches; that it is not a poor man's show; and that capital will be necessary to develop it. I am sure that I am only echoing the sentiments of everybody in the Chamber when I say that I hope that Cracow will be all

that the most optimistic person in the State can wish, because I believe that the solution of Australia's difficulties rests in the rehabilitation of mining. If we can rehabilitate the prices of copper, tin, lead, and other metals, we shall possibly be able to do without the bananas about which we hear such a howl. The extraordinary thing is that no one howls at the Commonwealth Government for the greatest act of repudiation committed by them when they broke their solemn promise to continue the gold bonus. That also involved a repudiation to the people overseas who had placed their money in mining ventures in Australia largely in the belief that a stabilised price would be given to the product by a gold bonus for a given period.

If Cracow, Batavia River, and other shows which are being largely developed to-day, live up to the expectations of those engaged upon them, we can at least look forward to a large amount of employment for a very necessary section of our community. Most people are apt to look at mining purely from the wealth-producing standpoint, and relegate to a minor sphere the employment which is created for a great many people. The depression in mining is a great menace from the point of view of providing employment for skilled men, because mining is a skilled occupation, and, unfortunately, we are not training men to carry on the industry when the time inevitably comes that world prices are back to normality. If Cracow, Mount Isa, and other large shows can continue, they will provide avenues through which the future miners will be trained—men who will be ready to do for the State what the early mining men did many years ago, when such stabilised industries as wool, etc., were suffering from drought. Those were the periods when the mining industry came to the rescue of the State, as I believe it will on this occasion again.

Item (Department of Mines—Chief Office) agreed to.

IN AID OF MINING.

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*): I move—

“That £12,000 be granted ‘In Aid of Mining.’”

Item agreed to.

MINING FIELDS.

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*): I move—

“That £28,566 be granted for ‘Mining Fields.’”

Item agreed to.

STATE MINING OPERATIONS.

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*): I move—

“That £1,405 be granted for ‘State Mining Operations.’”

Item agreed to.

QUEENSLAND GOVERNMENT MINING JOURNAL.

The SECRETARY FOR MINES (Hon. J. Stopford, *Maryborough*): I move—

“That £1,802 be granted for ‘Queensland Government Mining Journal.’”

Item agreed to.

PREMIER AND CHIEF SECRETARY'S DEPARTMENT.

CHIEF OFFICE.

The PREMIER (Hon. W. Forgan Smith, *Mackay*) [11.55 a.m.]: I move—

“That £7,616 be granted for ‘Premier and Chief Secretary's Department—Chief Office.’”

This is an increase of £755 on the amount voted last year. The vote for “Salaries” has been increased by £155 and the vote for “Contingencies” by £600. There is a reduction of £50 in the amount for “Railway fares and freights, printing, stationery, etc.,” and an increase of £650 in the amount for “Incidental and miscellaneous expenses.”

Mr. WALKER (*Coorooora*) [11.55 a.m.]: I desire to deal with the royal commission which was recently appointed to inquire into the position in connection with the butter industry in Queensland. I regret very much that I have not sufficient time to deal fully with the question, but I shall deal with the various matters as hurriedly as I can. I wish particularly to deal with my own case and at the outset I want it to be quite clear that I am not imputing any motives either in regard to the Government or in regard to Mr. Carroll, the Commissioner. I took up that attitude when speaking recently. I am of the opinion, so far as Mr. Carroll is concerned, that he should never have been appointed commissioner on account of the fact that he is a servant of the Government in power and, in my opinion, it was proved—I do not say that my opinion is absolutely sound, because naturally I look at the matter from my own viewpoint—but, at any rate, I am of the opinion that Mr. Carroll was not fitted for the position. I shall prove, if time permits, that some of the statements made in his findings are not in accord with facts. My argument is that the weight of evidence is right in my favour—in fact, is more than in my favour.

I would like to make some reference to my connection with the dairying industry for a number of years, and I say advisedly that at all times during that term I acted honestly. I do not care what may be said to the contrary, I conducted the business of the associations with which I was connected in the same manner as if I had owned those concerns, and I gave to the business of those concerns much of my time, which I really had no right to give. My connection with the industry goes back twenty-seven years, when we started the Wide Bay Co-operative Company. We took over the business from a private concern owing to the injustice that was being done to the dairy farmers in that district. I have been twenty-five years chairman of that association, and during that term enormous sums of money have passed through my hands in connection with expenditure. If I had been a “crook,” I would have had any number of opportunities during that time of doing everything that a “crook” would do; but to-day I can look anybody in the face and say that my business has been conducted in a way that I can feel proud of. I do not care what decision Mr. Carroll or the Government may have come to, I can still hold my head up and I am going to keep my head up. I have been chairman for about twenty-five years—not that I wanted the position, but my colleagues had such a high opinion of me that they elected me time after time. I can say that for the greater part of that time I was returned

Mr. Walker.]

unopposed. Naturally the free railway pass I had helped me to carry out the duties with very little expense to the company. My connection with public life also assisted. All these factors were considered in electing me chairman of directors.

We now come to the time of the building of the new factory in 1925. The old factory was condemned by the Government as obsolete; and something had to be done. I want to say at the outset that at the time material was particularly dear, and wages for tradesmen and ordinary labourers were much higher than they are to-day. Bricklayers and carpenters were paid £2 per day, and the Premier will remember that the Government at that time could not get men to carry out public works at that price, as there was a shortage of bricklayers and plasterers. That, of course, added to the expense; but those matters were taken into consideration by the different tenderers, and many companies tendered for the erection of the factory. Before ever this factory was thought of, I had decided to make a trip to the old country. Owing to the rush of visitors to the Wembley Exhibition, I had to pay a deposit on my passage money six or seven months before. On 10th May, 1923, we received a letter from Messrs. Wildridge and Sinclair giving particulars of a new factory. This was discussed at a meeting of the board, and I may say that I was not present at that meeting. Neither was I present at the previous meeting. It was decided at that meeting to ask Messrs. Wildridge and Sinclair to draw out a plan. If there was anything of a "crook" nature in the whole matter, it could have occurred at the first two meetings when I was not present. As a matter of fact, I was never keen on that particular firm for reasons best known to myself; but I was a member of the board of directors of the association and I supported my colleagues. At all subsequent meetings I was present, so I take full responsibility for what occurred at those meetings, and I am prepared to take my share of the responsibility for what occurred at the first two meetings although I did not happen to be present. We decided to go on and build this factory. We could have ignored the shareholders. We did not, as has been done in the case of some factories, immediately get to work and earmark certain persons to do the work. We took our shareholders into our confidence and they decided by a big majority—I cannot remember the voting now—that the matter be left in the hands of the directors. We went right along with plans and specifications and called for tenders. When the tenders came in, they were opened in front of the whole board, and no member of the board can say that I influenced, or tried to influence, him in any shape or form. Every man on the board and every expert there is with me to-day. They support me to-day.

Mr. G. C. TAYLOR: After you had told them a lot more lies.

Hon. W. H. BARNES: Mr. Hanson, I rise to a point of order. Is the hon. member for Enoggera in order in saying that the hon. member for Cooroola told a lot more lies?

The CHAIRMAN: The word "lie" is unparliamentary, as I have already ruled, and I must ask the hon. member for Enoggera to withdraw.

Mr. G. C. TAYLOR: I withdraw.

[Mr. Walker.

Mr. WALKER: The hon. member ought to be ashamed of himself. I would like to appeal, even to those who are politically opposed to me, to give me a fair hearing to-day. I am not asking for anything improper. I do not care what hon. members opposite do politically; but I ask for a fair hearing because I have a few youngsters to keep, and I want to leave this Assembly with my hands clean. What do I care about the matter that is circulated throughout the State? Nothing! If the hon. member likes to take up that attitude, he can talk to me elsewhere at another time, when there may be a chance that he will get a little more than he expects.

We decided then to call tenders. There were something like half a dozen tenders for the building, which was to cost £37,000 alone. There was only one tender which we at the board meeting considered—and we were unanimous—was in order. That was the tender of Messrs. Wildridge and Sinclair. Another tender was received for a portion of the machinery only—and this has been the curse of the industry in the supply of factories with machinery, and the result is that they come along and pile up extras—extras beyond all expectation—and that is where the secret commissions come in in many cases—which have probably ruined some of the finest men that we have, and which have brought about such a situation that we look upon it as a crime. None of these men received any commission on machinery—make no mistake about that! Tenders were called, but before the closing date I was waited on by Waugh and Josephson, who said they could not possibly get the plans and specifications done in the time. I said, "How long do you want?" They said, "Give us a week." I said, "I will give you a fortnight"; and we altered the advertisement; and my action was unanimously agreed to, and the result was that, instead of Messrs. Wildridge and Sinclair being the only tenderer, we had four or five more. The minutes show distinctly that the resolution in favour of accepting the tender of Messrs. Wildridge and Sinclair was moved and seconded by two men who are now off the board, but both of them are alive and are sticking to me to-day. I never influenced my colleagues, but we unanimously agreed that theirs was the only tender we could accept at that particular time. We did not go on then with the building. I was particularly careful, because I recognised that £59,000 was a tremendous amount to pay for a factory. I called a meeting of the shareholders, and by a vote of 51 to 5, they said, "Go on and build the factory!" Could any man have taken greater care with regard to the management of the factory or the finances than I did?

The result was that we went right on and built that factory. Afterwards I went home—whilst the factory was under construction. So soon as I got back, and, before it was handed over formally, I went over the whole matter, and found that we were booked for £214 and a few odd shillings over and above the contract price. It is a very debatable question. I admit that we had a right to pay the amount; but, on account of the provision in the contract that there were to be no extras, and that they could not charge any more, they had placed a wonderful weapon in my hand, and I was appointed by the board, with others, to interview Messrs. Wildridge and Sinclair down here, and, by means

of that interview, we got that item waived. There was no item over and above the contract price. The Commissioner has pointed out in his report fourteen men who have got into trouble, or fourteen factories in which low prices have been quoted for factories, and extras have been put upon them to an extraordinary extent, to such an extent that at times I have wondered how the shareholders could stand it. Under that system secret commissions could be paid.

Two months after the tender was accepted, I had an interview with Mr. Russell Sinclair. This is the crux of the whole question. What I have said up to this time is only in regard to my connection with the factory and the building of it. I had an interview with the governing director of the company, Mr. Russell Sinclair. We met in the office of Messrs. Wildridge and Sinclair. Remember the period—two months! Mr. Carroll stated that it was three weeks. This money was banked the day that I got it, and it was seven weeks after the incident referred to. Mr. Hanson, I hand you my bank book so that my statement can be verified. It shows that the money was paid in on 28th February. That is another mistake made by Mr. Carroll in his narrow-minded judgment. He suggests that I immediately rushed in to get a secret commission or a secret payment so that I might slip away. The money was given to me on the day that I sailed or the day before I sailed—I do not quite remember which. I have been criticised for the way in which I received that money. Some sixteen or eighteen months ago I was in St. Martin's hospital suffering from a nervous breakdown, and I had to go to New Zealand for a trip to try to recuperate. I wrote the statement when I was a sick man lying on my back, and I had to trust to my memory to recall events that occurred nine years before. If I had not had the assistance of a diary kept by Mrs. Walker showing our movements in England, Scotland, and the Continent, I should not have been able to prepare that statement. All the other relevant documents had been destroyed as useless some time before.

Much criticism has taken place about the payment of £500. I said that I received that amount in Rowe's Cafe, and that is perfectly true. I was not able to enlarge upon the matter, otherwise I should have required sheet after sheet of foolscap. It is perfectly true that I received the money, and I immediately banked it. We had a conference in the office of Wildridge and Sinclair, and Mr. Russell Sinclair gave me the particulars of what he wanted me to do. The next morning I met him again, and went into the whole business. I decided to accept the terms that he laid down. He invited me to have a cup of tea, and we went along, and the money was handed to me there with a typewritten statement and a receipt, which I duly signed and handed back to him. If I wanted to be a liar I could have said that Mr. Sinclair and I proceeded a little further along the street and banked the money. That might have overcome some of the criticism. It would have avoided the suggestion that we were like a pair of dingoes running round trying to get in "under the bush," or that we were a pair of burglars trying to enter a place. The arrangement was quite an honourable arrangement. I was well paid for the work, but I gave good service in return. Had the Premier ordered

a dozen copies of my statement to be circulated amongst hon. members they would have obtained some knowledge of the work that I performed. I could not go into the matter in detail because I was a sick man in St. Martin's Hospital. If hon. members could see that statement they would admit that it did me credit. At the present time everybody is scrambling for the only copy that is available, which was tabled in this Chamber. With the limited amount of space at their disposal the press were unable to print the whole of my evidence, but it was very valuable evidence so far as I was concerned. I went to England on 28th or 29th February, seven weeks after signing the terms of agreement—not three weeks afterwards, as the Commissioner has stated. I arrived in England in April. I paid the deposit on my berth early in August, 1923. That shows conclusively that my trip had nothing whatever to do with the payment of that money. The offer was a boon to me, because I had anticipated an expenditure of approximately £1,000 in taking my wife to the home country. Immediately that offer of £500 was made to me, I approached Mr. Weatherlake, the unfortunate gentleman who was killed the other day, and I asked him to give me a better cabin; I paid an additional £30 on account of receiving the £500 in payment for my engagement. I could not possibly have afforded to do that if the additional money had not been paid to me. I will be quite candid, and say that my credit balance at the E.S. and A. Bank at that time was £600, and I could not have launched on an expensive trip if I had not got the assistance of Wildridge and Sinclair. I say quite plainly that the money was a boon to me. It came as a surprise to me; but, when it was offered, I was prepared to give service for it, and I gave 100 per cent. efficiency. The evidence will show that I did good work. Shortly after arriving in London a draft for £1,000 came over from the Sydney office of Messrs. Wildridge and Sinclair. The money was sent over for me to enable me to complete my work. I shall be quite open, as I was open with the Royal Commissioner, and say that, when I met Mr. Russell Sinclair in London, I said, "Mr. Sinclair, you have been more than generous to me. I do not think that the work I have done, or will do, warrants me receiving this amount," or words to that effect. He said, "You got the information; it is money well spent." I shall prove in a moment through two directors of the firm that the money was well spent. I saw both Mr. Joyce, then managing director in Brisbane, and Mr. Russell Sinclair in London. That was done at different times. They expressed gratification at my work, more particularly as to the manner I had gone into the details of the electrically operated machines for which they were contracting, and my report on what I saw at the Wembley Exhibition. I had a wonderful opportunity of saving the firm a lot of money because it was not necessary for me to travel around the engineering concerns in England and Scotland. From time to time I had to make comparisons of the machinery at Wembley to see how it affected the instructions I received from the late Mr. Russell Sinclair. All my trouble to-day is due to the death of this man. I want to be quite plain. Some eighteen months or two years ago I gave all this information to the then

Mr. Walker.]

Cabinet. About this time I had a serious row with Mr. Robert Joyce over a matter concerning the Agricultural Bank. It appears that he desired on behalf of the Roma Butter Association to borrow money from that institution, but he did not proceed along the recognised lines laid down. I did not agree with his methods, and stood by the officers of the bank. In consequence I did not speak to Mr. Joyce, and have not done so since. I felt a miserable man in the hospital. I knew that I was not on speaking terms with Mr. Joyce; yet I wanted to know how my business with his firm had been entered in their books. I went down and interviewed Mr. Joyce at the office of Messrs. Wildridge and Sinclair, and learnt for the first time that Mr. Russell Sinclair was dead. Hon. members can understand my feelings on receiving that information. I had no documentary evidence, except my bank pass book, in connection with the £500 which I had received from Mr. Sinclair. The £1,000 was received in London by draft. I have no evidence of a documentary character, but, for the benefit of the Committee, it is desirable that I should mention that neither of these two amounts was taxable. The first amount was received for a specific purpose, and the second amount of £1,000 was received outside of Queensland, and was consequently not taxable, therefore, there was nothing wrong from an income tax point of view, and that is where the Brisbane "Truth" fell in. When Mr. Joyce informed me that Mr. Russell Sinclair was dead, I did not know what to do in the matter. I am going to be quite candid in the whole matter, and hon. members can understand my feelings when I say that I was a troubled man.

Before dealing with the return of the money, I should say that I went through Denmark at the request of Mr. Russell Sinclair and his firm just prior to my departure from Europe for Brisbane. I put in a month on the Continent, and I was compelled to write my report on the boat on the voyage out. I do not know, Mr. Hanson, how I am to make a complete statement in justification of myself if the usual time limit is to apply.

The PREMIER: I am willing to request an extension of time.

HONOURABLE MEMBERS: Hear, hear!

Mr. WALKER: Thank you very much. After writing my report on the boat, I forwarded it to Wildridge, Sinclair, and Co., from Colombo. Evidence of that report having been read at a meeting of directors will be provided by something which I shall read later on. As I had no documentary evidence to prove how I had become entitled to the money, when the question was raised, I decided to pay it back to Wildridge, Sinclair, and Co., to be held in trust. That is to be found in my evidence. It is no use anyone saying that the money was not paid back to be held in trust, and is not held in trust. I went to Wildridge, Sinclair, and Co., and interviewed Mr. Bretnall, who was in the Sydney office at the time I was engaged to make the report for the firm. After Mr. Bretnall had demurred for two or three days, he resolved to take back the £1,500, and hold it in trust for me. That fact was brought out in evidence, and was supported not only by Mr. Bretnall and myself but by Mr. Sheehy, the barrister appointed by the Government to assist the Commissioner. In my opinion, Mr. Sheehy was

hard, but fair right through the whole proceedings. I placed before the commission about two pages of details of the work done by me for Wildridge, Sinclair, and Co. There is not an hon. member who has seen that evidence. They have no idea what it is, and, on perusing it now, I find that I have omitted matters. I wrote out that statement one morning in St. Martin's hospital, and presented it to the commission the same afternoon. Hon. members will understand that any person, on being called upon for a statement of what took place nine years before is apt to forget matters. I gave particulars of the transactions in brief in that statement. Unfortunately, Mr. Sheehy stated that I was not any more than an ordinary member of the State Parliament during my visit to London. As a matter of fact, if the Treasurer will look up the files of his department—his Under Secretary must remember it—he will see that I was appointed one of the commissioners to represent the Queensland Government at the Wembley Exhibition. Mr. A. J. Jones was also a deputy commissioner. That shows that I was going over to handle something big for this State. Mr. Theodore, the then Premier, knew me well, and knew that in my position as a commissioner I could get access to things in regard to the dairying business which many other people could not do. It would take up too much of the time of the Committee to go into details. I could secure information in regard to engineering matters and to improved methods in the manufacture of dairy produce. Everyone knows that about this time new scientific methods were being employed in the dairying business. Yet the counsel assisting the commissioner said that I was not a visitor of more than ordinary standing! The very fact that I could secure valuable information from companies interested in dairy produce and that I was enabled to consult with the Maypole Co., the largest producers of butter and margarine in Denmark, in addition to making a close study of all the methods employed in industry, is sufficient to disprove that assertion. In the name of goodness, what did I go over to Denmark for? I did not go as a tourist. I did not even take my wife. I left her in London running around the shops. That shows conclusively that I was there entirely on business. That evidence is borne out by the Crown Prosecutor, who stated that there was not the slightest doubt that I had done some work for Mr. Russell Sinclair, showing that the commissioner ignored even the Crown Prosecutor.

I desire to read some of the evidence which was given, and, in the first place, I shall quote from the evidence given by Mr. Bretnall.

"By Mr. Sheehy: When Mr. Walker handed it over, did he tell you the circumstances under which he got it?—No.

"What did he tell you it was for?—Mr. Walker asked me first of all to take the sum of £1,500 in view of certain inquiries which were being made in connection with the butter factory work. I refused to take it. Later on—I think about three days later—at his request, I did take it, agreeing to hold it in trust for him until such time as these matters were cleared up. Mr. Walker explained that the amount of £1,500 was given to him by Mr. Russell Sinclair for certain conditions of work which he performed."

[Mr. Walker.

That distinctly shows that the money was held in trust—

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

Mr. GODFREY MORGAN (*Murilla*) [12.20 p.m.]: Mr. Hanson, I understand that it has been the custom to grant an extension of time under special circumstances. In view of the circumstances of this case, I move—

“That the hon. member for Cooroora be granted an extension of time to enable him to complete his speech.”

The CHAIRMAN: It is on record that in one or two cases an extension of time has been granted in Committee, although the Standing Orders make no provision for such an extension. However, in view of those precedents, I am prepared to allow the Committee to decide the question upon condition that the extension shall not exceed twenty-five minutes. The question is—

“That the hon. member for Cooroora be granted an extension of time, namely twenty-five minutes, to enable him to complete his speech.”

Question put and passed.

Mr. WALKER: Thank you, Mr. Hanson. I also thank the Premier for his generosity. This is a question of life and death to me. The evidence continues—

“Why did you put it in your books as being ‘Balance of profit from contract for buildings and plant, Wide Bay Butter Factory’?—That is purely an accountancy narration. It has no bearing upon the actual transaction at all. I recognised as the Wide Bay contract has previously been charged with that as an accountancy practice I put the narration through counteracting the previous entry.”

I shall not deal at any further length with that phase of the question until I deal with the Commissioner's report itself; but this portion of the evidence will give some idea that the matter was discussed at Messrs. Wildridge and Sinclair's office in Sydney—

“By Mr. Sheehy: As part of the cost to your company of erecting the factory?—Yes, it would be part of our costs. I might further say that I know of my own knowledge that Mr. Walker gave our company very valuable information in connection with his trip at home. He had the opportunity of visiting Denmark, the home of the butter industry. At that time butter manufacturing was going through a period of evolution. Equipment was being altered. We did ask Mr. Walker to gain certain information for us—not there, but also through the various States of Australia—in England—pertaining to what was likely to be the process of equipment for butter factory and other industries. Mr. Walker gave us that information and it is worth something.”

“By Mr. Philp: Would it be worth thousands of pounds to your company?—Where you can get knowledge as to equipment of that kind we are quite prepared to pay thousands if necessary for it. It is very valuable information which we cannot gain firsthand in many cases.”

That is the evidence of Mr. Brettnall.

Coming now to the evidence of Mr. Joyce. I desire to quote the following:—

“By Mr. Philp: You knew Mr. Russell Sinclair had made arrangements with Mr. Walker that he should act in an advisory capacity?—Yes.

“Tell the Commissioner your knowledge of it?—I have been looking down this Court and I see the man we were up against. That is Mr. Macpherson, the manager of Waugh and Josephson. It seemed that we were up against, according to the evidence that has been given in this Court, something very solid. We utilised what means possible—every means available, to get information regarding modern machinery and modern equipment in connection with our business, and it was Mr. Sinclair's intention and my own to utilise Mr. Walker's services in England. I have told you, and the majority of the Court know, that I went home to England as Commissioner. Whilst Mr. Walker was there he, like many other politicians, grew big overnight. He got to London and got a tall hat, and he got into a big position there and was appointed Commissioner for Produce in connection with the British Empire Exhibition so far as Australia was concerned. We utilised Mr. Walker whilst he was in that position to get on to certain factories and get certain information for us for the benefit of our business.

“Witness: That is what we wanted Mr. Walker for. Mr. Walker carried out that duty faithfully as far as we were concerned, because the information he gave the firm I was connected with recently benefited by Walker's trip to England.

“By Mr. Philp: Mr. Walker was able, by virtue of his position, as you have said, and also with your assistance, to get a special introduction from Mr. Thomas who was the Under Secretary for the Colonies or the Dominions with the British Consul in Denmark?—Yes.

“So he went to Denmark as a highly accredited person?—In a very big way.

“He was able to get into places where Wildridge and Sinclair could not get?—They would not allow us. We were distinctly merchants.

“He, because of his position, was able to get into those places?—Yes.

“Do you know whether he consulted from time to time with Russell Sinclair in London?—Russell Sinclair had offices in Australia House. Mr. Walker was there frequently with me discussing matters relative to the machinery and plant and particularly a cream separator which we had been after for years. I remember that distinctly. I was in two or three times myself and brought into the consultations.

“That is between Walker and Sinclair?—Yes.

“You knew from Russell Sinclair that £1,500 was the sum that Mr. Walker received for these services?—That is so.”

At 12.22 p.m.,

Mr. W. T. KING (*Maree*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. Walker.]

Mr. WALKER: There is a lot of evidence in that connection but time will not permit me to read it all. I shall deal with that matter on the Commissioner's report. Mr. Joyce's evidence continued—

"Have you ever received that report?—I have heard of it.

"Do you know whether it is in existence or where it is?—I would not be surprised if it is amongst Mr. Sinclair's papers.

"Back in Australia?—Or England.

"By Mr. PHILP: Where did Mr. Russell Sinclair live?—Mr. Russell Sinclair, during the war, has been a good many years in England. He was the Australian Commissioner for munitions. He gave four years of his time to the British Government and he was the Commissioner in connection with the erecting of cold stores in England.

"By Mr. SHEEHY: You have never actually received that report yourself?—I know a lot about it from Russell Sinclair.

"That would have been, I take it, after his return to Australia?—After Sinclair's return.

"I understood you to say that after Walker had got to England he was appointed Commissioner?—Yes.

"But the arrangements were made about the payments to Mr. Walker some time before he went to England, were they not?—That is so."

He went on to say that it was earmarked in Australia.

I want to refer to the Commissioner's report and will prove conclusively that the Commissioner was not big enough for the position. I am not imputing unfair motives. Mr. Sheehy in his address, said—

"The answer to that is this: There is no doubt Walker was a very sick man at the time. Mr. Philp put it to you a man in that condition of health would not act perhaps as wisely as a man who had his normal faculties."

I do not agree with that at all. I had my normal faculties. I felt keenly the disgrace; and that is why I wanted something of a documentary character so that the board of Wildridge and Sinclair would be able to say that I had received that money honestly. If I had been a "crook," knowing about this twelve months ago, I could have had the whole thing cleared up; but I say right through the whole business my name never appeared in Wildridge and Sinclair's books. They ought to have made a separate entry of the amount paid; but, instead of doing that, they put it down to the Wide Bay Association's account, and the Commissioner says that I have to stand the responsibility of their bookkeeping. Mr. Joyce said he did not know who did it. Mr. Sheehy continued—

"When the money is handed back there is not the slightest doubt it is put 'into a safe deposit.'"

Still the Commissioner defies Mr. Bretnall, disbelieves him and disbelieves his own counsel when he says the money was returned and is now the property of the company. Did you ever hear such a silly thing in your life? Do you think a man would throw £1,500 away lightly?

[Mr. Walker.

Then Mr. Sheehy comes on to another point. He says—

"They made a loss of £4,000 in connection with it."

That has been proved by the books of the company. The Commissioner stated that £55,000 was paid for material and wages for this factory, and to that amount has to be added overhead expenses and other charges.

Mr. Sheehy, coming to another point, said—

"On that phase of the matter it is obvious he did do some work for Russell Sinclair. I do not think that can be disputed."

Those are the remarks of the Crown Prosecutor, and there is evidently a difference of opinion between him and the Commissioner.

Now I come to the Commissioner's report. The Commissioner was fair with regard to my introduction to the business; but he brought up several points on account of my standing which he could have neglected. What is more, I say quite openly that, as an income tax official, he knows my business, and has known it all along. He knows perfectly well that I never received any secret commission. In his report the Commissioner says—

"The only tenders received, in accordance with the plans and specification, were those of this company, and the directors decided to accept its tender for £58,978."

That proves what I have already stated.

Now we come to the information I gave—

"On 31st January, 1924, a cheque for £500 was drawn by J. Wildridge and Sinclair Ltd."

That is where I differ. I received the money on 28th February, and I proved it. I did not go running round the country with £500 in my pocket; I banked it immediately. I never had 500 shillings in my pocket in a place like Brisbane. I not only admitted, but volunteered, this evidence. I was the first to tell them. I never hid anything. I immediately came forward with the statement that I had received £500 in Brisbane, and another £1,000 in England. I did not quibble about it, because I knew it was honestly earned. The Commissioner later on says—

"On 24th June, 1924, whilst in London, Mr. Walker wrote to Mr. Cumming, the manager of the Gympie factory."

I wish I could read that letter. Mr. Cumming was the new manager appointed, and I wrote to him pointing out the necessity of watching the different items of expenditure and the plans and specifications so that the company would get a square deal. It shows that, although I was in England my first thought was for the factory. I also reported with regard to the manufacture of ice and the refrigerating plants they were installing. I shall be quite frank so far as the electric power is concerned. I was right up against Wildridge and Sinclair, and at the board meeting I was beaten by three votes; but the opinion of the expert now—a man who holds his certificate for engineering—is to the effect that I was right, because they have gone out of electric power and have equipped the factory with crude oil engines.

The Commissioner says—

"After resuming his duties on the board of directors of the association, Mr. Walker had a careful examination made of expenditure in respect of the contract and was instrumental in having a claim of £217 waived by the contractors. . . .

"In October or November, 1931, Mr. H. F. Walker requested Mr. Brettnall, of J. Wildridge and Sinclair Ltd., to take the sum of £1,500 in view of certain inquiries being made in connection with butter factories. Mr. Brettnall states that he demurred at the time, but finally accepted the amount in November, consisting of £1,400 in Treasury bonds and £100 note. He agreed to hold same in trust until such time as these matters were cleared up. A receipt was given for the £1,500, predated 22nd October, 1931"

This is where I think the Commissioner was a little hard. He has on four separate occasions referred to the fact that the £500 was received in Rowe's Cafe—as if there was anything wrong in that. Now he talks about a pre-dated receipt. When I went to Mr. Brettnall the first time, he refused to take the money. We negotiated for two or three days, and then he agreed. When I went to the bank—I will be quite frank—I could not get the money. I had not got it, but hon. members opposite will know that the conversion loan occurred about that time, and I happened to have £1,420 in the loan and I could not get that from the Commonwealth until a certain date, and I asked Mr. Brettnall to date the receipt back to the date of the negotiations, which would put everything in order. That was the only reason—simply to put things in order. We were not concealing anything in any shape or form. There was no harm in it at all. I found that Mr. Brettnall had to go to Sydney to consult his board of directors before they would allow him to put it in the books. It was necessary to put it in the books so that I would have some protection; and they decided then that it would be put into the Wide Bay account, contrary to Mr. Brettnall's wish and, God knows, contrary to mine. I never knew it was entered in connection with the contract until I saw that it came out in evidence. The Commissioner then says—

"As previously stated, this amount was received in November, 1931, but it does not appear in the company's books of account until 31st December, 1931."

"That is approximately two and a-half months later, but there is nothing of a secret character about it. The Commissioner's report also says—

"Mr. Walker further stated that . . . this sum was to be held in trust pending any inquiry that Mr. Brettnall or his directors may make as to whether or not he was entitled to the money."

The Commissioner believes me there, but he disbelieves me and Mr. Brettnall in connection with the books.

Then the Commissioner summarises what he terms some remarkable facts—

"(i.) Erasures and alterations were made in the butt of the cheque, the cash equivalent to the cheque being paid to Mr. Walker."

He reckons there was some alteration, and blames me—

"(ii.) Both amounts—£500 and £1,000—were debited to the Gympie contract, which is prima facie evidence that they were items of expenditure in connection with this contract."

He blames me for that—

"(iii.) The payment of £500 was made in cash at Rowe's Cafe, Brisbane."

I have already explained that—

"(iv.) The ledger of J. Wildridge and Sinclair was mutilated in so far as it affected the contract;

"(v.) A machinery invoice of the company's was manipulated in respect of the London remittance of £1,000."

In other words, they took £1,000 off here and put it on in New South Wales, and I am blamed for that—

"(vi.) The receipt for the £1,500, when given to Mr. Walker, reads as being in full repayment of moneys advanced in London for travelling expenses, when, in fact, only £1,000 was received in London;

"(vii.) The wording of the receipt does not bear any indication whatever that the £1,500 was to be held in trust for Mr. Walker."

When I went down there I was quite satisfied if they would put the money there. I did not know what they did with it, but I did want it held in trust. The only thing is that they made a mistake in not opening up a trust account.

"(viii.) The account was treated in the books of account of the company as being its property, and as further profit on the Wide Bay contract."

I know nothing about that.

The Commissioner proceeded to say—

"Mr. Walker had no control over the methods adopted by J. Wildridge and Sinclair, Ltd., in recording these transactions, but he must accept full responsibility for the facts which present themselves against him, and are enumerated hereunder:—"

If that is not the opinion of a layman who has no juridical training at all, I do not know what it is—I must accept the responsibility of the other fellow's mistakes. My name does not appear in any of the books. If I knew anything about it, I would have to stand up to the fact, but I know nothing about it, and I am not to be blamed so far as that is concerned.

Then the Commissioner refers again to the £500 as being received in Rowe's Cafe, "shortly after the signing of the contract." That is a damned lie. It was never—

The TEMPORARY CHAIRMAN: I ask the hon. member to withdraw that expression.

Mr. WALKER: I withdraw. I was a little excited, because this is a very painful subject. The second fact he enumerates is—

"(d) His anxiety towards the close of the year 1931 to refund the £1,500 after certain disclosures had been made in connection with payments to butter factory officials. This despite his contention that the amount was legitimately earned in the year 1924."

Mr. Walker.]

I have already explained that, and I stand up to what I have said. I wanted something of a documentary character in case the Commissioner of Taxes or anybody else asked whether I had it. The third fact he mentioned is—

“(c) The acceptance of a receipt for £1,500 as a refund of travelling expenses advanced in London . . .”

That I admit was a mistake. I admit it quite candidly. I should have asked them to put it as £1,000 received in London and £500 here, but it was made out as £1,500 received abroad, but there was nothing in it. It was not deception. It was one of those little things that perhaps, in my hurry, I did not notice. You would not like to hang a dog on evidence of that description.

He further stated—

“The evidence of Mr. Walker, and also that of Mr. Bretnell, are in conflict with the written records, in so far as it relates to the refund of £1,500, the receipt for which was predated 22nd October, 1931.”

I admit that. He further stated—

“Mr. Bretnell’s recording of the money in his company’s books was in accordance with the receipt issued by him. In view of these written records the evidence of both witnesses that the money was to be held in trust for Mr. Walker cannot be accepted.”

He has no evidence to the contrary; he has only his opinion. He further stated—

“Your Commissioner is convinced that the £1,500, when refunded by Mr. H. F. Walker to J. Wildridge and Sinclair, Limited, was intended to be the property of the company.”

It is intended to be the property of myself, and I am going to stick to it. He further stated—

“It is now necessary to draw attention to discrepancies in the evidence given by Mr. H. F. Walker and R. Joyce.”

I said that no definite amount was mentioned. That is true. Mr. Joyce, in his evidence, said that £1,500 was earmarked, and, in my opinion, that is true also. It shows the mind of the adjudicator when he seems to think that it was not possible for me to receive £500 on 28th February, 1924, and that more was to follow. Was it not possible for Mr. Russell Sinclair and Mr. Joyce to make arrangements for further payment after I left Queensland? Was that not possible, seeing that both of them followed me to the old country five or six weeks after I left? It shows that the man was not big enough for the job. The Commissioner further stated—

“Some difficulty has been experienced in arriving at the true nature of these very complicated transactions. Every possible attempt was made by the company to conceal these in its books of account.”

That had nothing at all to do with me. I had no idea of their methods of account. He further stated—

“After carefully considering the evidence of all the witnesses and the facts submitted, the only conclusion your Commissioner can arrive at is that the payment of £1,500 to Mr. H. F. Walker was a secret payment.”

[Mr. Walker.

Not a secret commission! He knew perfectly well that it could not be a secret commission, because the payment was made in respect of a bona fide contract, and the best man got it. What object would the company have in placing £1,500 on top of its contract price, when it would have to compete with five or six other tenderers? It would have run the risk of losing the contract. He called it a secret payment! He imputed that J. Wildridge and Sinclair, Limited, paid the money because it was connected with the Wide Bay Company. What is the difference between a secret payment and a secret commission? Never at any time did I know that I was to be called as a witness. I was never subpoenaed. I volunteered evidence on two occasions. The first time was when I was in St. Martin’s hospital. Coming down in the train on one occasion, I read that a man named Kennedy, who was then in New South Wales, was trying to make his position good. He had sent an affidavit over here, and it was accepted by the Commissioner when he knew perfectly well that he had no right to accept it. Why should he accept an affidavit from New South Wales? He knew full well that neither my counsel nor I had been acquainted of its existence before it was read just prior to the close of the commission. I read it coming down in the train. I had to ask Mr. Clayton to ascertain the date of the relevant meeting while I had to race round the country to obtain signatures to prove that Mr. Kennedy had offered me a bribe which worked out at £1,200 a year. I did the only thing that an honourable man could do. I disclosed the fact to the whole board of directors. We turned Kennedy down. He offered the bribe to two other directors, and he did a lot of funny little things when travelling round the district. The Commissioner had no right to accept that evidence, to publish it, and to broadcast it throughout the State before I was given an opportunity of replying to it. To show how cowardly and weak the Commissioner was in dealing with this phase of my transaction, he said—

“After considering all the facts, it would appear that Mr. L. M. Kennedy had offered commission to Mr. H. F. Walker.”

Why was he not big enough to say that Walker was man enough to refuse to take it? Why did he not play the game? I turned down another offer in 1925, when I was offered an agency for separators and other equipment, in respect to which other persons have been charged with receiving secret commissions. I turned that down, and I have proof that I did so. If I were a “crook,” why did I not take advantage of my position in 1925? In 1925, before I went home, we were storing a certain amount of butter, because we considered that the English price was not as good as the Australian price. My man got “on the booze,” and I sacked him at a moment’s notice, because we had £60,000 worth of stock with no likelihood of a sale coming on. The directors put me in charge of the whole business, and, with their support, we sold the whole of the butter and made a profit of £10,000. They asked me to put in my bill for my expenditure during the six or eight weeks that I was down here. I did not put in a bill because I considered that the satisfaction my board got in obtaining a profit of £10,000 under trying conditions was sufficient compensation for me. These are

things that I have done time out of number. I will go further, and say that during the three years I was Secretary for Agriculture I was still a member of the board, but I declined to take all fees from the board, notwithstanding that I attended to all its selling arrangements in Brisbane, and superintended the working of the Brisbane office. My total fees and all other moneys received for that three-year period amounted to £25 only. That is the way I treated the Wide Bay Co-operative Dairy Association, Limited!

I can only say that my action has been endorsed by the shareholders of that company. The chairman of the company called two meetings of its shareholders and suppliers, and requested my attendance. One meeting at Cooroy was attended by 180 persons, and they unanimously agreed that I was an honest man, and had not deprived the company of one shilling. At the meeting held in Gympie there were only five dissentients to a resolution exonerating me from any culpability in the matter of receiving secret commissions. Those dissenting persons have opposed me repeatedly in all matters. The results of those two meetings, which were attended by many persons with Labour tendencies, disclosed the fact that I had not been damaged in my electorate, as some would like, and that my standing is better than ever. The suppliers of our association know that ever since I have been connected with it they have got a square deal. I only wish that I had a chance of going more fully into these matters, because I realise that my statement here to-day has been a disjointed one. I can only say, as I said in this Chamber on a previous occasion, that I have never received one shilling dishonourably during my connection with the Wide Bay Co-operative Dairy Association, and that I have never robbed the company of one shilling. I do not care what becomes of the £1,500 now held in trust by Messrs. Wildridge, Sinclair, and Co. If it is to be taken from me, then that is the only thing that can be taken from me. If any person offered that money to the association, it would hit him in the face with it, because it realises, as I have stated, that I honestly earned it. So far as I am personally concerned, the Government have not hurt me at all. I thought they had when I realised the publicity given to the findings of the commission. The only thing they have done is to make my home miserable and sorrowful, and produce a few tears which were not justified by my action. I have gone through other troubles in my lifetime—not nearly as big as this one, I admit—but I have survived them all, and I will still be a man, no matter what takes place in regard to this matter.

OPPOSITION MEMBERS: Hear, hear!

Mr. RUSSELL (*Hamilton*) [12.45 p.m.]: I recognise that every public man must expect the fierce light of public criticism on his actions, particularly if he should be engaged in business. That reminds me of a conversation I had some years ago with Mr. McCormack, who was then Premier. I had complained to him about certain matters which took place in this Chamber, and he replied, "Russell, as a business man, you must please yourself whether you go on with your business or politics, but they don't mix very well." All the same, I am quite prepared to stand up to any actions of mine in the last few years in regard to the mar-

keting of butter. My firm, of which I am the managing director, has handled, and is handling, certain quantities of butter, and if any faults are committed by it the responsibility must be assumed by me whether I am conversant with them or not. In a large business like mine it is absolutely impossible for me to make myself familiar with all the details. I have a large and competent staff to run my business for me. Consequently, when I told the Royal Commissioner who asked me my opinion on certain matters, that I had no knowledge of certain entries, I was telling the truth; and by the way, it is hardly necessary for me to say that my word will be taken in Brisbane long before the word of Mr. Carroll.

My firm went into the business of exporting butter many years ago and built up a connection which, I admit, was not very big because we were up against formidable opposition. In 1928 the Gayndah Co-operative Dairy Association asked us to take up the selling of their butter on the local market. This was foreign to our usual procedure, but we agreed to do so. We built up a decent connection for them locally; and all went well until August, 1929, when a price war was engaged in by various selling agents. The Butter Board permitted agents to charge 5 per cent. for selling butter, $\frac{1}{2}$ per cent. being allowed out of this to the buyer, provided he paid cash within seven days. These were the terms on which our business was conducted, but in August, 1929, several firms went to my customers, and offered to give them $2\frac{1}{2}$ per cent. discount for cash within seven days, with the result that a large volume of the business which we had built up was lost. This fact can be exemplified when I tell the Committee that our sales, which were then £2,800 sterling per month, fell to £400 sterling per month from August, 1929, to January, 1930. We were licensed by the Butter Board to sell butter at a fixed price, and no one has been accused of selling at other than a fixed price; but several agents have been accused of having broken the regulations in regard to discounts. It was admitted in evidence that most of the selling agents admitted having broken the regulations. We complained to the Butter Board in September, October, and November, 1929, pointing out that we could not compete on the local butter market owing to the fact that we were not prepared to carry on our business on $\frac{1}{2}$ per cent. profit by granting $2\frac{1}{2}$ per cent. discount to buyers for cash within seven days. In consequence of this competition our business disappeared. We complained to the Butter Board, and we also notified the Gayndah factory. The Butter Board sent us very evasive answers, its general reply being to the effect that it would make investigations. The directors of the Gayndah factory sent down two of their directors to investigate the situation, and were quite satisfied that the complaints we made were justified. On 12th August a conference of dairy factory associations of Queensland was held in Brisbane, at which this very important question—it was a burning question so far as Southern Queensland was concerned—was discussed. The Butter Board was fully aware at the end of 1929 that these extra discounts were being given away by most of the butter agents, and, as a matter of fact, some of the Butter Board people themselves were also giving higher discounts than that permitted by the board; therefore, I say, it is idle for the secretary of the Butter Board

Mr. Russell.]

to say that the board had no official knowledge of these discounts being given away until early in 1932. I contend, and the evidence will back me up, that during the period of which I have spoken—August to December, 1929—the board was fully aware that these high discounts were being given. The evidence of Mr. Sheehy, secretary of the Butter Board, bears me out in that contention, because he said this in evidence—

“The board had no definite knowledge at any time up to the commencement of the present year that agents were giving away anything out of their own rebates at all, no definite knowledge whatsoever.”

No person believes that. Mr. C. Sheehy went on to say—

“As I pointed out that condition of agency (i.e., the matter of commission and discount) is in there purely for their own (i.e., the agents’) protection. The board has recognised that for many years it is there in the interests of the agents themselves and they considered it as a matter that should be policed by the agents themselves. Then again, the rebate does not matter. That is a matter for the agents themselves. It is really a matter that the board does not worry about. We are not a bit concerned about it. The only people who are hurt as a result of breach of that particular regulation are the agents themselves.”

In his summing up on the last day of the inquiry, Mr. J. A. Sheehy, who was appearing to assist the Commissioner, said this—

“If the agent gives more than $\frac{1}{2}$ per cent. and does not take steps to recoup himself from the factory, that is his own business and does not act against the factory.”

I mention those things to prove conclusively that the Butter Board was aware at the inception of the price cutting that the extra discounts were being given away by the agents. That disposes at once of the plea that these discounts were given away secretly.

It is a peculiar thing in the summing up of the Commissioner that my firm is the only firm that has been accused of giving away these discounts secretly. I might point out that throughout the whole of the inquiry the Commissioner himself was very confused as to the meanings of “commission” and “discount.” Commission is a fee paid by a principal to an agent for services rendered. Discount is a concession given by a seller to a buyer either for cash payment or for quantity. Throughout the whole of the inquiry the Commissioner was befogged as to the meaning of these respective terms.

The Butter Board was fully aware that these discounts were being given away, and that disposes of the plea put forward that the discounts were paid away secretly. Almost every butter agent who was examined by the Commissioner admitted that he was forced to give these discounts away. We proved we were not the aggressors; that we were forced to give those away to preserve our trade. After unavailing attempts were made by us and by our principals at Gayndah to get the Butter Board to interfere, the Gayndah factory, in January, 1930, after calling a special meeting of shareholders, authorised us to give the same dis-

counts as our competitors, and agreed to pay us extra emoluments for our services. That is the genesis of the granting of the greater discounts by ourselves and the earning of greater emoluments by us for the sale of this butter.

In his conclusions the Commissioner states—

“... H. M. Russell and Co., Ltd., received and paid commission of a secret nature by reprehensible methods of concealment.”

In his summary he states—

“... H. M. Russell and Co., Ltd., received commissions of a secret nature totalling £1,302 3s. 7d. and disbursed secretly £1,237 19s. 5d. and allowed secretly as a contra on invoices amounts totalling £98 10s. 1d.”

The Commissioner is very careful to omit the word “commission” in the disbursements; evidently he had wobbled in his opinion by that time. It is proved that the amount of commissions that we received from the Gayndah factory for the period from August, 1929, to May, 1932, totalled £1,302 3s. 7d. We gave receipts for all these payments, disproving conclusively that there was any secrecy. Our books prove that we paid out £1,336 9s. 6d. under authority from the Gayndah butter factory, whose agents we are, and on whom full responsibility must rest. They took full responsibility for their action in authorising us to meet competition by paying the higher discount. In order that we might earn a fair return for our labour, they agreed to allow us $2\frac{1}{2}$ per cent. on this business. I was not prepared to carry on this business for less than $2\frac{1}{2}$ per cent., under which we had to accept the del credere risk. That is a fair commission on butter sales. Queensland pays less commission on butter than any of the other States. It is 4 per cent. in Victoria, 5 per cent. in South Australia, and it is either 4 or 5 per cent. in New South Wales; therefore, in doing this business for $2\frac{1}{2}$ per cent. net, we were conducting the business very cheaply for the factory, and we were not making a very big thing out of it ourselves.

Mr. J. A. Sheehy’s summing up was very fair indeed, although he made one or two errors in regard to some matters. He said that, if an agent did not recoup himself for the extra discount he had to pay out, that was his funeral; and throughout the whole of his summing up Mr. J. A. Sheehy made no reference whatever to secret commissions. He suggested certainly that we were guilty of a breach of the regulation, the same as almost every other firm in Brisbane. This discount paid to the buyers—we only had six or seven buyers altogether—was not secretly paid, and it was not secretly received by them. It shows through their books and it shows through our books. We hold receipts for these discounts, and, although we did not apply to the Butter Board for written permission, there is the implied permission by the board allowing it to continue. Agents were giving away discounts to large buyers and members of the Butter Board knew very well in 1929 that the practice was going on, and they took no steps to stop it. It was only this year that they decided to delete the clause relating to the payment of discount, leaving it to the agents entirely to pay whatever discount they liked. The idea was that, if the

agents could not agree amongst themselves, it was not the concern of the Butter Board. That was the evidence disclosed by the secretary to the Butter Board. That being so, I deny the right of the Commissioner to investigate the payment of these discounts. It is a matter between ourselves and our customers—a matter between ourselves and buyers—and, if we choose to pay higher discounts with the implied permission of the Butter Board, it is nobody else's business; and the Commissioner has gone out of his way to allege that we paid secret commissions. I say that is deliberately untrue, and a man who could make a statement like that was not fit for the high office of Commissioner. It shows he is not able to weigh evidence. He shows throughout his report his extreme bias against me because I am a member of His Majesty's Opposition. If I were a private citizen, my evidence would have been glossed over like that of other agents. How was it that all my books were ransacked? The board had the whole of my books—my private ledger, trade ledgers, journals, and cash book; and we were the only firm amongst the butter agents who were asked to produce documentary evidence. If he had asked for a written statement of the whole business, I would have been only too pleased to furnish the history of the whole butter business in Brisbane, which would have completely exonerated my firm. As I said before, we take no responsibility. It must rest entirely on the shoulders of our principals in Gayndah.

The Butter Board states in its regulation that the maximum commission to be charged by an agent is 3 per cent.; but it is admitted in the summing up of Mr. Sheehy himself that there is nothing to prevent a butter company paying its agent extra emoluments. My firm received 2 per cent. extra commission from August, 1929, to February, 1932, and 1 per cent. extra from February, 1932, to May, 1932. After that date the extra allowance was abolished. It was proved that other firms were getting extra emoluments from their principals. One firm put it down as handling charges; another firm put it down as advertising charges. But put it down any way you like, it is an extra commission earned by the agent, and is a contravention of the board's regulations—if you read the regulations literally. But I do say—and it was admitted by Mr. J. A. Sheehy himself—that there is nothing to prevent a butter factory paying extra commission to its agents if it likes to do so.

At 2 p.m.,

The CHAIRMAN resumed the chair.

Mr. RUSSELL: I think I have disposed of the idea that the Commissioner held that the extra discounts given by my firm were secret commissions. He appears to have confused the terms "commission" and "discount." I do not know what methods were adopted by my competitors with respect to these discounts; but the Commissioner, if he had gone to the trouble, could have discovered them. He investigated my books, but did not investigate theirs at all. We credited our buyers with their discounts as enumerated; we received receipts for those discounts, and we satisfied our principals that we had expended the extra money in the way they authorised us to do. The debits against the factory for this extra commission were passed for payment at the board meet-

ings, and cheques were forwarded to us at intervals, and we gave receipts for those payments; and those payments went through our books, so that there was nothing in the way of secret commissions. The point arises whether we received commissions which were secret. This is the point stressed time and again in the attack on the morality of my firm by the Commissioner, a man who was totally unfitted to act as Commissioner, who was unable to weigh evidence, and who admitted evidence that would not be accepted in a court of law. In 1931 the Moore Government passed a Criminal Code (Prohibition of Secret Commissions) and further Amendment Act, which deals with the paying and receiving of secret commissions. A secret commission, to my mind, is tantamount to a payment made in a transaction carried out in this way. If A, the vendor of goods, goes to B, who is the buyer, and offers to C, the employee of B, a bribe if he will put the business in his way, that would be a secret commission paid to C; and both the vendor and the employee would be implicated under the Act. In my case the money was paid directly to the buyer by my firm as seller; nobody received a bribe, and nobody accepted a bribe. The application of the word "secret" to my firm is gross misuse of the term. There is no analogy between the cases cited of factory officials alleged to have received secret commissions on purchases of factory equipment, etc., by dairy companies, where the payments were made in cash and no receipts given, and the transactions of my firm where we acted on explicit instructions of our principals to offer similar discounts to our competitors.

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

Mr. MAXWELL (*Toowong*) [2.4 p.m.]: I move—

"That the hon. member for Hamilton be granted an extension of time, not exceeding twenty-five minutes, to enable him to complete his speech."

Question put and passed.

Mr. RUSSELL: I thank hon. members for their courtesy. It seems to me that secret commissions which were aimed at by the law are the vicious thing which offends against the ideas of men of ordinary morality—the payment, or the offer of some reward, to an agent, which gives him an interest adverse to the interests of the principal who employs him, and is, therefore, in conflict with his duty to that principal. If that payment is taken or that reward is offered without the knowledge of the principal, the giving and the accepting of it is a vicious and pernicious thing, and so offensive to our ideas of decency and morality that it ought to be made a criminal offence, as was done in the Act of 1931. I have not been found guilty by the Commissioner of such a contemptible thing. He has chosen to use the term "secret commission" in its application to me; but the point is that there was no secrecy in regard to those who employed me. Everything that we did was not only done with their knowledge but was also done by arrangement with them for the purpose, as they believed, and still believe, of promoting their interests. The words "secret commission" have the sinister meaning I have referred to; but of that sinister meaning I am acquitted by the Commissioner in

Mr. Russell.]

his report. The only secrecy that he could possibly find was secrecy in regard to the payment to us of the extra emoluments by the Gayndah Co-operative Dairy Association. That might be construed as secrecy from the Butter Board, who were not my principals, but upon whose favour I depended to act as an agent. The result of the Commissioner's own finding is that nobody, and particularly my principals, has the semblance of a legal or even a moral claim against me. I would not consider whether they had a legal claim. I would acknowledge a moral claim. I would not rest my position on purely legal rights. The most charitable term that I can apply to the Commissioner is that he was absolutely stupid. In complete refutation of all he has said, of all the foolish statements he has uttered, and the stupid findings he has given utterance to, not backed up by evidence, and not even supported in the summing up by Mr. J. A. Sheehy, who practically acted in the role of a prosecutor, I propose to read this letter dated 15th October, 1932, sent to me by the chairman of directors of the Gayndah Co-operative Dairy Association, Limited—

"Gayndah,

"15th October, 1932.

"The Managing Director,

"H. M. Russell and Co., Ltd.,

"Box 79B, G.P.O.,

"Brisbane.

"Dear Sir,—Regarding the recent inquiry of the royal commission on dairying, and the publicity given to our association through having given discounts greater than those allowed by the Butter Board to your local trade clients, I desire to make our position clear.

"Having been advised at the time by you that you were losing our local connection through other agents offering concessions, we first satisfied ourselves that such was the case. We then protested to the Butter Board, and were met with a flat contradiction of the fact that price-cutting was going on, and their refusal to take any steps to protect us or to in any way meet the position; your own similar complaints to them were also ignored. We then had two alternatives—either to lose our local connection or to authorise you to quote your buyers on the same level as your competitors, and my board unanimously agreed to the latter course.

"The statement was made during the inquiry that Gayndah suppliers had lost the amount of this discount. This is not correct, as my board went fully into the question, and were satisfied that we would have lost more if we had kept to Butter Board rates and lost our local connection. After all, we must be the best judges of what class of business or trade suits us best, and the inference that our action in meeting competition cost the suppliers money is totally unwarranted.

"In conclusion, I may say that the fact that you are still handling our butter both in Brisbane and for export is the best evidence of my board's confidence in your firm's ability and integrity.

"Yours faithfully,

"(Sgd.) F. ROOME,

"Chairman of Directors."

That is a complete refutation of all the stupid charges.

[Mr. Russell.

I should like now to deal with the question of the dairy farmers having been penalised. This is made one of the leading points by the Commissioner in his criticism of my firm. It is also mentioned by Mr. C. Sheehy, secretary of the Queensland Butter Board, and also by Mr. J. A. Sheehy, who acted in the role of prosecutor. The statements made with regard to this matter by both Sheehys can have no weight whatever as against the practical knowledge of men who know how to run their business. Do not hon. members think that the directors of the Gayndah Co-operative Dairy Association know what is best for their suppliers? The opinion of the Commissioner, Mr. C. Sheehy, or Mr. J. A. Sheehy, has no weight whatever against that of the directors of this association, who are men of practical experience and have been running their business for many years. The Gayndah Co-operative Dairy Association, like other similar bodies, is very keen to secure local trade. There are one or two reasons which actuate it in doing so, the main reason being that local trade enables it to secure prompt settlements. With a local trade it has a stable market, whereas if it ships its product overseas, it is faced with an uncertain market, and does not know what it will receive for it until quite six months has elapsed, because nearly all the butter sent from Brisbane overseas is sent on consignment. Its finances are not so disturbed if it gets a prompt return through local sales. This enables it to fix a price for its cream suppliers on a more favourable basis than if it depended solely on the export trade. Formerly the Gayndah Co-operative Dairy Association was dependent entirely on the export trade, with the result that it found its business going down, and that its strong competitor, the Maryborough Co-operative Dairy Association, was securing a number of its suppliers. After it was able to dispose of its butter locally, the Gayndah Association regained most, if not all, of its lost suppliers. After we put the Gayndah Association on the map, its position increased considerably, and its last balance-sheet disclosed, owing to its catering for local trade, that it was able to pay suppliers a higher price for cream than the Maryborough Association. Consequently the Gayndah Association has become more prosperous and is able to hold its own against competitors.

There is another factor entering into this matter which has been overlooked by the Commissioner and Mr. C. Sheehy. The Gayndah Association held the opinion that the graders at Hamilton had an adverse opinion regarding the quality of its butter. It was very seldom that its butter was graded as being of the choicest quality. It was a grievance with the association for many years. Human nature is human nature, and, once a grader gets the idea that a certain brand of butter is not of the choicest quality, it is very hard indeed to convince him to the contrary. For many years an agitation has existed against the use of hoop-pine for butter boxes, the allegation being that the product assumed a wood taint. This silly agitation has cost the farmers of Queensland many thousands of pounds. The Gayndah Association, knowing the prejudice which existed against its butter, considered that the wisest plan would be to go for the local trade. The conse-

quence has been that it has been able to pay a higher price to its suppliers for cream than the Maryborough Association. The Gayndah Association is willing to take the responsibility for giving us higher enrolments, which the suppliers agreed to and authorised to be done; therefore, what weight can be given to the statements of the Commissioner or Mr. Sheehy against the opinion of the practical experience of the men who run the Gayndah Association? The whole thing is stupid and silly in the extreme.

The Commissioner set himself to belittle me. He said that, through me, the suppliers had lost £1,300 because my action in charging the higher commission had caused the factory to lose £1,300. That opinion is not borne out by the factory. I challenge the Commissioner to prove his statement. I put the statement of the Gayndah Association against the statements of the Commissioner and Mr. Sheehy, and leave the public to judge which is right. It was not my concern whether the suppliers lost money or not. I was authorised to sell the butter. I was looking after the marketing end of the business, and the suppliers can be trusted to look after their business, because they can dictate their own policy. Consequently that clause in the report of the Commission is evidence of the extreme bias which the Commissioner showed against me right from the start.

Another stupid statement which the Commissioner made was in regard to the great advantage derived by my firm through allowing the higher discounts on butter. Here again the statement of the Commissioner shows faulty reasoning, because it is based on wrong premises. He attempted to make it appear that, because we were able to offer higher discounts on butter than formerly, we were able to build up a bigger business in our other commodities. If the Commissioner took the trouble to investigate the position, he would find the position to be quite the reverse. It was because my firm possessed a big connection with local traders that it was able to sell the product of the Gayndah factory against our competitors, and only because we were able to compete on equal terms with our competitors and moreover with our ordinary trade, we could not obtain a penny more than our competitors. That conclusion of the Commissioner, therefore, is fallacious, and clearly shows that his finding was based on bias and spleen. The whole thing is manifest. I leave it to any decent man to say whether that is a reasonable conclusion to arrive at from the evidence. A man in the position of a Royal Commissioner should be satisfied that he is absolutely telling the truth before he publishes his findings. I shall have occasion to call attention to two very important statements that appear in his report, which go to show that the Commissioner has been so overwrought by the bias he has shown against me that he has overlooked the true facts of the situation. The first matter arose out of this question which Mr. J. A. Sheehy asked of his brother, Mr. C. Sheehy, the secretary of the Butter Board—

“If Mr. Russell led us to believe that the Butter Board was aware that his company was getting extra percentage from the factory, that is incorrect?”

“Mr. C. SHEEHY: Absolutely incorrect.”

The “Daily Standard” came out with headlines to say that Mr. Russell was a liar. I pointed out to the Commissioner the misleading question which had been asked by Mr. J. A. Sheehy, but the Commissioner was not man enough to correct the statement. I challenge him to show anywhere in my evidence where I made the statement alleged to have been made by me. A man who descends to absolute falsehoods is unfitted to be a Royal Commissioner. The statement that I have referred to discounts the value of his report. What I did say was that the Butter Board was aware that butter agents were giving extra discounts. I did not say in my evidence, nor could the inference be drawn from anything I did say, that the Butter Board knew of the arrangement between myself and the Gayndah factory. On 6th October I wrote to Mr. Carroll, and asked him to correct his statement.

Mr. WATERS: He asked you to come along.

Mr. RUSSELL: I wrote and asked Mr. Carroll to correct his statement, but he was not man enough to correct it.

Mr. WATERS: He asked you to come along, and you were not game enough to go along.

Mr. RUSSELL: What does the hon. member mean by not being game?

The CHAIRMAN: Order! The importance of this debate warrants me in insisting that the hon. member who is addressing the Chair shall have an uninterrupted hearing.

HONOURABLE MEMBERS: Hear, hear!

Mr. RUSSELL: I was quite fair to the Butter Board. This is what I wrote to the Commissioner—

“I have read the press reports of the evidence given yesterday by Mr. C. Sheehy, secretary of the Butter Board.

“In justice to the Butter Board I desire to point out that in my evidence I did not state, nor could any inference be drawn from my remarks, that the Butter Board was cognisant of the arrangement entered into between the butter factory and my firm whereby the factory reimbursed my firm for extra discounts paid to buyers to meet competition. What I did say, however, was the Butter Board was aware that agents for factories were allowing buyers greater discounts than that permitted by the Butter Board's regulations. I tabled correspondence between my firm and the board in regard to this.”

The Commissioner states that I tabled certain correspondence, and that the correspondence did not bear out my statement. It did not bear out the statement alleged to be made by me because I never made that statement. An apology is due to me for a deliberate distortion of my statement.

Another inaccuracy appearing in the report is that I am supposed to have said that I had no knowledge of these transactions—that is the granting of these discounts and the method of paying them. My evidence discloses that I was subpoenaed at 9.30 a.m. on Monday morning, 12th September. I attended at 10 o'clock. I had no opportunity of seeing my books, which had been in the Commissioner's possession for a week. I said that I did not know

Mr. Russell.]

of the entries referring to an amount of £9 13s. 11d.; but I said that in regard to the other discounts—£98 10s. 1d.—allowed off invoices for kerosene—they were given without my authority. He states in his report that I said that I had no knowledge of the granting of discounts—that is, all discounts, including the £1,228 paid straight out to the buyers. I challenge him to show in my evidence that I ever made that statement. It is not at all true, and shows again that the man was totally unfitted for his job.

In regard to these irregularities, I would like to refer briefly to them, although I do not think it necessary to dilate upon them at any length, seeing that I have proved conclusively that there was no secrecy in the payment of discounts. The manner of paying them is my concern, and no one else's. I proved conclusively that £1,228 was paid direct by cheque and that we had received receipts from the buyers. In this report the Commissioner talks about a trumpery amount of £9 13s. 1d. in connection with a few sales about November, 1929. That was before we received permission from the Gayndah factory to pay this discount. The butter had been lying in store for over three months, and we were compelled to do something with it. We took the risk, and we sold 90 boxes out of a consignment of 200 boxes. We were rather afraid of the Butter Board then, but we are not now. If we had known as much then as we do to-day, the discount would have been paid straight out. However, seeing that we have overpaid £34 in discount, if we deduct the £9, the Gayndah factory is still £25 in our debt. In regard to the £98 10s. 1d., I told the Commissioner that I had no knowledge of these transactions; neither had I. As I said at the beginning of my speech, I do not see my books every week. I only see them about once a year in order to find out what bad debts there are. I told the Commissioner that, if I had been keeping the accounts myself, I would have paid the amount quite openly, and I did not know why these entries were made as they were. I put it down to carelessness. We showed all our ledgers right back to 1929, and there were no leaves torn out, no obliterations, no erasures, everything was perfectly in order, and the books were duly audited. All I am concerned with is the certificate of my auditor that the books are correct. I do not go into details. The Commissioner was mean enough to doubt my word. My word will be taken before that of Mr. Carroll in Brisbane. I have been in business thirty-one years, and during that time I have signed thousands of contracts, and have never repudiated my word yet. H. M. Russell is taken in commercial circles in Brisbane as being an honourable man, and I feel very perturbed at this unwarranted attack made on me by a man who has disgracefully abused his position. In his findings and in his conclusions on the evidence, he has deliberately distorted my statements. He has gone out of his way to belittle me by making a thorough search of my books and allowing everybody else to go free. In this inquiry other people were examined in regard to their books. My books were examined from start to finish, while the books of one big firm in Brisbane were never looked at. A question would be put something like this: "Do you say your books would be clear if the Butter Board came along to look at them?" The answer would be "Absolutely clear," and with that the

[*Mr. Russell.*

witness would be allowed to go. Is that a fair thing? If the Commissioner wanted to find out all about this business, why did he not investigate the books of the other agents? Why did he not find out from the factories if they were paying higher commissions, as admitted by three or four agents? Why did he not go to the buyers and see what discounts they were getting? Does anyone honestly believe a butter firm could afford to give 3 per cent. discount out of 3 per cent. commission? That was done on many occasions. Business was offered to me, and I refused it. Unless I could get 2½ per cent. clear, I passed the business.

I am prepared to leave the verdict in the hands of my electors. I refuse to accept the verdict of this tribunal, which I think is tainted. I know what the verdict of my electors will be. I have nothing to be ashamed of. I make no apologies for my actions, and I do not care what the Government do, either. The people I have spoken to in the city ridicule this commission as a political job.

With regard to our bookkeeping methods, we adopt whatever measures we thing best to suit our own requirements; and I deny the right of the Commissioner to castigate me because our methods do not appeal to him. We have very good reasons for showing our entries in the way we do. In regard to the large item of £1,228 paid direct to the buyers of butter, our system was to allow them ½ per cent. off their invoices, and, if they paid the cheque within seven days, we would give them our cheque in return for the extra discount. That is shown month by month for record purposes. That is far better than the system of allowing the buyer to knock off the 2½ per cent., or deduct 2½ per cent. from the invoice when it goes out. If you deduct the 2½ per cent. from the buyer's invoice, the money may not come in. It is difficult to get your money in. The Commissioner went out of his way to castigate me with regard to our bookkeeping methods. I can only think that, because I am a member of the Opposition, every means was adopted to try to blacken my character. My transactions are in order, and I am prepared to submit these documents to any reputable business man or any decent legal man in the city. I think that what I say will be found to be perfectly true, and that the system we carry out is that adopted by most other business houses in Brisbane to-day. Business is not a Sunday school picnic. Rather, it is a hurly-burly, and sometimes you have to take the gloves off and adopt methods now that you might not have to adopt in normal times to preserve your customers and business. I might ask, in conclusion, to be permitted to paraphrase lines of Kipling which come to my recollection—

"I can bear to hear the truth I've spoken
Twisted by knaves to make a trap for
fools."

OPPOSITION MEMBERS: Hear, hear!

The PREMIER (Hon. W. Forgan Smith, *Mackay*) [2.28 p.m.]: Since moving the vote under discussion, two hon. members have spoken in relation to the report of the royal commission which has been presented to Parliament. In the course of their speeches they have made certain reflections on the Royal Commissioner, both with regard to his motives and his decisions. That may be

natural from some points of view; but I take this opportunity of saying that anyone who knows Mr. Carroll will discount entirely the reference made particularly by the hon. member for Hamilton. Mr. Carroll is a gentleman with an excellent record of public service both in the service of the Government and overseas during the Great War. He is a man whose character, ability, and probity cannot be assailed by any individual. It is, of course, natural for men who have been affected by his decisions to make such references. We know that quite frequently men who have had a decision given against them blame the umpire or referee. I can go further, and say that we know also that very frequently in legal proceedings those who have had a verdict given against them still continue to protest their innocence and cast reflections on the court or the jury which came to a decision.

It is not my purpose this afternoon to enter upon any lengthy analysis of the royal commission in reference to any particular individual. My attitude towards the whole matter right through the piece has been entirely impersonal; but I think now, as I stated when Leader of the Opposition, that this is a matter which, in the public interest, had to be cleaned up, and the position of the dairying industry, particularly in relation to co-operative activities, made fair and aboveboard. As I pointed out while Leader of the Opposition, we know that one of the reasons why co-operative activity has not extended in Victoria to the extent that it might have done was due very largely to revelations which were made in regard to the dairying industry by a royal commission which took evidence and made its report in 1905. That commission pointed out that secret commissions entered into almost every transaction—in regard to the supply of material, in regard to machinery, boxes, transport, and every other activity—and the position in Queensland evidently, as being revealed before the matter was inquired into by the royal commission was such that no one having any regard for the public interest and the dairying industry generally could continue to view with equanimity the state of affairs that existed. It commenced with certain prosecutions initiated by the Commissioner of Taxes. From my place in this Chamber I drew attention to those prosecutions and to the evidence given, and suggested for the reasons I have stated that a royal commission should be appointed to investigate the whole affair. In reference to the matter, the late Premier, the present Leader of the Opposition said—

“The PREMIER: I inquired from the Commissioner of Taxes whether the commission was in respect of machinery, but I have ascertained that it was not. The whole matter is being investigated; and, if it is discovered that commission has been paid on machinery that has gone into the factory or buildings, or commission in respect of butter sales or butter-boxes, then the position will have to be considered.

“If it comes down to the question of commissions being received on machinery going into the factory, that is very different.

“However, the position is just as I have stated it; but, if it develops because of our investigations that secret commis-

sions have been received in connection with matters other than I have mentioned, it will be for the Government to consider whether or not a Royal Commission or a commission of inquiry is necessary to get at the bottom of it.”

In effect, he repeated those remarks in his opening address to the conference of dairy associations convened by him and held at Brisbane on 3rd and 4th August, 1931. He said—

“When it comes to a question of receiving commission on the sale of machinery, then that is a different sort of thing and every endeavour must be made to clean that position up.”

Mr. Magee, the Commissioner of Taxes, in addressing the conference made the following comments:—

“I can say definitely that it cannot be said with any truth at all that the whole of the commissions were received on the sale of milking machines, churns, plant, and tractors, and that sort of thing. The amount of the commissions themselves should appeal to you and show you that. Why, if that was so, then every child or baby would have a churn or a separator.”

It is obvious from the remarks of the late Premier that information was then available to the late Government that commission had been paid in respect of butter factory equipment, etc., and not merely for such purposes as separators, as the hon. gentleman endeavoured to imply. In regard to the suggestion that the directors, managers, etc., should obtain certificates from the Commissioner of Taxes to the effect that they had not received any such commissions, the Commissioner of Taxes, in the course of his address to the conference, referred to the futility of such certificates in the following manner:—

“It might be difficult in some cases for me to honestly and conscientiously say that although I have investigated a man's affairs I can certify he did not receive any commission.”

One of the delegates asked him—

“I would like to ask Mr. Magee this: So far we have tried to prove the guilt of this man. Is there any way we could prove his innocence? If I was unfortunate enough to be a director and I authorise you as Commissioner of Taxes to issue me a statement that I did not include any commission in my returns, could you do that?”

To which Mr. Magee replied—

“Yes, I could write you a letter, and say your returns did not disclose you received any commissions, but I do not know that would help you very much.”

In answer to a further question on the same matter, Mr. Magee is reported as follows:—

“If you refer to my remarks in reply to a previous question, I said that the fact that your return does not show you did not get any commission does not say you did not actually get commissions. That is my difficulty. My difficulty is to give a bona fide certificate that this man is pure white and did not receive any commission. It is too tall an order.”

At that conference the whole matter was discussed. By a majority, a decision was

Hon. W. Forgan Smith.]

given against the holding of an inquiry and in favour of the continuance of the investigations by the Commissioner of Taxes and the taking of proceedings against any individual against whom it was competent to take proceedings.

I pointed out in Parliament, and I emphasise again to-day, that that method of dealing with the situation was quite ineffective. The Commissioner of Taxes could take no action against any recipient of secret commissions who included the receipts in his income tax return. He could take action only when such payments were not included in the return. The Act provides for voluntary disclosures in respect of which a defaulter can elect to be dealt with summarily. These taxpayers, together with the taxpayers who had furnished faithful returns, could evade the publicity of prosecution. The taxpayers who had defaulted by their failure to make faithful returns were exposed and penalised for their action. The party which I have the honour to lead decided that it was in the public interests that a royal commission should be set up. When I delivered my policy speech, I promised that a royal commission would be set up, and we received a mandate for it from the people. I received resolutions carried by local producers' associations and farmers' organisations throughout the length and breadth of the State asking me to probe the matter to the bottom, with a view to eliminating the nefarious practice. The comments upon the motive of the Commissioner do not warrant any categorical reply. Those who know the individuals who have made the charges and those who know the Commissioner will assess their comments at their true value. I take this opportunity of saying that the officer who was appointed Royal Commissioner carried out his duties in an entirely capable and conscientious manner. His findings on the evidence were irresistible; they were moderately stated, and do not indicate any bias at all. In that connection, it is in marked contrast with the reports of other royal commissions that we know something about. The royal commission on the dairy-
industry achieved the following results:—

1. It allowed every person, either accused or accuser, to give his evidence publicly and on oath, with a corresponding opportunity to accused and accuser to reply.

2. It has definitely proved the payment of at least £30,000 to officials and directorates of factories of which the farmers were unaware.

3. It has proved the secret payment of huge sums by persons or companies who were in business relationship with the associations concerned.

4. It has proved that some at least of such persons or companies derived an advantage, with corresponding loss to the farmers.

5. It has established that vast sums have been expended on factories without the knowledge or the approval of the farmers—the eventual payers—without any proper supervision or control—without, perhaps, any sufficient justification, with loopholes left for overcharge, inferentially to the detriment of the farmer.

6. That the majority of the factories are over-capitalised, particularly in view

of the fact that £30,000 commission was paid secretly to the various officials of associations, and it is reasonable to assume that, if this amount were spent in commission, the payers must have received at least an amount equivalent to this amount in excess of what would ordinarily be charged;

7. The breaching of the Butter Board regulations with corresponding loss to the farmer;

8. The need for regulation of prices of farming requisites, particularly separators and general plant and machinery installed in factories;

9. That there is need for investigation by co-operative companies who had work performed for them by Waugh and Josephson Limited on a percentage on cost basis, to have the accounts carefully examined.

10. That, in general, the farmers have not reaped the full reward to which they were entitled.

That is a brief resume of the findings of the Royal Commission, and is a very moderate statement of the results achieved.

For some time past there have been considerable rumours in reference to the building of butter factories. When I was Secretary for Agriculture, I received certain complaints in that connection. No definite charges were made; but frequently unsuccessful contractors made statements to the effect that successful tenderers had friends at court, that is, on the directorate and among those in authority. In order to protect Government interests in that regard, I, as Secretary for Agriculture at the time, gave an instruction to the State Advances Corporation that any co-operative association obtaining any loan for the construction of factories or otherwise should call for public tenders, and that those public tenders should be opened by an official of the corporation and scheduled by an officer of the Department of Public Works; and that a loan made available by the Government under such conditions would only be made available provided the parties accepted the tender recommended by the department as being the tender most suitable and in order according to the conditions which I have set out. Those instructions were carried out, and continued to be carried out during the three years the hon. member for Cooroola occupied the office of Secretary for Agriculture.

Unfortunately—and this throws a sinister light on the industry—I know of at least one case where tenders were called for under the conditions stipulated, where the Government were willing to lend a proportion of the cost at a minimum interest rate of 6 per cent. Those tenders were opened by an officer of the State Advances Corporation. Two tenders were recommended for acceptance. The association concerned refused to accept one tender, and another tender was accepted, notwithstanding that the amount of that tender was greater and that the tenderer had to obtain finance in other directions at a cost of at least 1 per cent. higher than it could obtain it from the State. There is something very sinister when you find a company refusing to accept a tender recommended by a State department and accepting a tender higher in price and arranging for financial accommodation at a higher rate of interest than could be obtained

[Hon. W. Forgan Smith.]

from the State Advances Corporation. I hold the view that in future the organisation of this industry should be subject to control in the interests of the farmers, and in the interests of the public. Undue duplication of factories should be prevented, and large capital expenditure should be subject, in the first place, to the control of the shareholders of the co-operative concern, and, in the second place, to a certificate of the Department of Agriculture that any extension of buildings or increase of plant is required in the interests of the business. By that means a wholesome safeguard will be effected, and people will not be charged with a capital cost primarily incurred for the purpose of some person receiving a commission.

The hon. member for Cooroora, in the course of his speech, made the suggestion that the Commissioner had been unfair to him. The hon. member referred to a witness named Kennedy, and repeated again and again that the Commissioner had not subpoenaed him to give evidence, and that, if the Commissioner had done so, the hon. member for Cooroora would have been able to supply quite a lot of information. I propose to show that every opportunity was given to the hon. member to give evidence and to state his case in any manner he so desired.

In the first place, I desire to refer to a report appearing in the "Daily Mail" of the 4th instant of an address given by the hon. member for Cooroora with respect to the effect of the Commission. The report is headed—

"PLEDGE SUPPORT.

"VOTE OF CONFIDENCE.

"MR. WALKER'S WORK.

"WIDE BAY DAIRY INTERESTS."

In the course of a speech dealing with the position, in which the hon. member traversed very largely the ground he covered this morning, the hon. member said—

"He had also a certificate from the Income Tax Commissioner of not having received secret commissions in the last twenty-five years."

Hon. members will recollect that at the commencement of my remarks I quoted Mr. Magee, the Commissioner of Taxes, as having said at the Dairy Conference that such a certificate, if granted, would be valueless. On reading the press report of the speech made by the hon. member for Cooroora, my private secretary sent the following memorandum to the Commissioner of Taxes:—

"With reference to the attached cutting from the 'Daily Mail' of the 4th instant, and the statement made by Mr. Walker that 'He had also a certificate from the Income Tax Commissioner of not having received secret commissions in the last twenty-five years, the Premier and Treasurer desires to be advised as to the nature of any certificate that was issued to Mr. Walker by the Commissioner of Taxes in this particular matter."

This is Mr. Magee's reply, dated the 7th instant—

"Replying to your B/C Minute of to-day, I have to advise that no certificate of any description has been issued to Mr. Walker. He, however, applied

for copies of his income tax returns for the past twenty-three years, for which the customary copying fee was charged."

In the same report the hon. member for Cooroora is reported as having said, what he repeated to-day—

"Mr. Walker read a letter from Mr. G. Bretnall, manager of Wildridge and Sinclair, which stated that he did not agree with the Commissioner's findings, as he thought they were not doing him (Mr. Walker) justice. He did not think the allowing of a witness to make a damaging statement against him almost at the conclusion of the commission was fair."

The statement in regard to the alleged certificate from the Commissioner of Taxes is absolutely incorrect. The hon. member stated that, had he been subpoenaed before the commission, he could have assisted. That statement was made again to-day. The hon. member gave evidence before the commission on two different occasions. Mr. Walker stated—

(1) That he had a certificate from the Income Tax Commissioner stating that he had not received secret commissions in the last twenty-five years.

This statement is absolutely incorrect, as the only matters given to Mr. Walker by the Commissioner of Taxes were certified copies of his income tax returns for the past twenty-three years.

(2) Mr. Walker stated that, had he been subpoenaed before the commission, he could have assisted the commission.

Mr. Walker gave evidence before the commission on two different occasions, and in Volume I. of the evidence, page 342A, the following appears:—

"By the Commissioner (to Mr. Walker): Is there anything else you would like to say?—No; the statement I made in Parliament is true."

Page 345A—

"The Commissioner (to Mr. Walker): If there are any other matters that occur to you we shall be only too pleased to hear you again at any time."

Evidence, volume v., page 847—

"By the Commissioner (to Mr. Walker): In your evidence you stated that Kennedy said they were all doing it. Do you think there is any truth in that statement—what was he referring to?—He meant the chairmen of directors of other companies were doing this sort of thing.

"That is, getting commission from the sales of butter?—Yes.

"Do you think there is any truth in that statement?—I do not think there is much in it when all is said and done."

It will be seen, therefore, that the Commissioner gave the hon. member every opportunity to tender any evidence that he so desired. He went out of his way to invite the hon. member to give evidence at any time, and further on, if the evidence is looked into, it will be found that little or no regard was paid to the evidence of Kennedy in regard to the matter which the hon. member for Cooroora raised this afternoon.

Just let me draw attention to the report of the commission on the relevant matters that were discussed by the speakers who

Hon. W. Forgan Smith.]

have preceded me. It is not the function of Parliament to conduct the trial of any individual; nor is it the function of Parliament to charge any individual; but, in view of the fact that certain hon. members referred to by the Royal Commissioner in his report and in his findings have seen fit to attack the Commissioner as such, it is necessary that we should review the particulars as set out in the report of the commission.

I would first of all like to deal with the position of the Gympie factory. I had the honour of officially opening that factory. It is a very fine building, and the work apparently was very well carried out, with good plant and machinery; but my own personal view was that the building was unnecessarily large, and involved an amount of dead capital that would not be required for a number of years, and a smaller building would have served the purpose for quite a long period. Apart from that, the factory is very efficient. On page 27 of his report the Commissioner says—

“The evidence tendered to your commission disclosed that an amount of £1,500 was paid to Mr. H. F. Walker, M.L.A., by J. Wildridge and Sinclair, Ltd., and Mr. Walker admitted receipt of this money. In view of Mr. Walker's long association with the public life of this State, and his connection with the dairying industry generally, I deem it my duty to set out as briefly as possible the facts in connection with this transaction.

“Mr. H. F. Walker was one of the original founders of the Wide Bay Co-operative Dairy Association, Ltd. He was, until recently, a member of the board of directors, and had been a member since the incorporation of the association. He was chairman of the board for twenty-five years.

“In April, 1923, the directors decided that improvements were necessary to bring the Gympie butter factory up to date, and at the board meeting, in May, 1923, it was decided to consult J. Wildridge and Sinclair, Ltd., in connection with this matter.

“Mr. H. F. Walker was not present at either of these two meetings.”

It will be seen that that last paragraph, read by itself, indicates very clearly the meticulous fairness of the Commissioner in regard to this matter. The report continues—

“On 9th June, 1923, Messrs. R. Joyce and Moore, representatives of J. Wildridge and Sinclair, Ltd., attended a directors' meeting of the Wide Bay Co-operative Dairy Association, Ltd., for the purpose of discussing the proposal generally. Mr. Walker was present at this meeting, and was present also at all subsequent meetings of the board, when various decisions were arrived at in connection with the acceptance of the tender of J. Wildridge and Sinclair, Ltd., for the Gympie factory.”

“Two members of the Wide Bay board of directors inspected the factory at Dorrigo, in New South Wales, which had been erected by this company.

“On 29th September, 1923, the question of the new factory was referred to a

meeting of shareholders of the Wide Bay Co-operative Dairy Association, Limited, and it was approved to leave the matter of its construction in the hands of the board of directors.

“Following this, J. Wildridge and Sinclair, Limited, was requested to prepare the necessary plans and specifications, and on receipt of these, public tenders were invited for the work. One tenderer complained that the tendering time was insufficient, and Mr. Walker, of his own initiative, extended the closing date for tenders.

“Several tenders were received for various sections of the factory, including alternate tenders from J. Wildridge and Sinclair, Limited.”

In that connection part of the difficulty in regard to the cleaning up of this and similar matters is the practice of getting a firm to prepare plans and specifications, and inviting tenders on the plans and specifications prepared by a firm who itself will be a tenderer. Obviously under these circumstances any competing firm is placed at a disadvantage, particularly in relation to machinery, as agencies for various patents may be held by some of the tendering firms and not by others. The report continues—

“The only tenders received, in accordance with the plans and specifications, were those of this company, and the directors decided to accept its tender for £58,978, subject to the approval by the shareholders, which was given on 29th December, 1923.

“The contract for the factory was signed on 7th January, 1924, and the signatories to the contract were H. F. Walker, on behalf of the Wide Bay Co-operative Dairy Association, Limited, and R. Joyce on behalf of J. Wildridge and Sinclair, Limited.

“On 31st January, 1924, a cheque for £500 was drawn by J. Wildridge and Sinclair, Limited. Mr. R. Joyce, ex-manager and director, Brisbane, stated in evidence that either this cheque or its equivalent in cash was handed by him to the late Mr. Russell Sinclair, governing director of the company.

“The butt of the cheque shows that alterations and erasures have been made in connection with the narration thereon. The entry in the cash book indicates that it was a disbursement in connection with the contract for the erection of the butter factory at Gympie.

“Mr. Walker admitted in evidence having received a sum of £500 in notes from the late Mr. Russell Sinclair. The money was paid to him whilst having tea with Mr. Sinclair in Rowe's Cafe, in Brisbane.

“Shortly after receipt of this money, Mr. Walker, in pursuance of arrangements made in August, 1923, left on a holiday visit to England, and arrived in London in April, 1924.

“He admits receipt, in London, of a further sum of £1,000 from the same company. This amount was transferred from the Sydney office to London, and in order to adjust the accounts between the Sydney and the Brisbane offices, an invoice for machinery was increased to cover the remittance.

[Hon. W. Forgan Smith.]

"On 24th June, 1924, whilst in London, Mr. Walker wrote to Mr. Cumming, the manager of the Gympie factory, who had been appointed to this position subsequent to Mr. Walker's departure from Australia. He instructed Mr. Cumming to watch carefully prime costs and other matters in connection with the contract.

"After resuming his duties on the board of directors of the association, Mr. Walker had a careful examination made of expenditure in respect of the contract and was instrumental in having a claim of £217 waived by the contractors.

"The relevant pages, in the ledger of J. Wildridge and Sinclair, Limited, Brisbane, containing all transactions up to 26th March, 1924, in respect of the Gympie Butter Factory contract, have been torn out and cannot be produced. Mr. Brettnall, the present managing director of the company, admitted that these amounts of £500 and £1,000, respectively, were treated as expenses in connection with the contract."

"The contract for the factory was finalised in the books of account of J. Wildridge and Sinclair, Limited, on 31st December, 1926, when the balance of the account was transferred to the profit and loss account of the company.

"In October or November, 1931, Mr. H. F. Walker requested Mr. Brettnall of J. Wildridge and Sinclair, Limited, to take the sum of £1,500 in view of certain inquiries being made in connection with butter factories. Mr. Brettnall states that he demurred at the time, but finally accepted the amount in November, consisting of £1,400 in Treasury bonds and £100 note. He agreed to hold same in trust until such time as these matters were cleared up. A receipt was given for the £1,500, predated 22nd October, 1931, and reads—'Received from H. F. Walker, the sum of one thousand five hundred pounds (£1,500) in full repayment of moneys advanced in London for travelling expenses.'

"As previously stated this amount was received in November, 1931, but it does not appear in the company's books of account until 31st December, 1931. The amount was then recorded as a further profit in connection with the Wide Bay contract, and treated as such in the accounts of the company for the year 1931. These accounts were duly certified by the company's auditors, and later adopted at the annual general meeting of shareholders.

"Mr. Walker in evidence stated that the £1,500 was paid to him for the purpose of inquiring into and reporting upon plant and machinery used in connection with the dairying industry and other matters in England, and in the continent of Europe. He further stated that these inquiries were duly made, and a report thereon tendered by him to the late Mr. Russell Sinclair.

"Mr. Walker further stated that in consequence of the reports that payments had been improperly made by firms connected with the dairying industry to members of Parliament and officials of butter factories, he decided to return the £1,500 to J. Wildridge and Sinclair, Limited. This sum was to be held in

trust pending any inquiry that Mr. Brettnall or his directors may make as to whether or not he was entitled to the money.

"He states that this action was taken to ease his mind as he was a sick man at the time.

"Some remarkable facts according to the books of account and documents of J. Wildridge and Sinclair, Limited, in connection with these transactions, present themselves to your commission. These may be summarised briefly as follows:—

(i.) Erasures and alterations were made in the butt of the cheque, the cash equivalent of the cheque being paid to Mr. Walker;

(ii.) Both amounts—£500 and £1,000—were debited to the Gympie contract, which is *prima facie* evidence that they were items of expenditure in connection with this contract;

(iii.) The payment of £500 was made in cash at Rowe's Cafe, Brisbane;

(iv.) The ledger of J. Wildridge and Sinclair, Limited, was mutilated insofar as it affected the contract;

(v.) A machinery invoice of the company's was manipulated in respect of the London remittance of £1,000;

(vi.) The receipt for the £1,500, when given to Mr. Walker, reads as being in full repayment of moneys advanced in London for travelling expenses, when, in fact, only £1,000 was received in London;

(vii.) The wording of the receipt does not bear any indication whatever that the £1,500 was to be held in trust for Mr. Walker;

(viii.) The amount was treated in the books of account of the company as being its property, and a further profit on the Wide Bay contract.

"Mr. Walker had no control over the methods adopted by J. Wildridge and Sinclair, Limited, in recording these transactions, but he must accept full responsibility for the facts which present themselves against him, and are enumerated hereunder:—

(a) He received £500 in notes in Rowe's Cafe, Brisbane, shortly after the signing of the contract;

(b) His anxiety towards the close of the year 1931 to refund the £1,500 after certain disclosures had been made in connection with payments to butter factory officials. This despite his contention that the amount was legitimately earned in the year 1924;

(c) The acceptance of a receipt for £1,500 as a refund of travelling expenses advanced in London, when he now states that the money was to be held for him in trust;

(d) The predating of the receipt referred to in (c).

"The evidence of Mr. Walker, and also that of Mr. Brettnall, are in conflict with the written records, insofar as it relates to the refund of £1,500, the receipt for which was predated 22nd October, 1931.

"Mr. Brettnall's recording of the money in his company's books was in accordance with the receipt issued by him

Hon. W. Forgan Smith.]

In view of these written records the evidence of both witnesses that the money was to be held in trust for Mr. Walker cannot be accepted.

"Your Commissioner is convinced that the £1,500, when refunded by Mr. H. F. Walker to J. Wildridge and Sinclair, Limited, was intended to be the property of the company.

"It is now necessary to draw attention to discrepancies in the evidence given by Messrs. H. F. Walker and R. Joyce.

"When accepting the sum of £500 in Brisbane, Mr. Walker asserted that the late Mr. Russell Sinclair informed him that further moneys would be made available in London, but no definite amount was fixed. Mr. Joyce, ex-managing director of J. Wildridge and Sinclair, Limited, stated that the sum of £1,500 had been earmarked by his company prior to Mr. Walker's departure for England. Whilst the evidence given by Mr. Joyce could not in all particulars be regarded as reliable, this statement is corroborated by the action of the company in remitting £1,000 to London.

"Some difficulty has been experienced in arriving at the true nature of these very complicated transactions. Every possible attempt was made by the company to conceal these in its books of account.

"The only persons with a knowledge of the transactions were Messrs. H. F. Walker, R. Joyce, and the late Mr. R. Sinclair.

"After carefully considering the evidence of all the witnesses and the facts submitted, the only conclusion your Commissioner can arrive at is that the payment of £1,500 to Mr. H. F. Walker was a secret payment and was made in respect of the contract for the Gympie factory, entered into between the association of which he was chairman of directors, and J. Wildridge and Sinclair, Limited."

From my analysis of the report, one can appreciate its temperate nature and the meticulous fairness with which it has been compiled. The Commissioner has given the utmost consideration to all the relevant items submitted for his information.

The case of the hon. member for Hamilton is somewhat similar. Dealing with this phase of his inquiry, the Commissioner stated—

"Mr. Russell was questioned at length regarding the methods adopted to conceal these transactions in his books and relevant documents."—

Mr. RUSSELL: From whom?

The CHAIRMAN: Order!

The PREMIER:

"He stated that it was done by his accountant"—

Mr. RUSSELL: That is absolutely untrue.

The CHAIRMAN: Order!

The PREMIER:

"... and without his knowledge."

Mr. RUSSELL: His statement is not true.

The CHAIRMAN: Order!

[Hon. W. Forgan Smith.

The PREMIER: Does the hon. member suggest that he was not questioned?

Mr. RUSSELL: I was questioned, but I did not answer the questions in the way that he suggests. He is not telling the truth.

The PREMIER: The hon. gentleman may say so.

Mr. RUSSELL: Refer to the evidence!

The CHAIRMAN: Order!

The PREMIER: The hon. member is entitled to say so, if he desires, but it is not unusual to find that, where a verdict has been given against an individual, that individual continues to protest that the verdict is wrong.

Mr. RUSSELL: I refer you to the evidence.

The CHAIRMAN: Order! I have already indicated that I am going to insist upon hon. members being allowed to take part in this debate without interruption. Hon. members on my left were allowed to proceed without interruption, and I am going to insist that the same right be extended to hon. members on my right. If any hon. member endeavours to thwart my desire in this matter, he will be promptly named. I hope that I shall not have to do that.

The PREMIER: Dealing with the case of the hon. member for Hamilton, the Commissioner stated—

"Your Commissioner inspected the books of account of H. M. Russell and Company, Limited, and it would appear that it received from 26th April, 1930, to 18th August, 1932, as a result of the additional commission £1,302 3s. 7d. As far as could be ascertained from the books, the sum of £1,336 3s. 9d. was allowed by the company to purchasers of the butter. Various devices were adopted by this company to conceal these transactions from the Butter Board.

"It was the practice of this company to—

(a) Deduct from the invoices rendered to the Gaydah Association the regulation rate of commission—3 per cent.—in terms of the agency with the Butter Board;

(b) Render to the association entirely separate statements for the additional commission as charges incurred on Brisbane sales;

(c) Receive from the Gaydah Association a cheque for the additional commission, thereby creating entirely different transactions in both the company's books and those of the Gaydah Co-operative Dairy Association, Limited;

(d) Show only $\frac{1}{2}$ per cent. on the invoices of butter sold;

(e) Pay by cheque the amount representing the additional commission to most of the purchasers of butter;

(f) Secretively allow as a contra on certain invoices for kerosene purchased an amount equivalent to the extra 2 per cent. allowed on the butter purchased;

(g) Falsely record, in several cases in the company's cash book, the concession allowed as being discount on salmon, peanuts, and tomato sauce.

"Mr. Russell was questioned at length regarding the methods adopted to conceal these transactions in his books and relevant documents. He stated that it was done by his accountant, and without his knowledge.

"The outstanding facts that present themselves in respect of these transactions are—

(i.) That as a result of the association paying the additional commission, the dairy farmers at Gayndah were penalised to the extent of £1,302 3s. 7d.;

(ii.) The actual disbursement from the additional commission (£1,302 3s. 7d.) received by H. M. Russell and Company, Limited, was £1,237 19s. 5d. only;

(iii.) A further sum of £98 10s. 1d., being the equivalent of 2 per cent. commission on purchases of butter by the Suburban Cash and Carry Company, was allowed by H. M. Russell and Company, Limited, as a credit on invoices for kerosene purchased by this firm;

(iv.) As a result of payments of the additional commission by the association, H. M. Russell and Company, Limited, derived considerable financial benefit inasmuch as brokerage charges were increased in consequence of greater local sales of Gayndah Association butter;

(v.) Sales of other commodities handled by H. M. Russell and Company, Limited, must have been increased in view of the favoured position of this company in being able to allow without any additional expense as much as 2½ per cent. commission on butter sold locally.

"Your Commissioner, after an exhaustive review of the whole of the evidence, concludes that H. M. Russell and Company, Limited, received and paid commission of a secret nature by reprehensible methods of concealment.

"Your Commissioner cannot accept as true the evidence of Mr. Russell that the methods adopted to conceal certain transactions were done without his knowledge.

"It is suggested that the whole of these facts be brought under the notice of the Queensland Butter Board."

The whole report is a complete justification of the Government appointing this Royal Commission. It shows very clearly that a practice was going on damaging in the extreme to the industry, and which is a very sad reflection on the commercial methods adopted by certain business houses in the community. Everyone who desires to assist industry to be carried on on a fair and reasonable basis must support the Government in their efforts to stamp out the payment of secret commissions in the commercial life of the nation. It is obvious that these companies are not charitable or benevolent societies. They are not carrying on business for the good of their health; therefore, where secret commissions are paid they are handed on to the cost of the final user of the commodity. The commission has revealed that at least £30,000 was paid as secret commissions in the dairying indus-

try; and there can be no doubt that, if the investigations were extended to the whole commercial world, startling transactions of a similar character might be revealed.

Mr. MAHER: And in the Government service, too.

The PREMIER: If the hon. member for West Moreton is prepared to make any charge of that kind, I am prepared to have it investigated thoroughly.

GOVERNMENT MEMBERS: Hear, hear!

The PREMIER: The hon. member has a raucous voice, very loud, but not controlled, unfortunately, by a very keen mind. If he has any suggestion to make against the probity of the public service, then I would have it investigated in its entirety and deal with the individuals concerned accordingly.

The two hon. members who have spoken have attacked the personnel of the commission. They have attacked the report, and have reflected on the honour of the person who made the report. That is a matter for regret, but doubtless many other people who have been pilloried in this report would say the same, if given the opportunity to speak in Parliament. I believe the report is based on the evidence, and indicates a very sorry state of affairs in regard to the dairying industry. I am satisfied that the revelations and exposures which have been made will have a salutary effect in future. From the powers that a royal commission has, it appears that transactions of that kind cannot be hidden entirely and for all time. An individual who gives or accepts a secret commission of any magnitude has as much difficulty in concealing the transaction as a murderer would have in disposing of the corpse after he has committed his foul deed. No doubt the exposure of many transactions will have the effect of making directors of companies and shareholders of co-operative concerns much more interested in the business than they have been in the past. Contracts of various kinds will probably be scrutinised more carefully than in the past.

The Government have under consideration the question of legislation dealing with the duplication of butter factories and the over-capitalisation that has been revealed by this report. In regard to action that might be taken against the individuals concerned, I find that the late Government, of which the Leader of the Opposition was Premier, went to the trouble of getting a very full opinion by counsel on the law relating to the matter. On the 4th April last Mr. A. D. McGill delivered an opinion to the then Premier, in the course of which he showed that, in his opinion, there are certain legal remedies available to the individual who has been penalised by this sinister method of doing business. First of all, there is the common law right that a shareholder or other affected person may have against the person who has paid or accepted a secret commission. Provision also exists in the Commonwealth law in regard to the acceptance or payment of a secret commission, whilst there is also a very wide power under the Primary Producers' Co-operative Associations Acts which I piloted through Parliament some years ago when I was Secretary for Agriculture. On page 5 of his report to the ex-Premier, Mr. McGill states—

"I proceed now to consider briefly the statute law in regard to this matter. Rule 31 of Part 2 of the schedule of

Hon. W. Forgan Smith.]

'The Primary Producers' Co-operative Associations Act of 1923' provides that any director or officer who accepts a commission, fee, or reward from any person for or in connection with the transactions of such person with the association shall be liable to the penalties mentioned in the preceding section (£100), and to make good to the association double the value of the amount of such commission, fee, or reward.'

The Primary Producers' Co-operative Associations Act of 1923 gives ample power for the individuals who have been victimised or penalised by these nefarious practices to have recourse to satisfactory remedies. Mr. McGill sums up in the following words:—

"I can only repeat that, in my opinion, an ample remedy is furnished querists by the common law and by means of a civil action both against any official who took a secret commission in the nature of a bribe and against any person or company who paid such commission. It is with the proof of the necessary facts that each querist must concern itself."

Obviously that is the position, and there is ample scope for individuals who have been affected to obtain redress. The main point is that a disgraceful state of affairs existed in the dairying industry. We asked the previous Government to probe them to the bottom in the public interests. That Government refused to take action. At the general election, on behalf of this party, I promised that, if we were returned to power, the whole matter would be cleaned up. A royal commission was appointed. It has carried out its work in the terms of the commission presented to it. It has revealed a state of affairs highly undesirable; and it is for the industry itself and the Department of Agriculture to co-operate with a view to preventing such happenings in future, and to devise such a system of control of co-operative activities in the State that the nefarious practices of these bandits and burglars in industry will be wiped out in their entirety.

Mr. MOORE (*Aubigny*) [3.22 p.m.]: I listened with a great deal of interest to the long speech made by the Premier.

The PREMIER: It was not as long as that of the hon. member for Cooroora.

Mr. MOORE: The Premier took up most of his time reading from the report of the Commissioner. I do not know what value that was, except to get it into "Hansard." There never was any suggestion that the late Government did not want the matter cleared up, but the Commissioner of Taxes gave an assurance that he had a better opportunity of securing the necessary information through the powers he has got than anyone appointed as a royal commission. I want to make it perfectly definite that I promised the conference that met in Brisbane that, if the Commissioner of Taxes found that he was not able to get sufficient evidence to clean the matter up, a royal commission would be appointed; but I want to make it perfectly plain that I would never dream of appointing as Commissioner an officer from the Income Tax Department. That was wrong. It is wrong in principle to appoint such an officer to the position of judge. That man takes an oath of secrecy. He has opportunities

of securing information that are denied to anyone else. I do not know Mr. Carroll, and have never seen him.

Mr. P. K. COPLEY: He is a very excellent officer.

Mr. MOORE: He may be all that, I know nothing about him. He should be an excellent officer to have reached the position he has. The position is that it is wrong in principle to appoint a prosecutor to the position of judge. Mr. Carroll has not the necessary qualifications adequately to sift the evidence placed before him. It is perfectly obvious that he did not understand the rules of evidence, because he allowed evidence to be put in that should not have been put in. He allowed the written evidence that was sent up by Kennedy. Kennedy was not subpoenaed, and there was no chance of submitting him to cross-examination; and yet his evidence was allowed to go out as the truth, which, to my mind, was quite wrong. I do not think that any judge would have admitted such evidence, and, if counsel representing the hon. member for Cooroora had known it was coming on, he would have objected to it. In my opinion, that principle prejudices a man quite wrongly, and is quite unfair. What I object to is placing a man who has been intimately concerned with the cases to the position of a Royal Commissioner. If it had been a judge or anybody outside, there would have been no objection whatever, but there is no justification or fairness in appointing that man who has been placed in the position of prosecutor.

When the Premier was speaking, he quoted some of the statements made by Mr. Magee at a conference which was held in Brisbane. Mr. Magee said that with regard to those people who made disclosures that would be the end of it; but he went further, and said that he would not accept any disclosures after he commenced proceedings against someone else. That was perfectly right. I think it would be wrong for the Commissioner to accept voluntary disclosures after he had started to make inquiries.

The PREMIER: It would be very unfair to those who had been prosecuted.

Mr. MOORE: He recognised that, and said so at the conference, and I think that view was endorsed by the conference.

Mr. W. J. COPLEY: Why did the hon. member for Cooroora say that he had a clearance from the Commissioner of Taxes, when it has been proved that he did not have one?

Mr. MOORE: I have no idea; I do not know what he had. I have not had anything to do with the statement of the hon. member for Cooroora. The only thing that came up about it when I was in office was the authorisation to prosecute Mr. Jamieson. It had nothing whatever to do with me; it was entirely in the hands of the Commissioner of Taxes, who, if he thinks it is necessary to prosecute anyone, will prosecute him. It would be perfectly wrong for any Minister of the Crown to dictate to the Commissioner of Taxes.

Mr. W. J. COPLEY: The Income Tax Commissioner, being a Federal officer as well as a State officer, would not tolerate any interference.

Mr. MOORE: I would not suggest any interference. The executive head of a

[*Hon. W. Forgan Smith.*]

Government department must accept his responsibility, and has not to be instructed by the Government to do it. The Government have no interest except to see that the officers concerned carry out their duties; and, if it is necessary to prosecute persons, they have authority to do it.

I have had experience in connection with dairying, and twenty-five years ago, when I was anxious to start a cheese factory, I inquired into the position and tried to get a co-operative factory started but could not, and had to go into the business myself. I told the various suppliers round about, "I will start a factory, and, when it is started, you can come in and take it over." It has never been taken over yet. Their argument was a natural one. They said, "Why should we take over the liability?" I was totally held up for six months, and could not sell anything. I had to buy milk every month. Then I had a suggestion made to me, which was a very natural one, but one for which I could not stand, having paid for the milk, "It is difficult to get a new brand on the market; consequently you must give a concession in price." My reply was that I belonged to the Cheese Manufacturers' Association, and could not break my agreement with them. Then I got several suggestions. One suggestion was, "We don't suggest that you cut the price; but you should just call a 10-lb. cheese an 8-lb. cheese." That is the way it was done in many cases.

THE PREMIER: Is not that reversing the usual commercial practice of giving a 10-lb. cheese that weighs 8 lb.?

MR. MOORE: If the hon. gentleman was an agent and a business man, and there was a new brand of cheese on the market, and he had a traveller to go round to sell it, he would find that traders used to selling the other brand would say: "Won't we get something for taking it on?"

MR. P. K. COPLEY: But I would not take £500 in cold cash.

MR. MOORE: If the hon. member was in a position to give adequate service and get the £500 he would probably take it. I was in that position, and fortunately I got out of it purely by a miracle. I had a friend going to Sydney, and I asked him to take a couple of cheeses to Sydney, and see if they could be sold; and immediately he got to Sydney I received an order for 2 tons. I wrote to the agent and asked him to send the cheese; but he replied that there had been a rush on the cheese, and he had not got it. (Laughter.) That is the sort of thing that goes on. I do not call that a secret commission. You have to fight against that sort of thing when you want to get on to the market. Some firms pay a huge amount in advertising to get on to the market. Other people do it by giving a commission on the price of the products they are selling. At the present time people are giving the farmers stock-foods and things like that in order to popularise them and get people to use them and learn their value. Of course, in my opinion, all these things ought to be cleaned up; but it would have been quite wrong to appoint a royal commission to go into the question of any secret commission while the Commissioner of Taxes was carrying out his investigations and prosecutions. I said perfectly definitely that, if he was not able to clean up the position, the matter would be gone on with.

One cannot avoid the conclusion, if he reads the evidence, that what was in favour of both the hon. member for Hamilton and the hon. member for Cooroora was brushed aside as if it did not count, whilst the evidence that was against them was put forward in most telling fashion. Why should these two be singled out merely because they happened to be members of Parliament? Why should the Commissioner go into the fullest details in the evidence put forward regarding them?

A GOVERNMENT MEMBER: Why not?

MR. MOORE: Why? Because a man is a member of Parliament, why should he be treated any differently from other people? Why should other people who said that they had given concessions have their word taken and their books not be inspected? Why should the Commissioner take the word of a clerk or an official of a firm who said they had given those concessions and merely say, "Would your books show that this is so?"

THE PREMIER: Do you say that was done?

MR. MOORE: I do. The evidence shows it.

THE PREMIER: Does that not show that there is necessity for a further investigation?

MR. MOORE: If the hon. gentleman will look up the evidence, he will see that in two cases men were asked whether they had given commission, and they said, "Yes, for a short while"; and they were then asked, "Would your books show that?" and they said, "Yes." They would not take the word of the hon. member for Hamilton if he said that—they would send for his books.

THE PREMIER: Did not the hon. member for Hamilton refuse at one stage to give evidence at all?

MR. MOORE: No. What the hon. member for Hamilton did was to refuse to give evidence against other people. He was prepared to give the whole of the evidence in regard to himself; and I consider he was perfectly justified in his refusal. I do not think it fair that a man in the position of the hon. member for Hamilton should have been compelled to give evidence against other people in his own line of business. It was the business of the Commissioner to get those people into the box and question them, and to examine their books. It was not the business of the hon. member for Hamilton to give information against others. It was not a fair thing to ask him to do so. They had ample opportunity of getting those men in the box.

THE PREMIER: He said that certain firms had done certain things, and he was asked who did it, and he refused to give the information.

MR. MOORE: The Commissioner had ample power to call those firms and get their books and find it all out for himself. If the books were perfectly clear, it would be all right. I admit that the Commissioner had the power to do what he did and to make the hon. member answer; but I do not think it was a fair thing for the Commissioner to do. I would have adopted exactly the same attitude as the hon. member for Hamilton if I had been in his position. If the Commissioner writes to me

Mr. Moore.]

and asks me for information about another agent, why should I tell him?

The PREMIER: If, however, I made a charge against an agent, I would have to substantiate it.

Mr. MOORE: The hon. member did not make any charge. He said that the practice was going on and was adopted by several firms, and the directors of the Gayndah company came down and investigated this, and endorsed what the hon. member said and told him to go ahead.

OPPOSITION MEMBERS: Hear, hear!

Mr. MOORE: It was a common thing. The evidence shows that there were several cases of the kind. The only one that has been investigated is that of the hon. member for Hamilton. That, I think, is unfair. If this investigation was to have been proceeded with, the Commissioner should have gone through with the others. In exactly the same way, suggestions favourable to the hon. member for Coorooora were glossed over or brushed aside; and nobody could say that the evidence against him was not placed in the worst possible light.

There was no wish to cover up the facts. I think the position should be shown exactly as it was. As Leader of the Opposition, I could have protested at the time the Commissioner was appointed; but I did not do so, because it would have been said that I did not wish the truth to come out. But the Premier cannot justify his appointment. The remarkable thing to me is that Mr. Carroll accepted the position. I do not think you would get a barrister who had been a prosecutor in a case to accept the position of judge in that case afterwards, as he would have knowledge at his disposal which would preclude him from judging the case dispassionately. I do not think that anyone else would do it. It was quite wrong for the Government to appoint Mr. Carroll to act as Commissioner. I am sure that there were persons judicially minded who could have undertaken the work. I am sure that they would have been every bit as competent as Mr. Carroll; and it would have obviated the necessity of appointing a person who had taken an oath of secrecy and who, by virtue of his position, had obtained information that could not be obtained by other people. He could not disabuse his mind of the information he had thus secured. I am willing to admit that Mr. Carroll carried out his work to the best of his ability, but it was absolutely impossible for him to divest his mind of certain information and of the bias that he naturally acquired while acting as prosecutor. That is the reason why barristers who afterwards become judges absolutely refuse to have anything to do with a case with which they have even been remotely associated.

The findings of the commission do not get us very much further. We knew from the prosecutions by the Commissioner of Taxes what amount of money had been paid in secret commissions. Very little more has been found out by this commission. It has possibly been stated in a more definite way, and probably the factories have a clearer idea of what was going on; but practically every witness who had received the commission had been prosecuted by the Commissioner of Taxes. The companies have their common law rights, and they have certain rights under the Primary Producers'

[Mr. Moore.

Co-operative Associations Act. It does appear to me that the Commissioner was appointed for the purpose of pursuing a political vendetta against some individuals. I do not think that the Commissioner would have been appointed if the commission had not been set up for a political purpose. It might give some satisfaction to members of the Government.

Mr. WATERS: Is that the reason why ex-Judge Campbell was appointed a Royal Commissioner?

Mr. MOORE: No; in that case we went right outside the State to obtain the most competent man who had not the remotest connection with any of the individuals concerned. This royal commission was on a totally different basis, because the Government were not interested, except indirectly. The Agricultural Bank may have made advances to one or two companies.

The PREMIER: The Agricultural Bank was not affected at all.

Mr. MOORE: I did not know whether it was or not. The money was the money of the shareholders, and it was their concern. The Government were not interested, except that they are interested in the industry. The findings have been given; but I think they were spoilt to a great extent by the natural bias of the Commissioner, who had previously been prosecutor. He looked at things from an entirely different point of view when he was prosecuting, and consequently, when he took up the position of Royal Commissioner, could not disabuse his mind of the information he had thus received. He was placed in a very invidious position, and the persons who came before him were placed in a very invidious position. It is a pity that he was appointed at all. The findings show just what the Commissioner of Taxes was able to show. The report did not create much of a sensation. The people recognised what was being done, but an endeavour should be made by legislation and by care on the part of factories to stop it as much as possible. I do not think it can be stopped entirely. There are many ways in which it can be done. If there is tremendous rivalry between factories, and one can obtain a better local market by the payment of commission, it should be entitled to pay whatever commission it likes. It is entirely its own job. If a factory can obtain a better market by paying, say, 6 per cent. and loses it, that is nobody else's business.

Mr. O'KEEFE: What about the Butter Board?

Mr. MOORE: That has nothing to do with anybody else. If those who milk the cows think it better to pay a certain commission to obtain a strong footing on the local market, it has nothing to do with anybody else. I know the way it operates; but it is a matter entirely for the people concerned. That is why the Government always want to step in and interfere with people carrying on their business in the manner most profitable to themselves. If they are the only ones to suffer by the adoption of those methods, why interfere? If a producer desires to test a market and loses money in doing so, it is his lookout; but, if it pays him to exploit a market, the Government always want to step in and say to him, "You cannot pay the extra amount." That is why I take up the position with regard to the dairying problem

that it has nothing to do with the Government. It is entirely a matter for the associations and producers and nothing whatever to do with the Government.

At 3.41 p.m.,

Mr. O'KEEFE (*Cairns*), one of the panel of Temporary Chairmen, relieved the Chairman in the chair.

Mr. WATERS (*Kelvin Grove*) [3.41 p.m.]: I desire to address myself to the criticism levelled by hon. members opposite regarding the appointment of Mr. Carroll as a Royal Commissioner to inquire into and report upon alleged payments of secret commissions, etc., in the dairying industry. It is refreshing to hear the reasons advanced by them as to why Mr. Carroll should not have been appointed, and to listen to their criticism of his report because it affects members of their party. I remember the occasion when a report was tabled in this Chamber by Mr. ex-Justice Campbell of New South Wales, affecting certain politicians, and how hon. members opposite stoutly defended the honour and probity of that individual. If on one occasion criticism of the findings of a Royal Commissioner should be discouraged—and certainly the members of the Government of the day thought so in that case—then that argument is equally applicable in this case. I am afraid that it is the old case of having no case and abusing the other fellow, who in this case happens to be the Royal Commissioner. Mr. Carroll found that £30,000 had been distributed by companies supplying dairying implements and machinery in secret commissions, and that members of the Opposition were involved in those payments. Because those members are involved it is claimed that the report is biased. It is said that, because he is a Government official, he became possessed of certain knowledge which forced him to form a conclusion before he embarked upon his duties. No explanation has been made or defence offered of the fact that certain sums of money were paid as secret commissions. It is all very well for those involved to endeavour to explain their connection away by the stories with which they have regaled this Chamber as to why the money was paid over, and as to why these payments, in certain cases, were credited to kerosene and not to butter. The point that cannot be overlooked is the fact that certain members of the Opposition were involved in dealings which the Commissioner describes as "reprehensible," and that they are not game to stand up to that finding.

In regard to the speeches of the hon. members for Cooroora and Hamilton it is interesting to note that in respect of those passages of Mr. J. A. Sheehy's address which suit, they praise Mr. Sheehy for his fair-minded and impartial address; but they fail to mention the passages which are damaging to them, or where they do mention them they complain that Mr. Sheehy is unfair in his condemnation of them. After listening to the discourse of the hon. member for Cooroora, it seems to me that in every instance where the Commissioner pointed out that his evidence did not coincide with the evidence of Messrs. Wildridge and Sinclair, a mistake had been made. If we regard that as a true statement of the position, then a remarkable series of mistakes must have been perpetrated by that firm.

The hon. member for Hamilton launched an attack on the Commissioner, and said that the public would accept his word in preference to that of Mr. Carroll. Anyone who knows Mr. Carroll's standing in the community would accept his word before that of the hon. member for Hamilton. As a matter of fact, the record of the hon. member for Hamilton in the business world does not compare as favourably as does Mr. Carroll's record in the public service. The hon. member implied that the reason Mr. Carroll brought in his report and why he particularised the hon. member in that report was because he was a member of His Majesty's Opposition. That was a very poor statement to fall back on.

Mr. RUSSELL: I say it deliberately.

Mr. WATERS: The fact that the hon. member says it does not prove it to be true. The hon. member suggested that, because he was a member of the Opposition, Mr. Carroll brought in certain findings. They were the only findings that Mr. Carroll could have brought in on the evidence. The Royal Commissioner had the facts that the books of the hon. member's company deliberately concealed certain things and the hon. member's statement that he had no knowledge of it. We know that, so far as Government departments are concerned, it has been the practice of the Opposition, when criticising the form of government, to suggest that there should be more business men controlling the destinies of the State. Here we have the illuminating statement that the head of a business concern in this city does not go into detail and does not examine the circumstances of matters which take place in his business.

Mr. RUSSELL: Neither I do, but I take the responsibility.

Mr. WATERS: I submit that the Commissioner's report is in accordance with the facts. Many a bedtime story has been told in this Chamber. The Commissioner gave the hon. member for Hamilton a full opportunity of proving any statements that he asserted were incorrect. After Mr. Sheehy had interrogated the secretary of the Butter Board, the statement of which the hon. member for Hamilton complained appeared in the "Daily Standard." Following upon that statement, the hon. member for Hamilton wrote this letter to the Commissioner, dated 6th October, 1932—

"Brisbane, 6th October, 1932.

"The Commissioner,
"Royal Commission on Dairying,
"Brisbane.

"Sir,

"I have read the press reports of the evidence given yesterday by Mr. C. Sheehy, secretary of the Butter Board.

"In justice to the Butter Board I desire to point out that in my evidence I did not state, nor could any inference be drawn from my remarks, that the Butter Board was cognisant of the arrangement entered into between the butter factory and my firm whereby the factory reimbursed my firm for extra discounts paid to buyers to meet competition. What I did say, however, was the Butter Board was aware that agents for factories were allowing buyers greater discounts than that permitted by

Mr. Waters.]

the Butter Board's regulations. I tabled correspondence between my firm and the board in regard to this.

"Yours faithfully,
"H. M. Russell,
Managing Director."

The Commissioner's comment on that was—

"Mr. Russell was communicated with by telephone and asked if there was any further evidence he desired to give, and he informed the secretary he does not desire to give any further evidence."

That was fairly definite that the hon. member for Hamilton did not desire to go into the witness-box at all because he could not substantiate the statement he made. It is all very well for a man to make certain statements when he cannot be submitted to cross-examination. Mr. C. Sheehy's evidence indicated that the Butter Board was not aware of the practice that the firm of H. M. Russell and Company was indulging in, and that it had not come to the knowledge of the board. In so far as it concerned the butter suppliers of Queensland, that particular firm was securing an undue and unfair advantage.

Mr. RUSSELL: I challenge contradiction of my statement.

Mr. WATERS: The hon. member had an opportunity of submitting himself to cross-examination and did not avail himself of it. That is the best evidence we can get. It ill becomes members of the Opposition, and particularly the Leader of the Opposition, to attack the probity of Mr. Carroll, the Commissioner. In comparison with the reports of other Royal Commissions, the report of Mr. Carroll was most dignified; and in his findings he certainly let certain hon. members down very generously. He did not use the language used in the report issued by ex-Justice Campbell. He set out plainly what his opinions were according to the evidence submitted to him. There was no person in Queensland better fitted to do the work. He had a very extensive knowledge as an investigator, and was a man well acquainted with accountancy practice. An ordinary judge might have had it put over him by the wiles of the accountants in the Brisbane business firms. The inquiry showed that the morality in the business world of Brisbane has reached a pretty low ebb. When ledgers are mutilated, erasures made, and cheque butts mutilated for fear of disclosure, it shows in a pretty poor light these people who prate about business morality and how business methods should be employed in Government departments. Those probably are the methods that the party opposite favour the employment of. I wish to protest against the remarks which have been made by the three Opposition members who have spoken regarding the ability or probity of Mr. Carroll.

Mr. W. J. COPLEY (*Bulimba*) [3.55 p.m.]: I do not propose to speak at any length on this matter, but I wish to say a few words about the Royal Commissioner who was appointed to undertake this work, and who, I believe, has lived up to the highest traditions of the public service in connection with his report.

So far as Mr. Carroll is concerned, the position is the same as it would be with any public servant acting in a similar capacity. The Government, in their wisdom, when looking round for the most competent man for

[*Mr. Waters.*

the position of Royal Commissioner, decided that Mr. Carroll was the man for the job. The Premier sent for him and gave him the appointment. Any public servant similarly situated would have taken the appointment, just as Mr. Carroll did.

I noticed the courtesy which was at all times extended to individual witnesses who appeared before the commission to give evidence. The Commissioner went to St. Martin's hospital when he believed it was necessary to go there to take the evidence of the hon. member for Coorooora; and he treated that hon. member with every consideration at the time he was sick, and gave him every opportunity to give his evidence; and he treated other witnesses who gave evidence before him with similar courtesy. He endeavoured to have their evidence placed before him in such a way as would convey their points of view to him, as otherwise he might be prejudiced if the position was not properly set forth.

Mr. Carroll holds rather a unique position in public life. Even including the officers of the Crown Law Department, I do not believe there is a man in the public service who weighs and sifts evidence to such an extent as does the Chief Inspector of Taxes. Nobody can deny that, when the income tax officers prosecute, they do not employ a legal man to do their work. They employ Mr. Carroll, and send him all over the State.

Mr. MOORE: Neither do the police employ legal men.

Mr. W. J. COPLEY: The police are men who have been trained in presenting evidence in police cases which come before the court. Mr. Carroll is a man who is doing another type of work, examining statements of account day after day, going into the accounts of various taxpayers throughout the State, sifting and weighing evidence in connection with income tax returns, and is, I believe, through the nature of his position, eminently fitted for the high position to which he was appointed by the Government.

We have heard some hon. members complaining about the attitude of Mr. Carroll, and saying that they did not receive justice. I have never yet heard a man who was found guilty by any tribunal admit that he was guilty. To a large extent that is human nature. Usually an individual who is not protected by the privilege of Parliament does not attack the judge who has come to the decision; but that is exactly what happened here to-day. Hon. members have attacked the Royal Commissioner under cover of privilege.

The only phase of the whole affair which I think calls for expressions of regret is that the previous Administration did not allow an inquiry to be held, in view of the fact that a Minister and two members of the Government Party were involved. If they had done so, it would certainly have taken away a good deal of the odium and stench which naturally followed. I believe that the findings of the Commissioner were based on the evidence placed before him. His report was submitted in very rapid fashion. There was nothing of an extravagant nature in his statement, and nothing not usually associated with such findings. No extravagant statements were made, nor gross charges levelled. It was just a plain statement of the position; and I believe that Mr. Carroll did his job in a way worthy

of the public service, and that the Queensland Government and the taxpayers generally, and particularly those persons affected by the big steal, were very lucky that there was a man of the calibre of Mr. Carroll to occupy the position which he did so well.

Mr. GODFREY MORGAN (*Murilla*) [4.3 p.m.]: Mr. O'Keefe—

The PREMIER: Mr. O'Keefe, I rise to a point of order. It was agreed earlier in the day that the unusual practice of giving extensions of time in Committee of Supply should be granted to two hon. members, and the motion for the first extension of time was moved by the hon. member for Murilla. The Standing Orders provide that, when an hon. member moves for an extension of time to another hon. member the mover of such an extension has lost his right to speak.

Mr. GODFREY MORGAN: I knew that I had moved the extension of time, and made inquiries from the Chairman, who said that I had forfeited my first fifteen minutes. Otherwise I would not have risen.

The PREMIER: It is a complete abuse of the privilege of getting an extension of time.

Mr. GODFREY MORGAN: I do not in any way want to do that.

The PREMIER: If the Chairman rules in that way, go ahead.

Mr. GODFREY MORGAN: I would not have risen if I had not been told that I had the right to speak for ten minutes. What I want to say relates to the appointment of Mr. Carroll. I have met him, but the reason I object to his appointment is that he had opportunities which no other man possessed of going through income tax returns and finding out information about individuals. He was in the position to peruse the income tax returns of certain individuals without their knowledge. When he was appointed as a Royal Commissioner to inquire into the alleged payment of secret commissions, he was unconsciously biassed, no matter how fair he desired to be. He could not fail to be persuaded by the information he obtained as an officer of the Taxation Department, and he could not exclude this knowledge and give consideration only to the evidence adduced. I have no objection to the appointment of Mr. Carroll as a Royal Commissioner on any other ground. There appears to have been a certain amount of political bias associated with the inquiry. It was known to the Premier many years ago, when he occupied the position of Secretary for Agriculture, that rumours were current to the effect that certain secret payments were being made. During the past fourteen or fifteen years the people in my electorate have complained that certain secret payments have been made.

The PREMIER: Is that why your Government enacted the provision I quoted from the opinion by Mr. McGill on the 1923 Act?

Mr. GODFREY MORGAN: I am under the impression that, prior to the Labour Government going out of office, a Bill had been partly prepared to deal with the payment of secret commissions. Why was that Bill not passed through Parliament if the Labour Government were anxious to do away with the payment of secret commissions? Why did they not bring in a Bill to make such payments an offence?

The PREMIER: "The Primary Producers' Co-operative Associations Act of 1923" is complete.

Mr. GODFREY MORGAN: Evidently it is not, because the Labour Party had partly prepared a Bill to deal with the payment of secret commissions before they went out of office.

The PREMIER: That is not true.

Mr. GODFREY MORGAN: I am told on the best authority that it is true. There appears to have been some political bias towards the hon. member for Hamilton. The evidence discloses that certain agents were in competition with H. M. Russell and Co., Ltd., and that they were paying commissions, too. They were merely asked a few questions by the Commissioner, but their books were not investigated in any shape or form. The offence was the same whether the commission paid was $\frac{1}{2}$ per cent. or 2 per cent. Evidently the Commissioner thought that the payment of this commission by H. M. Russell and Co., Ltd., was an offence, whilst the payments admitted to be made by his competitors were not an offence. Was that attitude prompted by the fact that the hon. member for Hamilton was a politician? Is that the reason why the Commissioner specially desired to adjudge him guilty of an offence and allow his competitors, who had admitted the payment of similar commissions, to go unheeded? The Commissioner had made certain recommendations with regard to price-fixing, and with those recommendations I am in entire accord. His suggestion should be applied not only to machinery required by the dairying industry, but it should also be applied to all utensils and equipment required in the industry.

The recommendation of the Royal Commission that the selling prices of separators should be investigated by the Commissioner of Prices is a good one; and, if the Government intend to act upon it, then they should not stop at separators, but should include machinery of all descriptions that is used by the farmer. We know that the selling of separators at a cost of 100 per cent. above landed cost is applicable to all farming machinery and implements. We also know that four or five commissions, secret or otherwise, are paid on this machinery from the time it leaves the manufacturer until it is sold to the user. I am of opinion that commercial morality in Australia is almost equal to the commercial morality of the United States of America; and the sooner something is done to bring about a higher tone in our commercial circles the better for all concerned. I feel sure that, if the Commissioner had extended his inquiries into other industries, he would have found secret commissions being paid in practically all of them. The Criminal Code (Prohibition of Secret Commissions) and Further Amendment Act which was passed last session should be administered by the Government, because I believe that it will have some effect in putting down the practice of paying secret commissions. The knowledge that the receipt of a secret commission is a criminal offence will prove in the future a deterrent to those individuals who desire to give or receive them. If the Government administer that Act, I feel sure that it will have the effect of lessening the exorbitant charges made on the producer in regard to all his machinery requirements.

Mr. Morgan.]

The PREMIER (Hon. W. Forgan Smith, *Mackay*) [4.13 p.m.]: Certain statements made by the speaker who has just resumed his seat and the apology offered by the Leader of the Opposition cannot be allowed to go unchallenged.

Mr. MOORE: I made no apology.

The PREMIER: If the hon. member desires me to regard his speech in any other light, I shall be pleased to hear from him. The Leader of the Opposition said that there was a political flavour about this commission.

Mr. MOORE: So there was.

An OPPOSITION MEMBER: Everybody has said so.

The PREMIER: The hon. members who interject are obviously judging hon. members on this side by their own actions. One has only to look at the cost of Royal Commissions during the three years of office of the Moore Government, and the patronage extended by that Government to their supporters to realise the truth of this statement. Not only were those commissions of a political flavour, but they appointed officers of their own political party at very high fees to carry out duties which could have been executed by their own public servants. Look at the work performed by Messrs. Fitzgerald and Walsh, and by Mr. Hancock! The accountancy work performed by Mr. Hancock could have been done by accountants in the public service. The Moore Government distributed patronage in every possible way to their supporters. The hon. member for Murilla said that the hon. member for Hamilton had been singled out by this Royal Commission.

Mr. GODFREY MORGAN: It looks like it.

The PREMIER: That is not so. I have no personal views in regard to this matter. I regard the connection of the hon. member for Hamilton with this affair as I do the connection of the hon. member for Cooroo—as very sad and regrettable in the extreme.

Mr. RUSSELL: I have no regrets.

The PREMIER: If anyone cares to read the report of the Royal Commission, he will find that a large number of firms and persons are dealt with. For instance, the Commissioner deals with Michael James Egan, manager of the Gayndah Co-operative Dairy Association, Limited; Peter Alfred L'Estrange, manager of the Nanango factory; and William Douglas Forbes, manager of the Dayboro' factory, who are found to have received commissions on butter-boxes. Then the firms of Lars Andersen and Sons, Limited, James Cossart and Sons, Simpson, Halligan, and Company, Proprietary, Limited, the Queensland Wire Bound Boxes, Limited, and Hancock Brothers, are all also dealt with by the Commissioner. Every person who had been affected or who had been in any way connected with the giving or receiving of secret commissions was examined. There was no question of singling out any individual at all; and in the statements they have made the Leader of the Opposition and the hon. member for Murilla are merely judging other people by the motives that animated them on various occasions.

Mr. KENNY (*Cook*) [4.15 p.m.]: It is very interesting to hear the Leader of the Government attempt to reply to hon. mem-

bers who have spoken from this side of the Committee. I am one of those who believe that every investigation should take place when an industry like the dairying industry is affected. Action should have been taken years ago, and the hon. gentleman who leads the Government to-day had the opportunity to take that action when he was Secretary for Agriculture. The hon. gentleman told us this afternoon that, when he was Secretary for Agriculture, deputations waited upon him—

The PREMIER: I said that I heard certain things and took certain action.

Mr. KENNY: If the hon. gentleman wants to shuffle, I shall let him; but, even accepting his statement that he heard certain things which led him to believe that there was unfair competition in connection with the erection of butter factories, we know that the hon. gentleman made a recommendation to the Department of Agriculture so that he could control the erection of factories to a certain extent.

The PREMIER: Where the Government made loans, public tenders had to be called.

Mr. KENNY: A review of the history of secret commissions in Australia shows that legislation to deal with the matter was introduced as far back as 1905, when the Commonwealth Government and the Victorian Government put legislation on their statute-books to that end.

The Premier has referred to the question of the dairying commission that was held in Victoria in 1905, and said that the fact that secret commissions were rampant in that industry was one of the reasons why the co-operative movement had not progressed to the same extent as it has done in other States. That shows quite definitely that it was recognised that some action should be taken by all Governments in Australia. We know that the Premiers met in 1905, and decided that legislation in that direction was necessary throughout Australia. Victoria and Western Australia passed legislation in 1905, New South Wales in 1919, South Australia in 1920, Tasmania in 1924, and Queensland in 1931 during the regime of the Moore Government. A conference of Premiers met in 1918, when the hon. gentleman who is now Premier was a member of the Government, and decided that all States should introduce legislation dealing with secret commissions. Every Government recognised what was going on throughout the Commonwealth, and decided that some action was necessary. Why was no action taken by the Queensland Government? Because the Government of the day were involved in many transactions that would have come within the ambit of that legislation. There were many transactions in connection with State enterprises—Mungana, etc.—and, if legislation had been introduced by the Labour Government, it would have affected themselves.

The Leader of the Government stated that no Bill was prepared by the Labour Party when they were in power. I am going to quote from "Hansard" of 1931 showing that the late Attorney-General dealt with this subject, and dealt with the correspondence on the files of the Justice Department, showing definitely that Queensland was asked by other Governments throughout Australia to come into line and prohibit secret commissions. No action was taken

[*Hon. W. Forgan Smith.*]

by the then Government, although these secret commissions were paid while the Labour Government were in power. The Leader of the Government to-day admits that he knew that was going on, and it was his duty to do the job and put that legislation through.

You, Mr. O'Keefe, told the people at Atherton about the commissions that were being paid. You told them that, while the farmers were milking their cows, members of Parliament were asleep on their pillows snoring. In saying that, you, Mr. O'Keefe, admitted that your party as a Government were asleep in Parliament and would not put the legislation through.

As reported on page 2350 of "Hansard" for 1931, the late Attorney-General had this to say—

"Let us take the material that the hon. member quoted concerning what happened in Victoria in 1905, which brought about the passage of the Secret Commissions Act by the Commonwealth Parliament. At that time everybody thought that a Secret Commissions Bill should be introduced, and it was introduced and passed by the Commonwealth Parliament.

"Coming down to the year 1918, we find that there was a conference of Premiers representative of all the States and that conference passed the following resolution:

That it is desirable that a uniform secret commissions Bill should be passed by the States.

Up till now Bills have been brought in and passed by all the States except Queensland; and it is left to this Government to bring in a Bill in this State. I have in my hand a very interesting file which I propose to put before hon. members.

"On 7th July, 1919, Mr. Fitzpatrick, Executive Officer of the Premier's Department of New South Wales, wrote to the Premier of Queensland, and asked—

With reference to the Secret Commissions Bill prepared by the parliamentary draftsman, New South Wales, will you be good enough to inform me if your Government propose to introduce a similar measure in your Legislature?"

That was replied to on 7th August, 1919, by Mr. Theodore, informing him that—

A Bill with the object in view will be introduced in the current session of the Queensland Parliament."

The TEMPORARY CHAIRMAN: Order! The hon. member is not in order in quoting legislation.

Mr. KENNY: I am quoting a speech.

The TEMPORARY CHAIRMAN: The legislation was passed.

Mr. KENNY: I agree with your ruling, Mr. O'Keefe; but I was referring to the Premier, who stated that no Bill was framed for introduction in Queensland. The Premier definitely made that statement. To prove my argument I must quote the speech of the late Attorney-General, who told Parliament that there was correspond-

ence on the files of the Attorney-General's Department dealing with this matter. As reported on page 2351 of "Hansard" for 1931, he said—

"On 14th December, 1922, the Acting Premier of New South Wales wrote to the Premier of Queensland—

I shall be glad if you will kindly advise me of the result of consideration of this question by your Government.

Mr. Theodore replied, on 20th December, 1922—

I have to inform you that no action so far has been taken."

I am just saying that no action was taken up to the time of the general election—

The TEMPORARY CHAIRMAN: Order! I ask the hon. member to obey my ruling, as otherwise I shall have to ask him to resume his seat.

Mr. KENNY: I do not wish to clash with your ruling, Mr. O'Keefe, but I want to know if I am not in order in quoting a speech of an hon. member in this Chamber. This is referring to legislation dealing with secret commissions on the same lines as the legislation dealing with secret commissions passed in other States of the Commonwealth. I am asking the Premier why, when he was asked by every other Government in Australia to introduce legislation along these lines, it was not done when he had the power to do it.

The TEMPORARY CHAIRMAN: Order! I must ask the hon. member to obey my call to order and not continue quoting.

Mr. KENNY: I am not quoting anything at all. I am speaking on this vote.

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

The SECRETARY FOR PUBLIC WORKS (Hon. H. A. Bruce, *The Tableland*) [4.26 p.m.]: The hon. member for Cook, who has somewhat reluctantly resumed his seat, told the truth when he said that during the Moore regime they introduced a Bill—

Mr. NIMMO: Mr. O'Keefe, I rise to a point of order. I feel that your decision was not right in asking the hon. member for Cook to resume his seat, and I move that your ruling be disagreed with.

The TEMPORARY CHAIRMAN: Order! I would point out to the hon. member for Oxley that he is now too late. I have already called on another hon. member to speak.

The SECRETARY FOR PUBLIC WORKS: It is true that the Moore-Barnes Government did introduce a Bill dealing with secret commissions; but it was done vindictively. They introduced legislation with the idea of inculcating two of the most prominent Labour members of Queensland and Australia at the time. No actual knowledge was gained by the Government with regard to secret commissions in the dairy industry until they were discovered by the Commissioner of Taxes during the time the Leader of the Opposition was Premier of the State. Definite information was then discovered; and, to the astonishment of dairymen and everyone else, the hon. gentleman used his political influence in the matter. He called a conference of farmers, and used his political position to prevent the farmers taking action.

Hon. H. A. Bruce.]

The hon. member for Cook quoted a statement made during the election campaign by the hon. member for Cairns, who was assisting me when I was contesting a farming electorate in the North. I stated definitely that we had discovered through the Commissioner of Taxes that the dairy people were being robbed, that the Nationalists were first of all asking the dairymen for their support politically, and on the other hand were putting their hands into their cream cans and stealing their cream.

Hon. W. H. BARNES: Mr. O'Keefe, I rise to a point of order. The Secretary for Public Works said that the members of the late Government were urging certain things on the one hand and at the same time had their hands in the cream cans stealing the cream. I ask that those words be withdrawn, as they are entirely unwarranted.

The SECRETARY FOR PUBLIC WORKS: I withdraw. We promised during that election that, if we were returned to power, we would give the dairymen the opportunity of finding out to what extent they were robbed—the opportunity they were deprived of under the Moore-Barnes Government. A great deal of criticism has been directed towards Mr. Carroll, the Commissioner. We have been told that the commission had a political flavour; it had, because politicians were concerned in the inquiry. It was discovered by the Commissioner that they had secured secret commissions out of dairying. Naturally it would be political, because the people who have got these commissions out of the dairymen were all on the other side—that is political flavour on one side. The Commissioner could only find in accordance with the evidence brought before him. It is obvious that, not only in the cases that have been raised in this Chamber to-day, but in others, it is these people, whom the Opposition very often get up here and say they support, who have robbed the dairymen of hundreds of thousands of pounds.

Yet the Moore-Barnes Government were in office for three years—in for a considerable period after it was first discovered through the Commissioner of Taxes that the dairymen were being robbed—and not one member of that party lifted a finger to protect those men who were striving in the country to make a living for themselves and their wives and families. If, as the hon. member for Cooroora said, it was wrong to make the imputation against him, what about those men whose homes and whose livelihood, with those of their wives and families, were dependent on this industry? What of the men who were robbed by the robbery that has taken place, whilst no hon. member opposite raised a finger to protect them? It was only after the Labour Government were returned in 1932 and appointed a man who had no political opinions—a member of the public service—as Commissioner to inquire into these matters—it was only then that anything was done to help them. What sort of report did he make? A mild report. There were no sweeping statements—nothing in the nature of the report by ex-Justice Campbell in regard to Mungana. It was a report purely founded on fact. We as a party did not raise the question in this Chamber to-day. It only became necessary for hon. members on this side to mention the matter after certain statements were made by the hon. member for Cooroora and

[Hon. H. A. Bruce.

the hon. member for Hamilton. Then it was necessary for the Premier to deny those statements in the interests of the Commissioner. No hon. member of this party has been vindictive. We appointed a commission with the object of discovering, not only how much the dairyman was robbed, but also the possible extent of the robbery, and who were robbing him. When that report is made, we have the hon. member for Cook, who represents an electorate in which one section is a dairying section, getting up in this Chamber and saying not one word in protection of the interest of that class of his constituents.

Mr. KENNY: He was not allowed.

The TEMPORARY CHAIRMAN: Order!

The SECRETARY FOR PUBLIC WORKS: The hon. member spent his time in trying to fasten something on the Government.

Mr. KENNY again interjected.

The TEMPORARY CHAIRMAN: Order! I ask the hon. member to obey the Chair.

Mr. KENNY: I was trying to state the position when I was choked from the Chair.

The SECRETARY FOR PUBLIC INSTRUCTION: Mr. O'Keefe, I rise to a point of order. I draw your attention to the statement of the hon. member for Cook that he was choked from the Chair, which I regard as a reflection on the Chair which should be withdrawn.

Mr. KENNY: I was trying to draw attention to the whole business.

The SECRETARY FOR PUBLIC WORKS: It is remarkable to see a member who represents a large number of dairymen endeavouring to persuade them that he is keenly interested in their welfare while he wastes the whole of the time at his disposal for their protection in trying to hang something upon the Government. Surely, as the representative of these people, he should have used the time available to him in pointing out what had taken place and in drawing attention to the amount of which they had been robbed while they were striving all day and often into the night to make a living for themselves and their families. Members of this party have not used the report of the commission vindictively on the floor of the Chamber, as was done by the late Government in the case of the Mungana inquiry. The report in this case was very reliable and very fair, compared with that of ex-Justice Campbell. The only thing in which I am interested is to see that the dairymen are protected, and from now on it is to be hoped that what is disclosed by this report to have taken place will not occur again. It would be well for us and the dairying industry if the associations took the opportunity of proceeding under the civil law against those who are implicated; then, perhaps, we should see an end to it for all time.

Hon. W. H. BARNES (*Wynnum*) [4.35 p.m.]: The hon. gentleman who has just resumed his seat has committed a very grave indiscretion in the attitude he has adopted at this stage.

At 4.35 p.m.,

The CHAIRMAN resumed the chair.

Hon. W. H. BARNES: In dealing with this matter he evidently forgot that he was a Minister of the Crown, and that at least he should show some respect for his office.

His main object appeared to be to belittle the hon. member for Cook. With him, it was not a question of the bigger thing.

Mr. W. J. COPLEY: He got under your skin.

HON. W. H. BARNES: One of those shrimps on the other side is suggesting certain things.

The CHAIRMAN: Order! I ask the hon. member to withdraw that remark.

HON. W. H. BARNES: I certainly withdraw it, Mr. Hanson, at your request. The hon. member for Bulimba might be able to show a little wisdom if he had a beard, but apparently he is minus that little wisdom.

The hon. member for Cook does his duty fearlessly, and cannot be excelled by any other hon. member in his attention to the wants of his constituency. The Secretary for Public Works practically stated that the Moore Government were prepared to look on and were disinclined to tackle anything that they regarded as being dishonest on the part of someone else.

Consider the Jamieson case! Did the Moore Government hesitate to proceed in connection with that matter when they realised that a responsibility rested upon their shoulders?

The SECRETARY FOR PUBLIC INSTRUCTION: What incident was that?

HON. W. H. BARNES: The hon. gentleman surely knows that the Commissioner of Taxes proceeded—

The SECRETARY FOR PUBLIC INSTRUCTION: That was not a Government matter at all.

HON. W. H. BARNES: It was a Government matter. I do not suggest anything improper against the Premier; but I am sure that he could say that at times he had been approached to stay the hand of the Commissioner of Taxes in a prosecution.

The PREMIER: I have been approached by members of your party.

HON. W. H. BARNES: I do not know anything about that, but I am not one who has approached the hon. gentleman.

The PREMIER: You have not.

HON. W. H. BARNES: During my occupancy of the position—

The CHAIRMAN: I do not know what the hon. member is discussing. The question before the Committee is the consideration of the Estimates for "Premier and Chief Secretary's Department—Chief Office."

HON. W. H. BARNES: I am discussing the question of secret commissions.

The CHAIRMAN: The hon. gentleman will be in order in doing that.

HON. W. H. BARNES: We were dealing with bribes. There were times when I occupied the position of Treasurer when people came to see me to point out that they were being prosecuted by the Commissioner of Taxes, and they asked me to stay his hand. The Premier knows as well as I do that he has the power to say to the Commissioner of Taxes, "Don't do that!" The Premier could probably say that he would not do it, and he would likewise say, "No, it is an income tax matter, and it must be left there." That is the position I invariably took up. The facts are that the Moore Government were in office, and did nothing to

block the prosecution of Mr. Jamieson by the Commissioner of Taxes.

The SECRETARY FOR PUBLIC INSTRUCTION: You said you instituted the prosecution of Jamieson—

The CHAIRMAN: Order!

The SECRETARY FOR PUBLIC INSTRUCTION: And that was entirely wrong.

The CHAIRMAN: Order!

The SECRETARY FOR PUBLIC INSTRUCTION: I am sorry, Mr. Chairman.

HON. W. H. BARNES: Things were at work at that time in certain directions, but the Moore Government did their duty as they would always do their duty when in office. When an hon. member throws out an insinuation that we were prepared to do an improper thing, then I can only take it that such a statement is made by a man who would be prepared to do certain things in similar circumstances. One of the things necessary in governmental life is to keep up the high standard, and the Moore Government were never against that principle, and will never be against getting at the person, whether it be through a royal commission or otherwise, and will never try to block what is the right and proper thing to do in that direction. Further, no hon. member is fit for office, or even fit for the position of a member of Parliament, who does not feel that one of his first duties is straight going in governmental matters. A Minister's duty is very often an unpleasant duty, but it is a duty which calls, and which he should not shrink from.

We have heard a lot of what has been done in connection with secret commissions. If one could reveal all that has happened in the past in this connection, there would be reading which would have far greater weight than the matter now under discussion.

I do not intend to make one comment against the Commissioner; but reference has been made to Mr. ex-Justice Campbell, who was appointed Royal Commissioner in the Mungana case. Mr. Justice Campbell was at least a judge, and his appointment was applauded by the Sydney "Labour Daily" as one of the finest men who could have been chosen to occupy the position. According to the press this morning, and I presume it to be an official statement, it is said that no further action will be taken regarding the findings of the commission. If further action were taken, it would be found that the men involved would be able to come through the ordeal with flying colours, and probably show—probably not through any wilful desire to do anything improper—that the Commissioner committed a grave error. I am not referring to Mr. Carroll personally or to his conscience; but I am contending that it was not proper that an officer of the Taxation Department should be made the judge in connection with such an important matter. It will ever be to the discredit of the Government that they appointed an official to do that business. I would like further to ask the Premier—although I would not be surprised if he could not answer it—if the Commissioner of Taxes recommended the appointment of Mr. Carroll and approved of it.

The PREMIER (Hon. W. Forgan Smith, Mackay) [4.45 p.m.]: The hon. gentleman who has just resumed his seat referred to the personnel of the commission, and asked if certain individuals recommended him.

Hon. W. Forgan Smith!

The reply to that is perfectly clear and direct. I take full responsibility for the appointment that was made. It is the responsibility of the Premier and the Cabinet in regard to all Royal Commissions; and I take the full responsibility for recommending to Cabinet that Mr. Carroll be appointed. He was recommended because of his fitness to conduct the inquiry, as well as for his general probity and qualifications. What objection can be had to an officer of the public service conducting a Royal Commission? As a matter of fact, under various statutes, some of them passed by the Moore Government, officials of the Government are appointed to perform certain duties with the powers of a royal commission in the exercise of those duties, and can carry out all investigations that are required without any special appointment. The members of the Land Administration Board may, on their own initiative, exercise the powers of a Royal Commission in any investigations they make. The Director of the Bureau of Economics has all the powers of a Royal Commission, and can exercise very wide powers of investigation. Not only has he the powers of an ordinary Royal Commission, but he also has powers that a Royal Commission does not have—powers that were given to him by the Moore Government. For example, that officer has power, under legislation passed by the late Government, to make investigations in the Income Tax Department and secure documents therefrom for any purpose that he thinks is within the scope of his duties. A Royal Commission in the ordinary course of events has not anything like those powers. The Director of the Bureau of Economics is a public servant; yet we find the ex-Treasurer saying that a public servant should not be appointed as a Royal Commission.

In addition, it must be remembered that the ex-Treasurer himself put through an Order in Council under the Income Tax Acts which gave him the right to send for any person's income tax papers, and to send for an income tax officer and force that officer to disclose, not only anything that may be contained in the official papers of a taxpayer, but also any information he might obtain in the ordinary exercise of his duties—a most extraordinary and unprecedented action on the part of any Treasurer.

Hon. W. H. BARNES: There was abundant precedent for it.

The PREMIER: The hon. gentleman has not stated the reasons. What were the reasons?

Hon. W. H. BARNES: The Premier is on his feet just now.

The PREMIER: I know some of the reasons which animated the hon. gentleman. For political reasons, hon. members opposite desired certain information that they could only obtain in this way, and, in order to secure that information, they took power in the Order in Council I have mentioned, not only to send for the papers relating to a taxpayer's most intimate business, but also to make a taxing official disclose information which came into his possession. They are most dangerous powers. A man in ordinary business could find out by that means what his competitors were doing. In countless different directions the power that the Treasurer took on that occasion is subject to serious abuse; yet we have the hon.

member adopting a righteous mien this afternoon and posing as though he were horrified at the idea of a public servant being appointed a Royal Commission.

Hon. W. H. BARNES: The power was never used.

The PREMIER: A few minutes ago the hon. gentleman said that the regulation was brought in for a very definite purpose. How does that square with the statement he now makes that the power was never used? Obviously the one statement contradicts the other. There is no doubt at all, as the ex-Treasurer said, that the regulation was brought in for a specific purpose—a purpose that suited the aims and objects of the then Government; and the powers granted in the regulation were exercised.

Hon. W. H. BARNES: They were not.

The PREMIER: The powers were exercised.

Hon. W. H. BARNES: Mr. Hanson, I rise to a point of order. I make the statement that the powers were never used. The hon. gentleman must accept my statement.

The CHAIRMAN: I ask the Premier to accept the statement of the hon. member for Wynnum.

The PREMIER: I accept the hon. member's denial, and tell him straight out that I do not believe it. Belief is something that cannot be controlled either by the Standing Orders or anything else. (Interruption.)

The CHAIRMAN: Order!

Hon. W. H. BARNES: Mr. Hanson, I rise to a point of order. The hon. gentleman said that he accepted my statement, and then said he did not believe it. I say that is unparliamentary and I ask that the hon. gentleman withdraw.

The CHAIRMAN: The Premier agreed with my request and accepted the denial of the hon. member for Wynnum. I cannot control his thoughts.

Hon. W. H. BARNES: He said that he did not believe me.

The PREMIER: Belief is something that no power on earth has ever been able to control. Much wider authorities than Parliament have endeavoured to do so in the past without success.

The CHAIRMAN: Order! I ask the hon. gentleman to get on with his speech.

The PREMIER: A question was raised about legal authority in regard to the payment of secret commissions. I quoted earlier in the debate a very comprehensive opinion presented to the Moore Government by Mr. A. D. McGill, who, no doubt, will be accepted as an authority by hon. members opposite. I know that he is a very capable and highly qualified legal gentleman. In the course of his opinion he informed the then Government on 4th April of this year—during the election campaign—that there were very full legal powers in regard to secret commissions.

The hon. member for Cook, in his desire to endeavour to cover up the tracks of his own party, made the suggestion that prior to the passing of a Bill last session there was no legal power to deal with secret commissions. That is entirely incorrect.

[Hon. W. Forgan Smith.]

Mr. KENNY: Mr. Hanson, I rise to a point of order. I did not make the remark attributed to me, and I ask that it be withdrawn.

The CHAIRMAN: Order! The hon. member for Cook objects to the statement attributed to him, and I ask the Premier to withdraw in accordance with parliamentary procedure.

The PREMIER: If a member can object to something that is being said in reply to the debate, we may get into a position where debate will be impossible. The point was definitely made that prior to the passage of the Bill last session there was no legal authority to deal with secret commissions. If the hon. member did not make that statement, I accept his denial. In the course of his opinion Mr. McGill said—

“Another subject to which I have been referred is ‘The Criminal Code Act Amendment Act of 1931.’ As this amendment of the Criminal Code only relates to transactions in the future”—

That is from the date of the passing of the Act—

“it furnishes no assistance to querists in respect of the transactions upon which I am asked to advise.”

A very significant paragraph in the report of counsel! That shows very clearly that the Act that hon. members opposite claim was passed for the express purpose of dealing with the situation has no bearing whatever on the matters now under review; but Mr. McGill does definitely say—

“Rule 31 of Part II. of the schedule of the ‘Primary Producers’ Co-operative Associations Act of 1923’ provides that any director or officer who receives commission, fee, reward from any person or in connection with transactions of such person with the association shall be liable to the penalty provided in the preceding section of £100 and to make good to the association double the value of the amount of such commission, fee, or reward.”

That was placed in the statute book by myself when I was Secretary for Agriculture so far back as 1923. In addition to that Act cited by Mr. McGill, there is also the ordinary power under the common law. The position as revealed by the opinion of counsel is that, under the Act I have quoted and under the Commonwealth law, the people who have been victimised by various people accepting and giving secret commissions have their legal remedy. The position is now open to them, if they so desire, to apply for that legal remedy through the ordinary court.

Mr. KENNY (*Cook*) [4.57 p.m.]: In the couple of minutes at my disposal I would like to try to deal with the attack made on me by the Secretary for Public Works. He said I had not tried to protect those dairymen who were affected by the payment of secret commissions. I want to say definitely that right through my political life it has been my utmost endeavour to have secret commissions dealt with. My only regret is that the Labour Party as a Government did not take action when they had the opportunity. In 1923 they had a Bill prepared to deal with the subject, but they would not go on with the Bill. Mr. Theo-

dore invariably said in reply to the other States, “It is not the intention to go on with the Bill this session.” Year after year from 1923 onwards every effort was being made to get the Government to deal with the matter. They knew secret commissions were being paid, because secret commissions were being included in income tax returns, and the Government of the day knew of it. The Premier himself admitted this afternoon that he knew of it when he was Secretary for Agriculture, but he would take no action to bring in a Bill to deal with the matter. The opportunity was there for the Labour Government, and they could have taken advantage of it. They should have introduced the legislation when they had the opportunity, and I would have been one of the first to applaud them. I say that to-day “graft” has got too far in this State, not only in the dairy industry, but in the business community and in the public service. The position wants cleaning up. There are some things we know that we cannot prove; but the hon. gentleman, being in the Government previously, knew that “graft” was going on, yet he did nothing to stop it. Men of his own party knew of it, but no action was taken.

The PREMIER: Mr. Hanson, I rise to a point of order. I would draw your attention to the remark just made by the hon. member for Cook. He said that members of the Government knew that “graft” was going on and would take no action. I say definitely that that is false, a canard, and a figment of the imagination. It is offensive to the Government and should be withdrawn.

The CHAIRMAN: I must call on the hon. member for Cook to withdraw the expression.

Mr. KENNY: In obedience to your ruling, Mr. Hanson, I withdraw, but I cannot help thinking that it is true all the same.

The CHAIRMAN: Order!

VOTES PASSED UNDER OPERATION OF STANDING ORDER 307 AND SESSIONAL ORDER.

At 5 p.m., under the provisions of Standing Order No. 307 and the Sessional Order agreed to by the House on 17th August, the questions for the following votes were put by the Chairman and agreed to:—

	£	s.	d.
Chief Secretary's Department—			
Chief Office	7,616	0	0
Balance of vote	83,789	0	0
Executive and Legislative—			
Balance of vote	34,707	0	0
Department of Labour and Industry			
Treasury	1,377,690	0	0
Department of Railways			
Trust and Special Funds Estimates, 1932-33	5,680,578	0	0
Loan Fund Account Estimates, 1932-33	3,117,242	0	0
Supplementary Estimates, 1931-32—			
Revenue	58,099	17	9
Trust Funds	375,542	7	0
Loan Fund Account	20,704	6	2
Vote of Credit, on Account, 1933-34	3,150,000	0	0

Mr. Kenny.]

The House resumed.

The CHAIRMAN reported that the Committee had come to certain resolutions.

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

RECEPTION OF RESOLUTIONS.

The TREASURER (Hon. W. Forgan Smith, *Mackay*): I move—

“That the resolutions be received to-morrow.”

Question put and passed.

The House adjourned at 5.7 p.m.
