

# The Inside Story !!



## Labour's Extraordinary Transactions



Hon. E. A. ATHERTON, M.L.A., Secretary for Mines.

"The present Government have lost no time in commencing to clean up the mess that was left by the late party in power. They are fulfilling their promises up to the hilt."—Hon. E. A. Atherton, M.L.A., Secretary for Mines.

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# The Inside Story of Labour's Extraordinary Transactions

Speaking on the Address in Reply in the Queensland Parliament on 3rd September, 1929, the Secretary for Mines (Hon. E. A. Atherton, M.L.A.), who was received with Government cheers, said: I would, first of all, like to congratulate you, Mr. Speaker, on the high position you have attained in this House. I am especially pleased, as one of the Northern members, to have the honour of having you as Speaker upon my introduction to this Assembly.

I also congratulate the electors of Bulimba upon having had the honour of electing the first lady member of the Queensland Parliament. To the hon. member herself I offer my sincere congratulations upon the convincing manner in which she won the Bulimba seat. The wonderful victory that she achieved in doing so has thrilled Queensland and showed that on this occasion "Wright was wrong." (Laughter.) I also congratulate the hon. member on the splendid speech she made, and I congratulate my next-door colleague, the hon. member for Cook, on the splendid speech with which he seconded the Address in Reply. It is clearly evident that the hon. member who represents the Cook constituency will not prove as silent as was the late member.

Mr. Bruce: Don't be dirty.

The SECRETARY FOR MINES: That statement is quite clean; I always play fair. I take my place in this Assembly as Secretary for Mines, and at this juncture I should like to assure you, Sir, and hon. members that Queensland possesses absolutely the richest mine in the Commonwealth.

Mr Bruce: Who told you that?

## Labour's Lamentable Inefficiency.

The SECRETARY FOR MINES: I have gained that experience during the short time that I have been Secretary for Mines. But, unfortunately, that mine has been so unsympathetically, carelessly, and badly managed that its timber structure has almost decayed, the mine has become flooded with water, and quite a considerable quantity of the ground work has caved in. As you are aware, Mr. Speaker, when a mine reaches such a stage of disuse, it requires a period of perhaps years and tremendous expense to dewater the mine and restore it to the state of high efficiency which existed perhaps ten or twelve years before. The mine to which I refer is this wonderful State of Queensland. The administration to which we have been subjected over the past fourteen years has brought Queensland practically to the brink of bankruptcy, and, although it is no easy task to restore Queensland to its original sound, prosperous condition, given a little time, the present Government will restore the State to the happy position that it enjoyed fourteen or fifteen years ago. An ex-Minister of the Crown, when speaking the other day from the Opposition benches, doubted the wisdom of the Premier in appointing two political novices to his Cabinet. My only reply is that, if the whole of the Cabinet were composed of novices, they could not be guilty of a more lamentable display of inefficiency

and disaster than we suffered at the hands of the past Labour Cabinet.

GOVERNMENT MEMBERS: Hear, hear!

Mr. DASH: The Premier selected the best material available.

The SECRETARY FOR MINES: I accept that compliment from the hon. member. It is my intention to do my very best in the interests of the State as a whole; but, even if I did my very worst, I could not exceed the ruination of the past Administration.

## Broad Vision Essential.

I have the honour to represent an electorate of which you have all no doubt heard mention in this Assembly. I refer to the electorate of Chillagoe. I regard it as a high compliment to have the honour of representing the electorate of Chillagoe. In view of the present financial position in Queensland, and in view of conditions generally, it is necessary that those who control the destinies of the State should be possessed of broad vision in order to improve the present condition. I say without fear of contradiction that no other electorate in Queensland has a greater possibility of being able to do that than the Chillagoe electorate which I have the honour of representing. A greater quantity of wolfram and bismuth has been won from the Chillagoe electorate than from any other country of the same area in any part of the world. There is no reason why Chillagoe should not produce as much in the future as in the past. Chillagoe also holds the proud position of having the second largest silver mine in Queensland. There also happens to be in my electorate a district of which possibly a few hon. members may have heard, and that district is Mungana.

GOVERNMENT MEMBERS: We have heard about that before.

The SPEAKER: Order!

The SECRETARY FOR MINES: I have the honour of representing Mungana, which is part of the Chillagoe electorate; and I do hope that during the next few years Mungana will not be looked upon in such an unsavoury light as in the past, but that it will once again become a wealth-producing district, and be looked upon not only by the public, but by Queensland and the Commonwealth, and even by people right across the seas, in a more favourable manner than it has been during the last five or six years.

Mr. COLLINS: You are indulging in innuendoes.

## A Smelly Business.

Mr. KELSO: There is a lot of smelly business about Mungana, anyway.

The SECRETARY FOR MINES: It may not be out of place for me to mention right here what was done in regard to the Mungana mine. I do not intend to get down to tin tacks; the whole details will shortly be available for the information of the people; but suffice it to say, in order to let hon. members know the position, that the

Mungana mine at one time was lying idle and was not considered worth while for the Government to take up. As a matter of fact, the hon. member for Cairns, when addressing the Townsville Labour Convention, was asked why he had not opened up some of the silver-lead mines in North Queensland, and he replied that no one would think of taking up such a mine with lead at £20 per ton, with any hope of making it pay. What do we actually find was the case? They waited for a considerable period, and, when lead rose to £40 per ton, a company took up Mungana and worked it for a considerable period. Lead dropped again to £22 16s. per ton, and the Queensland Government then turned round and purchased Mungana for £40,000. I am speaking of a matter that I know something about.

Mr. BRUCE interjected.

The SECRETARY FOR MINES: I can assure my hon. friend that I know more about Mungana and Chillagoe than he imagines I do. I was born in the district, and I have lived in the district all my life. (Opposition interjections.) I claim to know something about my electorate—possibly more than some hon. members sitting on the Opposition benches know of their electorates. That reminds me of the story of a man coming from overseas to Queensland. He was asked, "What are you going to do in Queensland?" "I am going in for politics," he said. He was asked further, "On what side?" The overseas man said, "I won't know until I get there." (Laughter.) I am not one of those men; I always know the colour of my politics.

Mr. COLLINS: Innuendoes again.

The SECRETARY FOR MINES: No hon. member in this House, or any man out of this House, has the slightest chance of altering my political convictions.

GOVERNMENT MEMBERS: Hear, hear!

#### The Truth about Mungana.

After that they closed Chillagoe down, and automatically with that closure in July, 1927, the Mungana mine ceased to function. What I take exception to is the manner in which Mungana was closed down. I do not think many people are aware of what happened, but I can tell them that, when the manager was given instructions at 4 o'clock one afternoon to close the mine up in the morning, he appealed most strongly for two or three days' grace in order that he could remove the valuable machinery. He was told that the adjectival machinery could stop there, that the mine must be closed in the morning. The manager again appealed in vain for the opportunity of taking that valuable machinery out of the mine. The result is that to-day the mine is full of water, and there is at least £4,000 worth of machinery lying anywhere beneath 600 and 700 feet of water. The same remarks apply to its sister mine, the Lady Jane, in which over £4,700 worth of machinery is now lying in many hundreds of feet of water. Later on, when the Government did not consider it wise to reopen Chillagoe or work that mine, what did we find? They simply allowed the lease to lapse, and handed Mungana once more to Ahern and party. I do not blame the latter party one iota for accepting the mine, but I do not think that 2 per cent. of the people of Queensland are aware that the Government do not own the Girofla mine,

which is owned by a party of five or six individuals, to whom it was given in 1928.

That is the true position with regard to Mungana, from which it will be seen that not only has Mungana been crucified, leaving valuable machinery under water, but also has been sacrificed by the lease being allowed to lapse and to be taken up by Ahern and company.

The day will come in Queensland when we must realise that more scientific and up-to-date methods must be employed in mining activities. The day is long since past when the individual miner can go out with his pick and shovel, make a temporary windlass, and scratch a living out of the wealth lying near the surface of the ground. The modern scientific methods must be adopted to exploit the mineral wealth of the State. I said a minute ago, we all agree that the day is past when these mines can be worked on the old haphazard system.

Mr. BRUCE: You have got to put the copper there that you have taken out.

#### Modern Scientific Methods.

The SECRETARY FOR MINES: The copper and the lead are still there, but we have to adopt modern scientific methods to enable us to treat ores profitably that are now dumping. In the past the eyes were picked out of the mines. I am referring so much to gold mines, but in connection with other mining we only pick out the eyes. Out of every 100 tons of copper produced possibly 10 tons were treated and the other 90 tons were dumped.

Mr. BRUCE: Did they not treat low-grade ore at Chillagoe?

The SECRETARY FOR MINES: They treated a lot of low-grade ore. They treated ore that was not worth a snap on the fingers, but they purchased it from some individual. It was not out of their own mine. The day has come when we must treat this low-grade ore as a payable proposition, because in nearly every other country in the world they are treating ores of lower grade than ours we are dumping to-day. If we adopt scientific methods, with the most up-to-date machinery, there is no reason why similar low-grade ores cannot be treated in Queensland.

Mr. BRUCE: Are you going to put up-to-date machinery in Chillagoe?

The SECRETARY FOR MINES: The hon. member wants to know if we are going to put that machinery in Chillagoe. I think the machinery at Chillagoe and Mungana already cannot be surpassed in any part of the world, especially the human machinery that handled the financial side of it.

The present Government have lost no time in commencing to clean up the mess that was left by the late party in power in connection with State enterprises and other non-paying propositions. I was highly amused the other day when the Leader of the Opposition, by way of interjection, asked the Secretary for Labour and Industry what value he put on the goodwill of the State cannery. I have been in business all my life, and I never realised previously that business that was continually losing money had any goodwill whatsoever. The State cannery has shown a huge deficit, in spite of the huge amount that has been written off.

AN OPPOSITION MEMBER interjected,

The SECRETARY FOR MINES: I have been able to run a business all my life, and I have never worked for a day's wages in my life, and that is more than can be said by some hon. members sitting on the Opposition benches. They may have tried to run a business, but the success that they anticipated was not met with, and they were forced back upon the wages market. I must apologise. I said a moment ago that I had never worked for a day's wages in my life. I presume wages would include salary, and, in case that is so, I wish to state that for three months I have been a Cabinet Minister and have been drawing a salary. But this is the first time in my life that I have drawn a salary.

#### When the State was Struck a Deathblow.

Queensland was struck nothing less than a deathblow when the right of freehold tenure was taken from the people.

I think it was in 1911 that the people were given the right of perpetual lease if they wished it. Prior to that, when it was optional for a selector to take either a freehold or a leasehold, to show how popular the leasehold tenure was, whereas over 112,000 acres were taken up in one year under freehold tenure, only 2,000 acres were taken up under the perpetual leasehold tenure. Even when the Labour Government put an Act through and saddled the perpetual leasehold system on the people, when they discovered that it was detrimental to the State, they should certainly have removed it. I am not blaming anyone, because the party that never made a mistake also never did much good; but they should be broadminded enough, when they see that anything is seriously affecting the welfare of the State, to remove the obstacle. The only way to remove the obstacle is to allow the people to revert to freehold.

I have been convinced since I have been in the House for the last few days that hon. members opposite are what I might term more narrow-minded than I had ever any idea of before. As the old saying is, there are some people who are as narrow in the forehead as a sardine, and I honestly believe that some of these business people exist in Brisbane. I would refer to the freehold tenure in my own electorate. I represent possibly the most cosmopolitan electorate in Queensland, an electorate that produces nearly every mineral known, the finest timber in the world, and is one of the greatest maize-producing centres of Queensland, and also contains the finest dairying country in Queensland. When going through my electorate, I noticed the difference in the selections that were taken up under the freehold tenure and those which were taken up under the perpetual leasehold tenure. You had not the slightest necessity to ask people whether any place was freehold or perpetual leasehold, because you could see by the improvements on the farms which they were.

#### Look on This and then on That.

The man with a freehold property had very substantial yards and bails for his dairy concreted right through. In the case of the man who had a perpetual leasehold, his dairy yards were knee-deep with mud. Those people do not feel inclined

to spend money to put up concrete buildings on their farms, because, first of all, they cannot raise the capital to do it on perpetual leasehold tenure; and, secondly, the more they improve their farms the more they are taxed for improving them. I think that Queensland is the only country in the world where a man is taxed for improving the property of the State.

Mr. HYNES: You do not know much about it.

The SECRETARY FOR MINES: I happen to know a great deal about it. I have done more farming than the hon. member has ever seen, and I know exactly what I am talking about. That was one of the death-blows that was dealt to Queensland. I am glad to say that it will only be a very short time before the people of Queensland will again be able to say that they can take up a selection under the old freehold tenure.

GOVERNMENT MEMBERS: Hear, hear!

The SECRETARY FOR MINES: To anyone with any ambition, to anyone who likes to own a piece of property, and, later on, pass it down as a heritage to his next-of-kin, the freehold tenure certainly offers more attractions than does leasehold, under which a man knows that the property he is improving to such a high degree will never be his and he will never be able to hand it down to a later generation.

#### Under A.W.U. Domination.

I have been convinced for years that the past Government never governed Queensland. There was never any secret about who governed the State. It was the Australian Workers' Union. A striking instance of that occurred at the time of the big trouble in North Queensland, when a very high authority in the Government service said to the men, "I will see that we pass legislation to do so and so." What was he told by the secretary of the Australian Workers' Union? I cannot tell you here exactly what he said, but it was to this effect: "Our troubles about the Government; they are not running Queensland. We are. The Government will do as we tell them." That is what happened in Cairns. I, as chairman of the Cairns Harbour Board, was at the time discussing the matter with these other two or three individuals. So I cannot understand how anybody can deny here that the Australian Workers' Union did control Queensland.

Mr. COLLINS: The Employers' Federation run you.

The SECRETARY FOR MINES: The hon. member for Bowen interjects that the Employers' Federation run me. All I can tell the hon. member is that I have never belonged to the Employers' Federation in my life; and, if he can find my name in their books, I will forfeit my seat.

Mr. COLLINS: That does not make any difference.

The SECRETARY FOR MINES: Now the hon. member, like a carpet snake, is trying to wriggle out of it.

Mr. COLLINS: Why are you talking about carpet snakes? Why do you not play the game?

The SECRETARY FOR MINES: The hon. member is not accustomed to carpet

snakes. He is accustomed to tiger and diamond snakes—they are more venomous.

#### Labour's Lack of Acumen.

I would like to deal with the Government's purchase of the State stations and the lack of knowledge they displayed when they bought them, when the prices of cattle were right at their top. They never went any higher, and they started to fall almost immediately. I find also that their method of buying—in my area they bought six stations—was such that they did not buy until somebody else had actually come along and bought the stations. Then in a few weeks these persons passed them over to the Government—at what profit I am not able to tell at this juncture.

I have occupied a good deal more time than I expected, and now I want to refer at some detail to the truly extraordinary agreement that the late Government made with Mr. H. C. Sleigh, of Melbourne, in 1927, for the sale of coal from the State coalmine at Collinsville. Notice has been given of a lot of questions on this point, and possibly many of them will be answered now.

In his speech delivered on 28th August in this House the hon. member for Paddington, who was Minister for Mines at the time the agreement was made, said that he had paid detailed attention to this matter. Later in his speech he said that the Sleigh agreement was only for coal for overseas trade and overseas bunkering, yet the agreement to which the late Minister paid detailed attention definitely states that Sleigh is appointed the sole and exclusive agent for the Queensland Government for Bowen coal for bunkering overseas vessels and for export outside the State. It is quite clear that the hon. member for Paddington, as Secretary for Mines, had only a very vague idea of the contents of the document to which he appended his signature. Contrary to his idea of its contents Sleigh was given coal at a cost of about 2s 6d per ton under the cost of production, and from 5s. to 6s. per ton below the cost of coal to other purchasers, including interstate vessels. This agreement, which made him the sole and exclusive agent, included sales to other States. I will deal further with this phase of the question later on.

AN OPPOSITION MEMBER: Next week.

#### The Master Mind.

THE SECRETARY FOR MINES: You will get it to-night, if I have time. The point I wish to make now is that, although the hon. member for Paddington said on Wednesday last that he paid detailed attention to this matter, and that he signed the agreement with the very best intentions, in reality he knew very little at all about the agreement that he signed on behalf of the Government. My opinion is that there was a master mind behind this agreement, just as there was a master mind behind the peculiar transactions of the late Government in connection with the Mungana mines.

GOVERNMENT MEMBERS: Hear, hear!

THE SECRETARY FOR MINES: I do not for a moment think that the hon. member for Paddington had any real grasp of the essential features of the Sleigh transaction at all. I believe that this transaction

was conceived by the type of business man that carried through the Mungana transaction to such a successful conclusion, and, to a lesser extent, the type of mind that contrived to extract from the public purse a sum of not less than £13 a day, travelling expenses. These were the mind of Mr. Speaker, that were behind that agreement, and not the mind of the hon. member for Paddington. Under this agreement Mr. Harold Crofton Sleigh was empowered to demand from the Queensland Government 500 tons of the usual merchantable quality of Bowen coal every two or four hours at the following prices, delivered on trucks at the mine:—

	Per ton.
	s. d.
Best screened coal	14 0
Run-of-mine coal	12 0
Screened small coal	11 0

The agent on his part was under no obligation whatever, except to use his best endeavours to execute sale of the said coal.

#### An Extraordinary Agreement.

Two months prior to the signing of this extraordinary agreement the matter was referred to the supervisor of State coalmines who reported adversely upon it. He pointed out that the average cost of production of coal at that time was 14s. 6d. a ton, and stated that it was impossible to recoup the existing prices of 20s. a ton for screened coal and 16s. a ton for unscreened coal. He also pointed out that the greater sales of screened coal—the kind of coal Mr. Sleigh would require—the greater would be the cost of production because of the increase in the quantity of slack or cinder which is practically unsaleable. In spite of all this, the then Minister, the hon. member for Paddington, signed the agreement two months later, when conditions had changed in the slightest degree, and apparently did not know that it included interstate sales. On two or three occasions on Wednesday last he stated that Sleigh had to sell the coal overseas, and that the Sleigh agreement was only for coal for overseas trade and overseas bunkering. This is another peculiarity about this agreement—it was made for a period of three years, yet Mr. Sleigh was under no obligation whatever to take the coal; he could decide whether he took it or not, just as suited his interests. I notice, Mr. Speaker, that some of my friends on the Opposition benches have become quite dubious. There was no clause in the agreement providing for an increased purchasing price in the event of increased costs of production at the Bowen State coalmine. The value of the Bowen coal could rise to £2 per ton at the pit head, and the cost of production could rise to 20s. per ton, yet Mr. Sleigh could still demand 500 tons every twenty-four hours at the price of 11s. 5d. per ton. I ask Mr. Speaker and hon. members, if the hon. member for Paddington, as the Secretary for Mines, had really given detailed attention to this agreement; for, if he did, as the responsible head of his department and the responsible agent of the Queensland Government, acting as trustee of public money, would he have appended his signature to such a document? Certainly he would not.

### And How it Worked Out.

Having studied the terms of this wonderful agreement, perhaps it will now be interesting to find out how it has actually worked out in its operation. As hon. members will remember, the agreement was signed in May, 1927, and was for a period of three years. In the following financial year—that is, 1927-28—Mr. Sleigh disposed of 5,032 tons 15 cwt. of coal. Although—I will stand corrected—the hon. member for Paddington said Mr. Sleigh never sold an ounce in the first twelve months, I say he sold 5,032 tons 15 cwt. at an average cost to himself of 11s. 10½d. per ton, though the cost of production was 13s. 10d. per ton. In the financial year 1928-29 he purchased 27,402 tons of coal from the Bowen State coalmine, for which he paid at an average rate of approximately 11s. 4d. per ton—the cost of production being 14s. per ton. (Opposition interjections.) I can word my own speech without the assistance of hon. members opposite, as they will be quite satisfied to admit when I am finished.

GOVERNMENT MEMBERS: Hear, hear!

The SECRETARY FOR MINES: Over the whole of the period up to 30th June last, the average price Mr. Sleigh paid for coal purchased from the Bowen State coalmine worked out at 11s. 5d. per ton. I want hon. members to keep that figure in mind, because the hon. member for Paddington has questioned the accuracy of my statement as to the profits made by Mr. Sleigh under this agreement. That is what I am now coming to.

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

Mr. COSTELLO (*Carnarvon*): I beg to move—

“That the Secretary for Mines be granted an extension of time to enable him to complete his speech.”

The SPEAKER: Is it the pleasure of hon. members that the Secretary for Mines be granted an extension of time?

HONOURABLE MEMBERS: Hear, hear!

The SECRETARY FOR MINES: I particularly desire to thank hon. members for their courtesy in granting me an extension of time, for I can assure them that this is a most important question.

GOVERNMENT MEMBERS: Hear, hear!

### Important Matter for Consideration.

The SECRETARY FOR MINES: It has already caused a great deal of discussion in this House, and it will not be my fault if it does not create a lot more discussion.

GOVERNMENT MEMBERS: Hear, hear!

The SECRETARY FOR MINES: In answer to a question asked by the hon. member for Cook, on 27th August last, I stated that Mr. Sleigh had received a concession worth 5s. per ton of coal, equal in value for his purchases for last year to a sum of £6,884, or a selling commission equal to 30.6 per cent. Those are figures I gave to this House the other day, and I am prepared to stand by them, irrespective of the statement made by the hon. member for Paddington that they were not correct. I definitely state that they are correct.

Mr. BRUCE: They are the gross figures.

The SECRETARY FOR MINES: The late Secretary for Mines took exception to my calculations.

Mr. COLLINS interjected.

The SECRETARY FOR MINES: I can prove that the hon. member for Bowen has not the faintest idea of what he is talking about. The hon. member for Paddington stated last Wednesday that the sales profit could not be calculated until we knew the price at which Mr. Sleigh sold the coal. That is perfectly true, and it is an important matter for consideration.

Mr. POLLOCK: Plus his costs.

The SECRETARY FOR MINES: It is quite true also that I am not in possession of the facts of Mr. Sleigh's transactions—

Mr. PEASE: You will be.

The SECRETARY FOR MINES: Although I do know of one sale of Bowen coal to New Zealand at 23s. per ton f.o.b.

Mr. BRAND: By Sleigh?

The SECRETARY FOR MINES: There is no demand to sell coal to New Zealand bar through Mr. Sleigh, and he got 23s. per ton f.o.b., which is equal to 19s. per ton at the pithead. Therefore, on that lot of coal alone we know he made a profit in the vicinity of 8s. a ton. I considered that I made a very conservative estimate of Mr. Sleigh's profits under this agreement, and I see no reason in the world why I should alter that opinion. Hon. members opposite cannot refute the statements I have made.

Mr. POLLOCK: Why did you leave some of that man's report out?

### State's Tremendous Loss.

The SECRETARY FOR MINES: I am making this speech. As I have admitted, I have not any exact knowledge of Mr. Sleigh's transactions. He has never given any information to the department; he is not that type apparently, but probably for very good reasons of his own. It is quite evident that the overseas trade he has developed is of very little value, and it certainly does not justify the sale of nearly 40,000 tons of coal, mostly for other States—not overseas—at a loss of approximately 2s. 6d. per ton or the selling of Bowen coal at 11s. 5d. per ton when the present value at the pithead is in the vicinity of 19s. per ton.

Mr. COLLINS interjected.

The SECRETARY FOR MINES: Apparently the hon. member for Bowen has no idea of what a voice I have got. (Laughter.)

Mr. COLLINS interjected.

The SPEAKER: Order!

The SECRETARY FOR MINES: I will grease the machinery directly, and they will be wound up by the time I am finished. (Renewed laughter.)

I have given the House sufficient information, I think, to prove that the Sleigh agreement which the late Minister sought to excuse on Wednesday last is one of the most disastrous of a large number of similar transactions during the regime of the late Government. No one with any gumption would enter into an agreement to sell coal

at a fixed price for a period of three years without any proviso to cover increases in value or increases in cost of production. It is only natural that anyone entering into an agreement of that nature would make provision for a sliding scale to cover increases or decreases in cost of production; yet the Sleigh agreement had no such proviso.

Mr. BRAND: It is not a usual practice in the coal industry, either.

The SECRETARY FOR MINES: No one would agree to sell 500 tons of coal without any obligation on the part of the other person to take any specified quantity; nor would any sane person agree to sell at a loss of 2s. 6d. per ton for interstate trade when any number of equally competent agents would be willing to perform the selling service at a small commission of 1 or 2 per cent.

#### Minister Signs Blindfolded.

Before concluding I wish again to refer to the statement made by the late Minister that he paid particular attention to that agreement, which he says he made with the very best intentions. I do not think so. My opinion is that the late Minister had a very vague knowledge of the document which he was signing.

Again I say it must have been a master mind that conceived this particular transaction, and the late Minister was merely a tool in the hands of some other person. I honestly believe that the late Minister was not a party to that transaction. He signed with his eyes blindfolded, and, after signing it with his eyes blindfolded, he comes here and says he knows exactly what is in it. In that connection I desire to offer the House some evidence which I feel sure will be accepted by hon. members as it can be substantiated right up to the hilt. I have in my hand a statement on this subject signed by Mr. Frederick Hart of the Aberdare Collieries, Ipswich. I propose to read this statement for the information of hon. members—

"Prior to 1927, my father, John Henry Hart, bought certain coal lands and secured options over adjoining lands in Ipswich which contained the well-known Aberdare coal seam. To prove that this land contained this seam he went to considerable expense in putting down a diamond drill bore, which proved that this seam continued to at least 1,300 feet.

"He then secured a report from John McGeachie, who is recognised as a leading mining engineer, and as this report was very favourable, he drew up a prospectus for a company with a capital of £250,000.

"When this was completed, he sent a representative to Melbourne to interview H. C. Sleigh, whom he heard might be favourable to joining the company.

"Mr. Sleigh became interested to the extent of sending a 10-ton sample to, I believe, Manila. He then came to Brisbane, and to all concerned appeared to be most favourably impressed, and agreed to join the board of directors.

"The question of exporting coal then arose, and Mr. Sleigh said he could arrange the matter, the only question

being the rebate of port dues of 9d. per ton on export coal. This rebate was that time gazetted every six months, and Mr. Sleigh pointed out that if he signed a contract at a set price with any overseas clients and that he then lost the 9d. per ton rebate, this would affect the business considerably. We then suggested that he should see the Minister for Mines and see what could be done on the matter.

"Mr. Sleigh, Mr. Frederick Lion Dawson, and myself interviewed the Minister for Mines on or about 20 February, 1927. Mr. Jones quite realised the position we were in and said he would do all in his power to help us, but the matter was outside his department.

"Mr. Jones rang the Premier, Mr. McCormack, and arranged an appointment for us for the next day, Mr. Dawson, Mr. Sleigh, and myself then went to interview the Premier, and explained the position fully to him. He stated that he realised our position but for certain reasons he did not think advisable to pass an Act of Parliament making the rebate of 9d. per ton permanent, but he gave us his assurance that so long as he remained Premier of Queensland the 9d. per ton rebate would be made. This arrangement was quite satisfactory to Mr. Sleigh, and after talking for a few minutes we rose to leave the room. Mr. McCormack walked to the door with us and shook hands with all of us, but as we were going out of the door he said, 'Mr. Sleigh would like to see you for a few minutes.' Mr. Dawson and myself left the room and it was fully half an hour before Mr. Sleigh came out of the room. Our suspicions were aroused by this, and I asked Mr. Sleigh if Mr. McCormack had been trying to sell him Bowen coal. He said, 'Well, no, not exactly.'

"After this interview, Mr. Sleigh was suddenly cold on our proposition, and returned to Melbourne without giving anything definite as to his intention. We made further inquiries, and from information received we understood he was making arrangements to buy Bowen coal.

"A little later, Mr. Dawson went to Sydney and called at Mr. Sleigh's Sydney office. After considerable trouble he found out that Mr. Sleigh had left Brisbane the following afternoon. This being that it was on our business, Mr. Dawson immediately wired me, and met the Sydney mail that evening, and Mr. Sleigh seemed most surprised to see me there. However, he did not say even then that he had turned our proposition down, but told me he was going to Bowen to inspect some cattle. He naturally knew that Bowen coal was really his mission to Bowen.

"In my opinion, it was entirely Mr. McCormack's fault that Mr. Sleigh turned this proposition down, as prior to seeing him he appeared most enthusiastic, and I must say that the Minister for Mines was most courteous and did not mention Bowen coal to Mr. Sleigh, and also assured us that he would give us any help he possibly could."

### The Official Report.

That is Mr. Hart's statement, and, if anyone studies it, they can see its truth for themselves.

I do not wish to labour this matter very much longer, but I think I have shown quite conclusively the facts with regard to this contract with Mr. Sleigh, which originated with the late Premier, Mr. McCormack, and the late Secretary for Mines, Mr. Jones, and I repeat that, although the latter signed it, he had a very imperfect knowledge of its contents. The public of Queensland have sustained a huge loss through giving to Mr. Sleigh the right to demand 500 tons of Bowen coal per day at a cost from 4s. to 6s. lower than the price charged to all other purchasers. Mr. Sleigh was not required to take any coal; he could take it or leave it, to serve his own interests. There was no provision whatever in the contract to cover increased production costs or increases in the value of coal. The result has been that for several months Mr. Sleigh increased his demands for coal, and the Government were forced to supply him under his contract. In consequence a profit of £226 for the four weeks ended 9th February, 1929, was turned into a loss of £360 for the four weeks ended 9th March, 1929. The following four weeks, ended 6th April, 1929, showed a loss of £480.

Mr. HANLON: From what are you quoting?

The SECRETARY FOR MINES: I am quoting my supervisor's report, which is sent in monthly.

GOVERNMENT MEMBERS: Hear, hear!

The SECRETARY FOR MINES: I honestly thought that, with the intelligence the hon. member is blessed with, he would know that without asking the question. The cause of these losses was Mr. Sleigh and his contract.

The supervisor of State coalmines, in his report dated 23th June, 1929, as well as in previous reports, leaves no room for argument. In that report he stated—

"Sleigh's contract was again responsible for Bowen's loss, and while he continues to take the major portion of the output losses were to be expected, as his price is much below the cost of production, and an average of 4s. below general prices. The sooner the contract terminated the better. In my opinion, it serves no useful purpose."

### A Sorry Piece of Business.

In conclusion, I can only say that Mr. Sleigh's gain is Queensland's loss, and those responsible for this sorry piece of business will find it very difficult to make excuses or satisfactory explanations for their action in this matter.

I might say also at this juncture that I had not been in my office a week before Mr. Sleigh wanted a renewal of the agreement. Naturally he would want a renewal.

Mr. KENNY: Did you give it to him?

The SECRETARY FOR MINES: Did I give it to him! Does the sun rise in the west? (Laughter.) Within the last three weeks he has offered me an additional 5s. per ton for any extra coal that I can supply. If this man is now prepared to offer 5s. per ton more for any extra coal that I can supply, it shows conclusively that he is making a profit of at the very least 5s. per ton, because I do not think Mr. Sleigh is so patriotic that he is going to purchase coal just for the sake of being helpful to Queensland.

I think I have shown that the Bowen State Coal Mine, where Mr. Sleigh exercised his option shows a loss. Any month when he does not exercise that option and buys very little coal, the Bowen mine is capable of showing quite a reasonable profit, which substantiates my statement that the more coal we sell to Sleigh the more money we lose. A certain amount of this coal is sold in Australia and a certain amount overseas. I had the figures in my hand, but I have mislaid them, and I shall not keep hon. members any longer on this question.

The present Government have fulfilled their promises right up to the hilt. Hon. members opposite apparently cannot reason. One moment they find fault with the Government for keeping our promises, and the next they find fault because they say we do not. That has been going on ever since I have been sitting in my seat in this Chamber. I am content to leave the matter in the hands of the public of Queensland. I am quite sure, as I said before, that people who are not as narrow in the forehead as a sardine will look at the matter in a broad-minded manner—and no ordinary business man can look at it in any other way—and will admit that what I have said here to-night fully substantiates my argument.

GOVERNMENT MEMBERS: Hear, hear!