

SPREAD OF QUEENSLAND GOVERNMENT ACTIVITIES

[Symposium by University Honours Students at the Monthly General Meeting of the Historical Society of Queensland on 23rd October 1952.]

A.—Early Unemployment Problems

[By J. R. PEARSON]

The year 1866 saw a considerable amount of unemployment, not only in Queensland, but in other States as well. The Government did provide relief to a certain extent by providing relief work on the roads or in relief camps. Wages were paid in the forms of lodging and rations, or if neither of these were provided they amounted to 15/- a week for married men. It was not long before no distinction was made between married and single men, and this caused a considerable amount of discontent among those employed on relief work. There was complaint, too, that the wages were too low. At first the Government paid 15/- a week for six days' work, but later took to giving 15/- a week for three days' work.

Public opinion was in general sympathetic towards most of the unemployed, though they disliked many rather extreme agitators who made demands on the Government, which for those days were certainly excessive. They also distinguished between genuinely deserving unemployed and those who were merely idlers or loafers. There was very little idea that it was the duty of the Government to aid the unemployed; unemployment was looked upon as only a temporary matter and Government assistance, even in the form of relief work, was regarded by many as a form of charity.

As the months went on and the finances of the Government began to feel the strain and less relief work was provided, many men were offered free passages to Northern ports where work was supposed to exist. The amount of employment existing at these ports was overestimated. The rumour went around that the Government would soon stop all employment on the roads, and this led to a special petition being presented to Parliament by the unemployed through Mr. Pugh. They asked for relief and mentioned that

they had a claim on the Government as they had been brought to Queensland by promises of immediate and remunerative employment. They requested employment at not less than 5/- a day for six days a week. Failing this they asked for free passages to Texas, U.S.A., where they could find work. At the same time there was a petition from certain merchants, shopkeepers, and other residents of Brisbane, urging the case of the unemployed.

The debate which followed in Parliament shows how ignorant many members were of the real facts, and how extremely partisan others were. However, most members realized that there was widespread unemployment and that it was a problem about which something should be done. One extreme view was that 15/- a week was too much and encouraged the drones of the colony in idleness. This group advocated giving just enough to barely keep a family so that it would be unattractive except in the last resort. These gentlemen also cried out that there was plenty of work in other parts of the colony. Many others thought it would not be desirable to pay an amount which would in any way interfere with the labour market of the colony, and others claimed that high wages had been the cause of the unemployment in the first place.

On the other side, Mr. Brookes argued that 15/- a week was a miserable pittance, that the Government should not only do something to relieve the unemployed, but also to prevent unemployment. He blamed the immigration agent (Mr. Jordan) for betraying many people into coming to the colony by false information. He blamed the squatting system for the unemployment. Mr. Pugh criticised the administration of relief for its inefficiency, and several others mentioned that even if it were desirable to give higher wages, this was not possible owing to the financial position of the Government. The Secretary for Public Works said the Government was bound only to prevent destitution—to supply only those who were actually in want with employment, but had no right to do anything that would interfere with the demand for labour; and by paying only 15/- a week to the men employed on relief works, both those objects, he thought, would be accomplished. The debate reached

the general conclusion that the Government could not be expected to do any more than it was already doing.

A few years later outdoor relief was provided by the Government, in addition to that provided by benevolent societies which were partly subsidised by the Government.

An interesting fact to notice is that a committee which inquired into the amount of distress in New South Wales and the best means of permanently relieving it recommended protection of home industries by the imposition of duties on certain imports.

By 1892 general opinion changed somewhat, though not to any great degree. But this was a time of increasing class consciousness, a time when the Labour Party was becoming a well organised body. They stressed that it was the duty of the Government to provide employment or at least to devise some scheme which did not bear the stigma of charity. They joined with many of the Opposition Party in denouncing the laissez-faire policy of the present Government.

In contrast the method of providing relief work in the 1866 crisis, the Government provided very little relief work at all and merely adopted the method of providing rations for no work. It was this which many workers objected to—they wanted work for reasonable wages. Towards the end of 1892 the Government did set up a Labour Bureau which, besides taking the names of unemployed, ascertaining where there was employment in the colony and sending them there, had the job of providing outdoor relief for those for whom employment could not be obtained. The first report of the Labour Bureau showed definitely that the supply of labour exceeded the demand. It also mentioned that there were many unemployed who did not make use of the Bureau. A census revealed that there were 11,000 unemployed.

The workers would much rather have had work provided than Government charity, which was considered degrading and was often administered in a way that made it seem even more degrading. Yet deputations to the Premier, McIlwraith, with suggestions of relief work on such schemes as a canal from Breakfast Creek to Fortitude Valley were unheeded on the ground that it was not the duty of the Government to find work for the people and that they did not

have the money to spend anyway. McIlwraith could not hold out any hope for them except that the bad season would end soon. One writer to the "Telegraph" came out with the bright suggestion that instead of hanging around Adelaide Street the unemployed should go down to the river and catch some of the many fish that abounded there.

Finally in June 1893, Parliament took up the matter. The Labour Party and some of the Liberal Party stressed the duty of the Government to do something for the unemployed and change their laissez-faire policy. Mr. Hardacre even went so far as to say that it was only through unjust laws and misgovernment that the unemployed exist. They called also for a Land Settlement scheme and mentioned the Labour Settlement Bill just passed in New South Wales by which the Government aided groups of unemployed to go and settle on the land. They would not suggest a scheme, however, which would have been more satisfactory to the Government in view of the state of their finances.

Except for remarks like "the burdens of certain people should not be cast upon the community" and "it is the business of life for people to get into that sphere where they can make their living," the Government members showed a desire to relieve distress in some way, but were limited by a desire not to finance men to compete with the already distressed farmers on the land, by lack of finance, and the desire not to upset the labour market or attract unemployed from other colonies. After a long debate, no real conclusion was reached.

The Government did provide free land for co-operative settlement schemes and gave free transport also, though they did not give any other assistance; but a later report declared these schemes to be a failure. The Labour Bureau continued to function for many years in its original capacity—it sent many unemployed to jobs, which unfortunately did not always last very long so that sometimes men were stranded in the country with no employment; it provided relief in the form of rations, which were later issued from Government stores rather than through a ticket sys-

tem and private shops; and it provided a small amount of relief work for the same rations in the Botanic Gardens, an act which had the result of weeding out a large number of loafers.

The Government action in the unemployment field then had made little progress towards the ideas of the duty of interference by the Government generally held to-day, or such schemes as the Queensland Unemployment Insurance of 1926.

B.—Government and Immigration, 1859-1866

[By Margaret Kleinschmidt]

It is only natural in a country of great area, with considerable resources to be developed and with a small population, that immigration should play an important role in Queensland politics. Besides, the chronic shortage of labour had been an important factor in the movement for Separation. The main role in the field of immigration naturally fell to the Government, but the immigration scheme carried out by Dr. John Dunmore Lang in 1849 was not supported by the New South Wales Government, and when Queensland was separated from New South Wales the new Government had to deal with the problems still arising from Lang's scheme.

When Parliament met in 1860 £5,000 was voted for immigration purposes. Remittance immigrants continued to be brought in by the Land and Emigration Commissioners. Most of the £5,000 was to go towards paying the passages of domestics, farm-labourers, shepherds and others who were urgently required in the colony.⁽¹⁾ This was only a temporary measure to keep up the supply of labour until a comprehensive scheme could be prepared by the Government. In the Land Act of 1860 provision was made for the issue of "land orders" to any persons coming from Europe who arrived in the colony at his own expense, and to any person who paid for the passage of an immigrant. The land order was good to the extent of £18 for the purchase of any Crown land available. Any immigrant whether he had paid his own passage or not could, after residence of two years, claim another land order to the value of £12. The regulations also contained a provision empowering the Government to import labourers for any employers who would undertake to pay the cost of their passages. It was intended that the land order system should be the principal means of obtaining population for the colony and also attract immigrants to settle on the land. Residents were still able to introduce friends into the colony under the remittance system. As there was a considerable number of colonists of German origin in Queensland the privilege was extended to

(1) Coghlan—Labour & Industry in Australia—p. 927.

them, but German immigrants were charged a higher sum for their passage than British born. The British were most favoured as immigrants.

To secure the effective working of the land order system Henry Jordan, a member of the Legislative Assembly who had taken a leading part in the introduction of the system, was sent to England as Immigration Agent and John Heussler, a German colonist, was Agent for Germany. Jordan was to bring Queensland as a desirable place for emigration to the notice of the British people by lecture tours and advertisements. The amount allowed him for expenses was woefully inadequate and only 402 immigrants entered Queensland in the first year. In contrast to this the Land and Emigration Commissioners sent out 797 persons, most of whom were nominated under the remittance system. Domestic servants were in great demand in the colony and many young girls were brought to the colony for this purpose. Especially favoured as immigrants were farm labourers. It was felt that the farm labourers would be more adaptable to the rigours of pioneering and would be more likely to settle on the land.

As Queensland became more widely known, aided by the desire for emigration in Britain, and as the fact that Jordan could offer an absolutely free passage, the number of immigrants grew. Along with the non-paying class a number of small capitalists were also introduced. This class came to be especially favoured by the Government because they were usually a good type of immigrant, who introduced capital as well as manpower, and often became employers of labour and so opened the way for more immigrants. During 1862 a new class of emigrants was introduced—the assisted emigrants who were able to pay part of their passage money. In this group came artisans and others who were not eligible for full free passages. Jordan favoured the introduction of this class because they gave him a revenue independent of the Queensland Government.

The land order system introduced in 1861 did not appreciably increase the amount of land under cultivation. This was partly due to the type of immigrants introduced, the entirely new climatic conditions confronting the farmers, the fact that the land in the agricultural reserves was often poor, and often it was

very difficult for a new settler to take up land. By far the greater number of orders were bought from incoming migrants by squatters. In 1862 the Government decided to limit the issuing of land orders to unskilled mechanics, domestic servants, and labourers, skilled mechanics and farmers being omitted. This action could hardly have been inspired by a desire to promote agricultural settlement.⁽²⁾

The ineffectiveness of the land order system and the fact that immigrants brought in by Jordan did not always compare favourably with those introduced by the Immigrant Commissioners raised serious doubts in many minds. It appeared to them that the colony was being deprived of considerable cash revenue and had nothing to show in return. Herbert was particularly doubtful about the wisdom of the scheme and had in view a return to the old system of obtaining immigrants through the Commissioners who undoubtedly were introducing a superior class of immigrants to those Jordan introduced. Jordan was informed that the Government intended stopping the land order system. Afraid that his pet scheme would come to an end Jordan resigned his post, returned to Brisbane, had a select Committee of the Legislative Assembly set up to inquire into the immigration system, and gave evidence before it. It was obvious that the land order system was open to abuses in England as well as Australia. The shippers profited from the trade in land orders and the philanthropic Societies and Boards of Guardians saw in it an easy and profitable means of getting rid of unwanted dependants.

Despite these weaknesses Jordan felt the scheme had worked well, and it was due to his persistence and influence that the land order system was retained. By the Act of 1864 land orders were made non-transferable. Jordan returned to England as Agent-General to take up emigration on a larger scale. In consenting to the continuance of the land order system of immigration Herbert did not give up his predilection for the employment of the Land and Emigration Commissioners whose orderly system and excellent work he appreciated.

German immigration had not been entirely satisfactory. Though in general the domestic servants and

(2) *The Squatter in Queensland History*—M. Birrell (Thesis)—Qld. University Library.

farm labourers brought from Germany were good colonists regulations were not enforced very strictly and many diseased and elderly immigrants became a charge on the colony. Though the Government played the major role in immigration it was not alone in the field. At an early date the Queensland Immigration Society was set up under the patronage of Bishop Quinn. Its main object was to alleviate the misery which periodically arose in Ireland by giving the Irish opportunity to emigrate. The Society was discouraged by the Government as it was afraid it would create sectarian strife. Civil war in America resulted in a failure of the cotton supply to England and many factory operatives were thrown out of work. Private persons set up an Immigration Society to alleviate the distress by emigration and an offer was also made by the Queensland Government, although more unsuitable people to open a new pastoral and agricultural country could scarcely be imagined. In 1864 the Italian Vice-Consul in Sydney put forward a scheme to use a portion of waste lands to be used in silk culture and suggested that Italians be brought out to supply the necessary skilled labour. The originators of the scheme hoped that in return for their trouble they would get a large land grant. The scheme was not looked on with favour by the Government and did not come to anything.

Demand for all types of labour in 1865 and the first part of 1866 was still very great. The Government had entered upon an extensive policy of public works and to fulfil their labour requirements Jordan was instructed to send out as many navvies as possible as free emigrants. This class of emigrant did not improve the character of immigration. During this period immigrants arrived from Europe at the rate of over 1,000 a month. Very few settled on the land, and by 1866 immigrants could not be readily absorbed. Only the steady migration to New South Wales from Queensland prevented this situation arising before. There were many complaints of unemployment. The working class formed a Land and Emigration League, whose object was to stop assisted immigration. The Government realised the seriousness of the situation and instructed Jordan to restrict the number of free emigrants.

With the financial crisis in 1866 assisted and free

immigration was stopped altogether, and all advertisements for immigrants were withdrawn. Full paying immigrants were still given land orders and remittance immigrants could be sent for. In actual fact all immigration stopped for the financial state of Queensland did not attract settlers and in fact was to remain a deterrent for some time.

However, the period of depression gave the Government a breathing space, and opportunity to take stock of past immigration policies. It cleared the decks so that after the period of crisis had passed the Government was able to set up a new scheme for immigration to help develop the resources of Queensland.

C.—Establishment of Central Sugar Mills

[By Shirley Adamson]

The 'eighties of the last century saw a period of world-wide depression in the cane sugar industry due mainly to the competition of beet sugar. The abolition of slavery in the British West Indies in 1834 and the later emancipation of the negroes in the United States so disorganised the sugar industry of these areas that those engaged in it were too engrossed with their own affairs to heed the progress of the beet industry in Europe. Encouraged by state bounties the output of beet sugar steadily increased until in the early 'eighties it was almost equal to the output of cane sugar. Tropical planters and manufacturers were forced to fight for their very existence, and they were ill-equipped to enter the field of combat. It became obvious that they could hold their own only by following the example of their rivals—by calling in the aid of science both in cultivation and in manufacture and by paying the strictest attention to the financial side of their enterprise. Despite the high prices then ruling for sugar the profits were not large owing to the rather primitive methods of cultivation and manufacture adopted on many of the plantations. Soon, even in remote Queensland the prosperity of the planters began to be adversely affected by the increasing competition of beet sugar and there was a consequent need for radical improvements.

In Queensland, however, the steady fall in the price of sugar and the dire financial straits of the planters were due not only to this world-wide factor but to several local factors also. Among the latter the most important at this time was the labour problem. In 1883 Griffith, having fought and won an election on the issue of Indian and Kanaka labour, enacted stricter regulations⁽¹⁾ limiting the employment of Kanakas to tropical and semi-tropical areas. The aliens should at least be confined to the tasks for which they were ostensibly indentured and, as was alleged by the planters, were uniquely suited. What was more Griffith enforced his regulations and provided that after 1890 the importation of Kanakas should cease. This legislation, it was claimed by

(1) "Pacific Island Labourers' Act of 1880 Amendment Bill.

many, would mean the ruin of the most valuable agricultural industry in the colony. But Griffith had the support of the majority who loudly denounced the evils and abuses of the Kanaka trade and wanted a White Australia. At first, however, it appeared that the pessimistic view of the planters and their friends was correct. The financial interests lost confidence in the industry and the planters were deprived of the backing they needed if they were to improve their methods of cultivation and manufacture. So the planters of Queensland not only had to implement the technological changes necessary for the fight against European beet sugar but they had also to find an alternative source of labour and to regain the confidence of capital.

Griffiths had waved aside all doubts that sugar could not be grown by white labour. "The same thing used to be said of Moreton Bay," he argued. ". . . It was not to be thought that Europeans would work on the plantations on the same conditions as the coloured races." He visualised rather a large population of resident owners working their own small properties. This system would, he believed, not only put the sugar industry on a sound footing, but at the same time prevent the development of a racial problem in North Queensland. Due largely to his encouragement a number of small farmers selected land in the cane districts, especially in the area around Mackay. On the whole, however, they were not, at first, very successful for several reasons. In the first place the crushing mills were owned by the planters who were determined that Griffith's scheme of small holdings worked by white labour should not succeed. The mill owners had a large area of cane on their own land to be crushed and consequently the farmers who wanted their cane crushed had to wait until the mills were disengaged. This often spoilt their chances of a good crop for the next year. And the planters, being practically independent, would only pay prices that prevented the farmers from obtaining any fair return for their cane. Many of the farmers, also, had selected land so far from the existing mills that they could not get their cane crushed at all. These farmers, very dissatisfied with their lot, thought that the only solution would be for them to have their own mills. One

mill could be shared on a co-operative basis by quite a large number of farmers.

In the early 'eighties Angus Mackay, sent by Queensland to investigate cane sugar production in the West Indies, had reported⁽²⁾ immense advances in the French Islands and decline elsewhere. This he ascribed to the Central Factory system which had separated cane farming from sugar manufacture. Scientific milling was economically possible only in these large Central mills. It was, he believed, the only way to meet the challenge of beet sugar. This system had already been put into operation by the Colonial Sugar Refinery Company on the Clarence and Richmond Rivers of Northern New South Wales. There the company bought standing cane from the growers and used their own gangs to cut it. Mackay predicted the rapid extension in Australia of this system, which he said was "One of the most certain solutions of the labour difficulties which beset sugar production all over the world." This system, involving as it did the separation of the functions of growing and milling, enabled each to concentrate on its own problems. The farmer, freed of the troubles of milling, could devote all his efforts to the production of better cane; the miller, likewise, need be concerned only with the business of milling. Science could be brought to the aid of both sections and as experience increased sugar would be produced at falling cost. Then, Mackay believed, the colour of the labour tending the cane would become a matter of taste.

Farmers in the Mackay sugar district were especially anxious to establish a central mill and so solve their crushing problems. But, like the planters, they found the capitalists and banks unwilling to invest further in an industry they believed to be on the road to ruin. Unable to raise their own loans, the farmers determined to ask the Government to use its borrowing power on their behalf. They saw that under "The Local Works Loan Act" the Government could empower the lending of money to local governing bodies on the security of their rates; and in the petition⁽³⁾ they presented to the Legislative Assembly through their member Hume Black in 1885 they asked the Government to extend this principle to the grant-

(2) Mackay—*Sugar Cane in Australia*, 1883—p. 136.

(3) *Votes and Proceedings (Queensland)*, Vol. I; p. 1155.

ing of loans for the erection of Central Mills. They held that they could offer the Government security for repayment in their land the value of which would, they said, be vastly increased by the erection of these mills. In an attempt to ensure the support of the Government they claimed that they would grow their cane entirely without the aid of coloured labour. Here, they told the Government, was the opportunity of proving that coloured labour was not a necessity. Their plans fitted in with those of Premier Griffith admirably and he determined to help them. Here he felt was the chance to lift the sugar industry out of its depressed state, to solve the labour problem, and to ensure the settlement of Tropical Queensland by the white race.

Not all classes of the community were of the same mind as Griffith. The planters still felt that the only solution was to allow the employment of coloured labour; they pooh-poohed the idea that white labour could cultivate cane in the tropics. But they were not the only group who opposed Griffith. There were the more conservative political groups who regarded as preposterous this suggestion by the Mackay farmers that the Government should so interfere in private enterprise. The "Brisbane Courier"⁽⁴⁾ bitterly attacked the proposal as a project for wasting public funds and they feared "political morality was at too low an ebb in the community to expect men to be unwilling to accept a certain benefit to themselves because they can see that it will be an equally certain loss to the Treasury." They chided Griffith for his simplicity in swallowing the bait of white labour and for placing the Government in such an invidious position. Their pique and suspicion may have been due in part to the fact that the Press had been excluded, at the request of the petitioners, from the interview with the Premier; but this doubtless was not the sole reason.

Despite all opposition Griffith prevailed on Parliament to grant the loan of £50,000, and a member of the House was appointed to inspect all the sugar-growing districts with a view to selecting the most suitable for the Government's beneficence. After visiting all the areas Mr. Hodgkinson in his report to

(4) Editorial—August 27, 1885.

the House said that he believed that Mackay District alone had the requisite conditions—"men already there competent to cultivate and experienced in modes of culture; sufficiently before the world to give tangible security for any pecuniary assistance conceded; proved climatical suitability, land of good quality already tilled or capable of being brought under the plough at small expense; internal and external facilities for transport; and a hearty determination to carry out the views of the Government to the utmost of their ability."⁽⁵⁾ This last phrase referred to Griffith's condition that only areas where the farmers guaranteed to use white labour alone should be considered.

An agreement was then drawn up providing for the establishment of two Central Mills in the Mackay District—one at Racecourse and another at North Eton. The mills were to be under the joint control of the Government and of the growers. Each farmer guaranteeing to grow a certain amount of cane for the mill was to become a shareholder. It was provided that each year after the receipt of the returns from the crushing the mills should pay a certain amount for interest and redemption. The profits, after a sufficient sum had been set aside for working expenses, were to be divided pro rata among the growers. On the redemption of the loan the mill was to become the property of the shareholders who would then have full control. The erection of the mills was not unattended with difficulties, but both were ready for the crushing season in 1888 when Premier Griffith visited Mackay in order to start the first crushing at North Eton.

At first the mills were not over successful, and there were many opportunities for the opposition to denounce Griffith for his alleged folly. But despite these early difficulties these two mills at Mackay set the precedent for a movement which was later to become the basis of the sugar industry in Queensland; for the Central Mill system did, in the end, enable sugar to be grown entirely by white labour and at a decreased cost and so prove that Griffith's plan, though perhaps premature, was not impracticable.

(5) *Votes and Proceedings (Queensland)*, 1886, Vol. II; p. 1.

D.—Government Activity at Blair Athol

[By J. H. Allsopp]

The first reported discovery of coal at Blair Athol was in the year 1864. Situated 130 miles from the St. Lawrence on the coast and about 195 miles in a direct line north-westerly from Rockhampton, the actual distance by rail through Emerald and Clermont to Rockhampton is 239 miles. In 1863 James McLaren named the head station of his holding "Blair Athol" and it would appear that his purpose in doing so was to establish a link with his native Perthshire in which the original Blair Athole, the seat of the Duke of Athole, is situated. The Blair Athol deposit is unique, in that there is no record of any outcrop of coal having been found on the surface, and thus its discovery was largely accidental. The coal was first discovered in 1864 when a seam was penetrated at a depth of sixty feet in sinking a well for water on Blair Athol pastoral station, then owned by Mr. Robert McMaster. To-day the Blair Athol coalfield has the largest known deposit in black coal in the Southern Hemisphere, capable of being worked by open-cut methods.

The result of the discovery was that the Peak Downs Copper Mining Company acquired land from the Queensland Government, and put down bores to obtain coal for copper smelting at Copperfield. In 1879 the assets of this company were handed over to a local syndicate known as the New Peak Downs Copper Mining Company. From 1890-96 only 33,000 tons were recorded from what was then known as the Blair Athol Colliery.

Originally the coal was carted by road to the railhead at Clermont, but the railway extension from Clermont to Blair Athol was completed in 1910.

In an endeavour to produce cheaper coal from the big seam and to eliminate waste in mining, the Blair Athol Coal and Timber Coy. Ltd. decided over twenty-five years ago upon the open-cut system of production. However, with the opening up of other coal mines in the Bowen, Styx and Baralaba areas, the demand for Blair Athol coal temporarily declined, and the open-cut project was abandoned towards the end of 1923.

In 1936, open-cut operations were introduced by Blair Athol Opencut Collieries Ltd., and during 1946

the Blair Athol Coal and Timber Co. Ltd. also commenced open-cutting operations, and at present all coal produced from the field is won by that method of production. Thus it can be seen that in this early period, despite the abandonment of resources, the Government treated this field as any other ordinary coal field, and production was very limited.

However, in 1945 the Government of Queensland appointed a representative Committee of Enquiry to investigate the possibilities of the development of the Blair Athol deposits and expansion of the area industrially. Detailed investigations as directed by the Committee were carried out by the Director of the Bureau of Industry, for economic matters, and the Co-ordinator-General of Public Works for works matters. It became evident from these inquiries that a market for the coal which would be produced by large-scale development could not be found within Queensland, at least in the near future. On the other hand, there was a severe shortage of coal in the Southern States of Australia, and it was felt that the large-scale development of the Blair Athol field would be a means both of providing the increased supplies of coal required for Australia's anticipated industrial development, and of assisting in the development of Northern Australia, a matter of vital concern to the nation.

Chemical industries were considered to offer one of the most promising lines for industrial development, but they would have to be undertaken in a very big way.

In 1947 Mr. J. R. Kemp, Co-ordinator-General, assisted by a technical committee, at the request of the Government prepared a very comprehensive report which was published in June of that year, and which envisaged a production of 1,300,000 tons of coal per year from the field. However, no action was taken to implement this report.

Just at this time a Mr. Hirst, a representative of English interests, visited Queensland, and was greatly impressed by the future possibilities of the development of Blair Athol on a much larger scale than that contemplated by Mr. Kemp. The proposal was to aim at a production of approximately 3,500,000 tons per year, to build a separate railway to a port to be established at the coast, probably near Proserpine. The Government passed a special Act known as "The

Electric Supply Corporation (Overseas) Ltd. Agreement Act" in 1947. It is interesting to note the Government's position in this Act. Section (41) states:

"The Company shall be subject to and shall obey all the laws of the State of Queensland for the fixation of prices and for the regulation of the control of the production, supply or sale of coal or for the establishment of any Local Board which may be lawfully enacted or established by the State of Queensland, provided that there shall be no unfair discrimination against the Company under any such law, or by any such Board." However, in regards to the coal supplied for export the Company was to be at perfect liberty to supply and sell such coal at such prices as it from time to time determined. The Agreement stated that it was the Company's responsibility to build the railway to an export port; although suitable connecting links between the Company's and the State's Railway were provided for, and the rights of the public were protected. The areas required for the township at Blair Athol or at the port were to be excluded from the existing local authority and a Town Commissioner was to be appointed to administer it. The Company's right to any land in any township area was to be restricted to half the total area. All compensation payments for land resumed was to be made by the Company. All land acquired by the Company was to be leased from the Crown and remain the property of the Company according to the lease until 31st December 1997. Existing coal mines were to be protected from dumping by the Company. Perhaps most important was the fact that the Governor-in-Council could purchase the undertaking from the Company at any time.

However, after a considerable period of prospecting and search for a route for a railway and port the Company withdrew.

On the 18th May 1951 the Premier of Queensland, Mr. E. M. Hanlon, stated that the Commonwealth Government held the key to the development of Blair Athol coal. He was convinced that Queensland could not tackle the task on her own. Mr. Hanlon was commenting on a statement from the "Courier-Mail's" London correspondent, Trevor Smith, that four great British commercial undertakings had renewed an offer to Australia to develop Blair Athol. Trevor Smith

cabled that these interests were ready to invest several millions in developing the coal field and building a railway and a port if the Commonwealth, Victorian, and South Australian Governments would co-operate. The cable continued: "This proposal comes from the Power Traction Financier Company on behalf of four major British concerns—the English Electric Company, the Prudential Assurance Coy., Dorman Long and Coy., and the Sir William Arnold Coy." The proposal was that the Southern States should take a minimum of three million tons of coal from Blair Athol each year from twenty to thirty years. Mr. Hanlon in writing to the Prime Minister stated that if Queensland could supply the Pacific with coal then we could dictate our supply of tin, rubber, and other essentials. He went on to say that the British companies would not risk all the huge sum of money involved to develop the field because of the possibility of war, and the need to depend on overseas trade to make the venture a success. He thought, however, they would put up 50 per cent. Victoria was right behind the idea, but South Australia was not interested, no doubt because of the discovery of a large deposit of brown coal at Leigh Creek. On the 19th May Sir Arthur Fadden, the Federal Treasurer, stated that any concrete proposal by the Queensland Government for the development of Blair Athol coalfield would receive the sincere consideration from every possible aspect.

It was at this time that the Engineer of the Blair Athol Coal and Timber Coy. open-cut mine found the deepest coal seam in the world. Senator Spooner, the Developmental Minister, after inspecting the mine, stated: "This is a challenge to Australia. I will do my derndest to get results." Senator Spooner stated he could not understand how transport difficulties had been allowed to prevent increased Blair Athol production for so long. "The whole coal problem has altered over the last twelve months. Once there was not enough coal, now there is plenty but insufficient transport." The same day Mr. Duggan (Transport Minister) stated that the Blair Athol output was to be increased 30 per cent. by a £653,000 railway track improvement scheme. The job was supposed to take about sixteen months. In reply to Senator Spooner's statement that "Blair Athol was a challenge to Australia," Mr. V. C. Gair stated that the Queensland

State Government looked to the Commonwealth for financial help in improving transport difficulties from the Blair Athol open-cut mine. Federal help was necessary if the Blair Athol Coal and Timber Coy. was to develop the vast coal seams in the area.

Realising the urgent necessity to provide the structure to ensure the orderly and efficient conduct of the coal industry, the marketing of its product, and the protection of the coal deposits of the State against indiscriminate planning and exploitation, the Queensland Government as far back as 1933 placed upon its statute books what was then regarded as a revolutionary piece of legislation, "The Coal Producing Registration Act," by which uncontrolled opening of collieries was prevented, unfair competition was eliminated, and production and distribution were supervised. However, as time went on there came a dearth of accurate information of both potentialities and requirements and of supervised planned development, the industry was not only falling short of meeting the whole of the increased demands, but was paying little heed to future requirements, and to external markets as an outlet for the vast coal resources of the State. Appreciating that no reliable and conclusive information was available to permit the formulation of sound and efficient plans to the exploitation of the State's coal resources to the best advantage of the interest of the State's present and future economy, the Government of Queensland commissioned Powell Duffryn Technological Service Ltd. to examine and report to it on all phases of the coal mining industry and on the coal resources of the State. The expert Dr. Eskriess found that oil could be obtained from the coal at Blair Athol. He estimated that petrol could be landed in Brisbane at less than 10d. per gallon and estimated that the Blair Athol could produce eighty million gallons of the motor spirit per year. An oil from coal plant at Blair Athol could be established for £30 million. This estimate was also based on the establishment around Blair Athol of many other industries, based on a big oil from coal plant. Mr. Gair, however, stated that the State with its limited finances could not be expected to finance the oil extraction project. It would be of such national benefit that it should be the responsibility of the Federal Government.

The State Government Committee report on the Powell Duffryn report submitted to the Federal Government strongly urged the need for the suggested industries based on the oil from coal plant. Most important of these was the fertilizer industry to use ammonia from the oil from the coal industry, and the Mount Morgan pyrites.

The Powell Duffryn report recommended the establishment of fertilizer works at Rockhampton, fed by ammonia carried by pipelines across the mountains between Blair Athol and Rockhampton. The Committee also stated that the fuel from Blair Athol would be as dear as any imported fuel. However, they emphasised the importance in war of a steady "reservoir" of locally produced fuel. The Victorian Transport Minister (Sir Herbert Hyland) advocated Commonwealth assistance to improve the Blair Athol-Emerald rail link for the transport of the Blair Athol coal. He suggested it would pay the Commonwealth to spend money putting the line into an up-to-date working condition in preference to paying out huge sums of money subsidising the importation of coal from overseas. On the 17th October 1952 Mr. Menzies stated: "Large-scale development of the field calls for a capital investment so large that it may be beyond all present available resources. It is understood that capital negotiations have been taking place in the U.S. and that finances for the Blair Athol field, if forthcoming, will be dollar finance." He went on to say, "I do not therefore desire to create an impression that there are firm grounds for hoping that large-scale developments of the Blair Athol deposits can be arranged. Meanwhile the Federal Government, in association with the Queensland Government, would actively pursue all opportunities of developing the Blair Athol field on a major scale."