

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 27 JULY 1880

Electronic reproduction of original hardcopy

LEGISLATIVE ASSEMBLY.

Tuesday, 27 July, 1880.

Question.—Formal Business.—Mail Contract—committee.

The SPEAKER took the chair at half-past 3 o'clock.

QUESTION.

Mr. HENDREN asked the Premier, without notice, whether any action had been taken during the recess with a view to imposing an export duty on Timber, in accordance with the resolution passed by the House on the 23rd of September last.

The PREMIER (Mr. McIlwraith) said that even if proper notice had been given he could not answer a question of that kind, for no Treasurer could be expected to divulge what his arrangements were until the proper time. It was an improper question, and one that he should not think of answering either to-morrow or at any other time.

FORMAL BUSINESS.

On the motion of Mr. McLEAN, it was resolved—

That there be laid upon the table of the House, a Copy of all Correspondence between the Government, the Orient Company, Messrs. Law and Co., and any other parties, with reference to a Mail Service between this Colony and Great Britain.

On the motion of Mr. GARRICK, it was resolved—

That there be laid upon the table of the House—

1. A Copy of all Correspondence between Mr. Hume, Land Commissioner, and Mr. J. D. Macansh, and between the Lands Department and Mr. J. D. Macansh, in reference to the Closure, or reported Closure, of certain reserved Roads on Canning Downs Run.

2. And also a Copy of any Reports, Memoranda, or Letters, if any, written or furnished by any person to the Minister for Lands, or any Officer of the Lands Department, in reference to such Closure or alleged Closure.

MAIL CONTRACT—COMMITTEE.

Upon the Order of the Day being read, the House resolved itself into a Committee of the Whole to consider of the proposed ratification of the contract made on the 6th May, 1880, between Thomas McIlwraith and William MacKinnon, Eli Lees, William Patrick Andrew, Peter Denny, Alexander Fraser, Archibald Gray, and Edwyn Sandys Dawes, for a through Steam Service between London and Brisbane.

The PREMIER said it would seem, from the terms of the motion made when they were last in Committee, that that House had only one duty to perform with regard to this matter, and that was to decide whether the contract should be ratified or not, without the slightest chance of any amendment, verbal or otherwise, being inserted. He saw, also, that the same idea had got abroad, possibly from the remarks made by several speakers on the oppositeside of the House. While

the motion asked the Committee to ratify the contract, the Government were not in a position now, nor did they ever intend to be put into the position, that they would not admit amendment that carried out the spirit of the contract. In fact, the position of that contract, to a certain extent, occupied very much the same phase as a Bill passed on, after the second reading, for consideration by a committee of the House. The danger, however, which they were bound to guard against was to prevent any amendments being moved of a character that would alter the spirit of the contract so that it would give ground for the contractors to say it was not the contract that they agreed to sign, and to refuse to carry out the arrangement. That arrangement was made by himself and the parties on the other side of the contract in good faith that the spirit of it would be carried out. He knew himself of certain amendments that he should like to see inserted. He knew of one especially where the wording of the contract failed to carry out his views. He was perfectly prepared to insert a clause by which the meaning and spirit of the contract would be carried out; but he had to say, however, that an amendment that would depart from the spirit of the contract and introduce conditions that were not discussed or agreed to by the other party, of course the Ministry could not accept. The amendment, however, that they would accept was of the kind that would not interfere with the carrying out of the contract. If they accepted an amendment of that sort he would be placed in a perfectly correct position with regard to the contractors, and could be able to say that he had done all he had promised; that he had brought the matter before the House and tried to secure that it should be carried out in its spirit. Any amendments that would have the result of carrying out the spirit of the contract without alteration would be, he had no doubt, agreed to by the contractors. If, however—and of course it was competent for them to do it—they decided that they would not admit even those small amendments within the spirit of the contract, then the contract would fall through. He did not anticipate, however, any such result, and was perfectly prepared to carry it out as intended. From the way in which the debate had been carried on last week he had had no opportunity of replying to the various arguments which were brought against this mail service by the members on the Opposition side of the House. He had that opportunity now, and, as he had intimated before, he wished to see the matter fully discussed, so that the country would understand why the Government had asked this contract to be ratified and the nature of the service which the Government sought to commit the country to. A large number of the arguments brought forward by hon. members on the other side were based on the fact—which they seemed to assume—that the Orient Company were prepared to do the same work as this contract committed the contractors to for a much less amount of subsidy. He thought he had explained to the House how they stood with regard to the Orient Company and the other companies who tendered for that service. In March or February he caused to be inserted in the various commercial papers in England an advertisement that the Government wished for contracts for a postal and immigration service *via* Torres Straits. The answers of the tenderers were not in the colony at the present time, but he had communicated with the Agent-General by wire, and the Agent-General had telegraphed pretty well the contents of the tenders. The one from the Orient Company, however, not being a tender for the Torres Straits line—which they declined to tender for—he had

not sent. He (Mr. McIlwraith) would have it in the course of the day, but he remembered sufficient for the information of the House the purport of their letter. The Orient Company, in reply to the advertisement, offered to carry immigrants to the colony, by means of the Orient line of ships, *via* Sydney. They also intimated that they were prepared to make arrangements with him in reference to a postal service by the same route. That was the substance of their letter. In consequence of that letter he arranged an interview with Messrs. Anderson and Anderson to see what could be done with the Orient line. It was his duty to be able to put the fullest information before the House as to how the contract could be carried out; whether it was actually advantageous to the colony or not, he was bound to find out what other parties would do. He therefore tried to investigate how far the Orient Company were prepared to make themselves a Queensland service—whether they would on any terms carry on their line of steamers beyond Sydney to Queensland ports. This, they intimated to him, there was not the slightest chance of carrying out. They had scarcely sufficient time to stay in Sydney as it was, and they declined to carry their service to Brisbane, or any other Queensland port. What they did offer, however, was to carry Queensland immigrants as far as Sydney, and to tranship them there, either into steamers of their own, or the A.S.N. steamers, as they might arrange. This offer, of course, he declined. He thought, himself, that any system by which they brought their immigrants to Sydney would be ruinous to the colony. The proportion of immigrants they lost at the present time would be very much increased if they were landed at Sydney. A great number would not come up at all, and if they did they would eventually find their way back to Sydney. It was the common inclination of immigrants to make back to the place where they landed, and Sydney, he admitted, had attractions for immigrants from Europe which the first sight of Brisbane did not supply. He at once declined having any negotiations with them on such a basis. The next point was what they were prepared to do with regard to a postal service, and there he was not in a position to do business with them, for this reason: At the present time it was quite competent for the Government to instruct the Postmaster-General at home to put their mails fortnightly on board any Orient steamers coming out, by which they would be carried for about one-fifth of the sum that was paid to the P. and O. Company at the present time. The colony would not be justified in taking that step: it would not be treating that company well to take advantage of a law in England that was never intended to be applied to such a purpose, and adapting it to this particular course. They knew that a law existed empowering Her Majesty to put on board any sailing ship or steamer going to foreign or colonial ports any letters at 1d. each, and newspapers at some other amount much under the ordinary charge made in the Post Office. In January last, shortly after the P. and O. service had commenced their new contract with the Victorian Government, the Post Office in England determined to take advantage of the Orient line of steamers. This was one of the most efficient services that came to the Australian colonies. They were powerful steamers, and had done their work well almost from the time they started, and it was hard to see how a company of that sort was not as much entitled to a subsidy as any other company; but it was still harder to follow the action of Her Majesty's Government in trying to force that company to use all their appliances for the purpose of landing letters in the colonies at one-fifth of the rate they acknowledged to

be due to the P. and O. Company. However, Her Majesty's Government had determined to insist that the Orient Company should carry these letters at this small figure. The Orient Company declined to receive Her Majesty's mails. The Post Office Department immediately instituted law proceedings to compel them to take the mails. Legally the company had not the slightest claim, as they were bound to carry the mails, notwithstanding any objection they might have to take them on board. What they did by their action was to bring prominently before the public of England and the colonies the fact that through regularly running their steamers to Melbourne and Sydney they were made to carry mails at one-fifth part of what the British Government and the colonies were paying to subsidise the P. and O. Company. He did not think that that would be a good course for this colony to follow, as the Orient Company could start their steamers whenever they chose; and although they were, as he said, bound to carry mails, they were not compelled to leave on any particular day, and thus there might be an amount of uncertainty which would cause considerable inconvenience to the mercantile community here. The result was inevitable—that whenever they made the Orient Company an actual necessity, and they had nearly succeeded in doing that, the British Government would be compelled to subsidise it. There was another reason why no arrangement was made by him with that company to carry the mails to Brisbane—namely, the small subsidy he was disposed to offer, for he could not have offered them more than £15,000 for the service. If he had offered that, and they had accepted it, they would have been bound to keep to their time and made their vessels sail from England every fortnight. They would therefore, for a subsidy of £15,000, be putting themselves into the same position as the P. and O. Company, which was receiving £80,000 a-year, and therefore that was a complete block to their doing any business with him for a settled mail service with Brisbane. That that company would some day receive a subsidy from the colonies he had not the slightest doubt. The other contract he received was from Messrs. Law and Company. That tender was—first, that the vessels should be of 1,200 tons register; secondly, that the subsidy was to be £60,000 per annum; thirdly, that the Queensland Government were to guarantee immigrants for at least half the measurement tonnage; that the postal service was to be for ten years, and the immigration service for four years. Hon. members would see at once that that was a proposition which he could not accept. He could not guarantee the immigrants; he considered a postal service of ten years too long; he thought the ships were too small; and as regarded the amount asked for the mail service—namely, £60,000, he thought it was too much. The British-India Company had intimated their willingness to make some arrangement, and the managing director of that company called at the Agent-General's office, 32, Charing Cross, when tenders were called for, and intimated that although they would not tender, as they had never tendered for a Government service since they had been a company, they were perfectly prepared to make an arrangement. What that arrangement was he could not listen to at the time, as he had called for tenders and was bound to keep faith with the public. He, therefore, waited until the day for the tenders to come in, and afterwards, when he had declined the offers received, negotiated with that company for a mail service. The arrangements he made were made in the office of the British-India Company, and with the directors and managers of

that company. The terms of the tender made by the company to this Government as telegraphed by him were written out by the managing director himself, and the whole of the arrangements were made by the company, and to this day it virtually stood as an arrangement made by the British-India Company. He was asked how many directors he wished to sign on behalf of the company, and he said as many as would be a guarantee to him that it was the British-India Company, and that they as a company were prepared to carry out the arrangement. He got names to the contract with which he was perfectly satisfied. Mr. Mackinnon's was one, and he was regarded in commercial circles as the company itself. Mr. Lees was the great mover in the company, and, so far as his financial position was concerned, was perfectly able to carry out a contract like this himself. If the hon. leader of the Opposition had recognised the position occupied by those gentlemen in commercial circles at home, and also in India and elsewhere, the hon. member would never have thought of coupling his name with the individuals he mentioned in his speech. The gentlemen he (the Premier) had mentioned were not the kind of men likely to make contracts for the purpose of afterwards selling them to the public. They did not belong to a syndicate of that kind, but were men of a different character altogether; and if the hon. member had the slightest knowledge of the men he would never have spoken of them in the manner he had done. He (the Premier) had advertised in all the leading English and Continental commercial papers, and the lowest tender he received was from Messrs. Law and Company, for £50,000. The contract was open to all, and it was absurd to suppose that a company like the British-India Company would enter into a contract for the lower sum of £55,000 for the purpose of selling it at a profit. It was a thing not to be considered. But the hon. leader of the Opposition was not satisfied with making that insinuation—he went on to say that the contract would be performed by the British-India Company in their old ships. This statement showed clearly that the hon. member did not believe in his own insinuation, for it was founded on the supposition that the British-India Company would carry out the contract. The hon. member for Maryborough said he—

“Knew of some gentlemen in connection with the Orient line, and he also knew that transactions were going on which would probably lead to that company sending up some of their ships to Moreton Bay in order to carry out the very object sought to be attained under this contract.”

He should like to know upon what authority the hon. member had made that statement. He had himself done all he could to ascertain what the Orient Company were prepared to do, when he was in England, and he had told the House what he had learned at head-quarters. He would now go a great deal further, and say that if the Orient Company had been prepared to offer him far better terms than the British-India Company, he could not have accepted them. He was aware that it was the great object of the Opposition and of the southern members to have the terminus of a service at Brisbane coming from the South, but he did not see why the convenience of the whole of the northern part of the colony should be sacrificed for one place. Even if he had had much better terms from the Orient Company he should have thought over them a long time before he accepted them. Even if the Orient Company agreed to deliver the mails in Brisbane three days sooner than the other line, the only port that would gain an advantage would be Brisbane—which at present derived an advantage from that line—whilst the other ports would

not receive the same advantages they would gain by the British-India Company's service. Of course, if the Orient steamers made Cooktown their terminus, it might be said that the northern ports would gain as much as from a Torres Straits service. But in no one respect could they confer the same advantages. Hon. members on the other side had argued that this mail contract would create a commercial monopoly. He thought the House would be satisfied to consider the arguments on this point as they stood, for they came to nothing at all, and hon. members who had studied them would find that they contradicted each other. One speaker would argue that it would be a commercial monopoly, and then speakers on the same side would contend that it would have no commercial advantages at all. The hon. member for North Brisbane (the leader of the Opposition), and his lieutenant, the hon. member for Enoggera, were found on this matter contradicting themselves. The hon. member for North Brisbane (Mr. Griffith) had said—

“The present inward tonnage was 30,000 a year, and the new Company proposed to send thirteen steamers a year, each of 2,000 tons burthen. There were 26,000 tons out of 30,000. What would there be for sailing ships? It seemed a singular way of encouraging direct communication with England to subsidise a line of steamers which would carry nearly all, if not quite all, the inward cargo coming to Brisbane, and leave little else for private ships, except special articles, which were the subject of special contracts, such as the carrying of railway material for the Government.”

Afterwards he found it convenient to change his argument, and took up a different line altogether. He wished to show that the proposed service would not be of commercial advantage to the northern ports, and then he said—

“Vessels were not to stop more than three hours at any of the intermediate ports. How would they be able to land passengers and cargo? How could they carry on a freight trade with the northern ports if they were not to stop more than three hours—and it would be a poor mail service if the ships were allowed to stop?”

He sought to prove that the service would be a commercial monopoly, and then he brought forward illustrations to show that for the export of gold, wool, meat, and other products it would be of no advantage at all. But the member for Enoggera had outdone him (Mr. Griffith) in this line of argument completely. It was by the arguments of the followers they found out the objects of those of the leaders. The member for North Brisbane had been cunning enough to keep back the conclusion of his argument, but his followers had rushed at it blindly, and had committed themselves when they only thought they were following their leader. They would see how the member for Enoggera and Mr. Rutledge had done this. Mr. Dickson said the contract—

“Would confine British tonnage simply to vessels belonging to the company, which received a subsidy of £55,000 per annum, and, assisted by the immunity from harbour dues that the company possessed, would drive every bottom out of their ports.”

Then Mr. Rutledge said—

“They had a very expensive system of harbour, light, and pilot service along the coast, and what earthly advantage would it be but to confer benefits on the only company that could utilise it? They would be able to run off the A.S.N. Company, grasping and speedy as it was, as far as the ports north of Brisbane were concerned, and the expensive service would be maintained for that company exclusively.”

“By the adoption of the contract they would be creating a monopoly which, when once established, would raise the freights to any figure that might be thought desirable by the directors. It was much easier to create a monopoly than to destroy it, and, when once the people of the North were at the mercy of a grasping band of monopolists, they would not be so ready when they found the transaction was so profitable to relax their grasp on the throats of these unfortunate people.”

"To say that for eight years the whole of the mercantile interests of the colony should be handed over to a company which would have the right to raise freights to any amount they liked, seemed to him, without using language unduly strong, to be an absurdity of such a nature as to warrant the instant and ignominious dismissal of the matter, &c."

There, in the strongest terms, the argument was used that a monopoly would be created; but, on the other side, in a few minutes what did he say—

"Still the northern people would not lose sight of the fact that it was not an uncommon thing for ships calling at Singapore and Batavia to bring small-pox and cholera with them, the result of which was that at the first port they called they were placed in quarantine, and the goods of merchants at Cooktown, Townsville, Mackay, Rockhampton, and all the way down to Brisbane, were subjected to a detention of three or four weeks, a period within which they might order the goods by telegram and have them brought out by the Orient line, or nearly so. Another aspect of the question was that the steamers that would be engaged in this mail service were so large that they would not be able to reach the wharves at the various ports of call, and the consequence would be cargoes would have to be taken ashore in lighters."

He supposed hon. members would admit that that was a curious way of establishing a monopoly. The ships were to be put in quarantine, and if that was not so they would have to discharge their goods to the towns on the coast by another line of steamers. Mr. Dickson had not been much better in his argument—

"For himself he did not believe that the British-India Company would comply with the immigration clause at all, because they would find it interfere with the comfort and number of passengers between Queensland and the mother-country and the East."

He was too clever to say anything on the other side of the question, but he attempted to show that they would not get emigrants by this service. Mr. Thorn, in discussing the point who was to pay for the service, argued that it should be the wool-grower, and he said—

"Who was to pay for the service. The wool-growers would have to pay for it, seeing it was intended for their benefit. But he did not think the company would carry much wool. He would not send wool by them if he were a wool-grower, because the rates of insurance would be four times as high as charged by the P. and O. Company or the Orient Company."

It seemed to amount to this, that they were not to carry wool. According to Mr. Griffith, they were going to carry freight to the northern ports; and, according to Mr. Rutledge, they would not be able to carry emigrants through the Red Sea. Mr. Griffith said—

"It was obvious this would be the outcome, for the contractors would practically have a monopoly of the carrying trade to Brisbane, and necessarily of the northern ports."

Then Mr. Rutledge said—

"He would ask any body of sensible men whether a more preposterous proposal was ever made than that they should bring out large numbers of people cooped up in iron steamers a voyage from England, and that, after enduring a passage through the Red Sea, they should run down all their casting right on the very line itself."

They made out that they would be able to take freight or immigrants to the northern ports of the colony, and, according to Mr. Rutledge, they would be so hampered by the quarantine that it would be much easier to bring them by the Orient line to Sydney. Such arguments as these contradicted themselves. He would not take up time contradicting such arguments. He did not believe the service would create a monopoly, for, though the company had a subsidy of £55,000 a-year, they had to give a guarantee as to their arrival and departure regularly, and were in competition with all the world for the freight they carried. Another argument brought forward by hon. members on the other side was that

the days of subsidies had gone past. This was one of the most extraordinary arguments to be used in a House where they discussed contracts from time to time. He was astonished at the argument, and the hon. gentlemen who used it must have thought they were addressing ignorant people outside of that House. How was the postal service of the colony managed? Was it not by means of a subsidy to the A.S.N. Company? But that was not for a postal service alone. The steamers were bound to go to Cooktown whether they had freight or not, and when they wanted to put on a smaller steamer—though it would have been sufficient to carry the mail, and would have gone as quickly—the last Government as well as the present insisted that the larger steamer should be sent because they wished to encourage the trade along the coast. The Treasurer of a late Government, Mr. Hemmant, had introduced a Bill offering a company a subsidy of £15,000 to compete with the A.S.N. Company. He had been in favour of that, and hon. members had been in favour of it, and the only reason why it was not carried out was, they had not found £15,000 a sufficient bait to tempt any other company. It might be supposed from the way hon. gentlemen spoke that they were in utter ignorance of subsidies, while every year he had been in the House a number of subsidies had been granted. How was it that subsidies were granted for the land mail service? He found that subsidies were granted to the amount of £22,000. Was that for carrying mails alone? No; it was for the convenience of traffic. If the Government were to make a contract merely for carrying letters from Brisbane to other parts of the colony, that could be done for half the money. But they paid for commercial accommodation, and that passengers might have facilities for travelling to all districts. Every year when the Estimates were brought forward they increased the subsidies for increased accommodation in this way to the public by means of the Post Office. As to the fact of the days of subsidies having gone by, he had an interesting blue-book, being the annual report issued by the Postmaster-General of Great Britain. They saw in it how the foreign and colonial mail service of the old country was carried on. In the first place, he would notice that they paid a subsidy to the mail service between Holyhead and Queenstown of £85,900. That did not look as if the days of subsidies were past. On the mail service to the Cape of Good Hope and Australia no loss was suffered. The cost of the mail service to all foreign and colonial countries was £656,845, and that caused a British loss of £332,100, or over 50 per cent. These facts conclusively disproved the statement so clamorously put forward by the Opposition—that the days of subsidies were gone by. Great Britain did the best she could in making contracts with any line of steamships, but she lost on all her mail services, with the exception of those to Australia, Cape of Good Hope, and the East and West coast of South America. One hon. member stated that the American mails were carried on commercial principles, and that there were no subsidised mail packets. That was not a fact, however. Although a very large amount of money was received for postage, it was a great deal less than the amount paid in the shape of subsidies. Hon. members should bear in mind that in the case of some countries England has found it profitable to give up the practice of maintaining special mail packets. The speed and frequency of other lines of steamers had become such that England found she could do her business on better terms, and now mails were put on board any steamer at Liverpool and the other ports and were carried at a certain rate. Steamers belonging to various lines were thereby employed, and they were all subsidised

at the same rate. By reference to the report of the British Postmaster-General for 1879, it would be found that, while the carriage of mails to the United States had cost £51,873, the amount received for postage had been only £30,000, leaving a loss to the British Government of over £21,000. These were mails which the British Government got carried under the best possible conditions. In the case of countries somewhat similarly situated to our own the same results were found. To the East Indies, China, and Japan, mails were carried from England by the British-India and the P. and O. Companies for subsidies of £430,000. The amount received in postages was £90,000, and the Indian Government contributed £107,500, leaving a loss of £232,500 to the English Government. An examination of the whole list of contracts entered into by the British Government would show that in all cases, with the exception of those which he had mentioned, the postal services were carried on at a considerable loss to the Government. What reason was there, therefore, for the statement that there was no English precedent for this form of subsidy? There was no line of steamers coming to the Australian colonies that carried mails without subsidy, with the exception of the Orient line, and that company, as soon as they had made their service a want to the people of the colony, would get—as they deserved to get—a subsidy. He had no doubt that the speed and regularity of their steamers would eventually be recognised by the Colonial and the British Government, and that they would get what they were now working for—a subsidy. With that exception, no instance had been shown of a mail service between any country and England being carried on without a subsidy. In view of the facts he had presented to the House, the remarks of the leader of the Opposition, which he had taken for his text, looked rather absurd. The hon. gentleman asked—

“Why should this colony subsidise such a service—and why a service of steamers more than of sailing ships? He believed that the competition among the shipowners of the world was quite sufficient to provide means of communication, and that the means so provided would be quite as good as we should get by means of subsidies.”

And the hon. member for Northern Downs (Mr. Thorn) followed up by saying—

“There was no more reason for doing so than there was for subsidising steamers running between England and America.”

The leader of the Opposition also stated, viewing the service as a trade service—

“In that respect it was a new departure of a very important character. The House was asked for the first time in the history of the Australian colonies to subsidise a trade service.”

He had shown very conclusively that the House had been in the habit of doing so every year, and he had no doubt that the hon. members who were now arguing against the system of subsidies would be found doing the same this session. The hon. member for North Brisbane (Mr. Griffith) presented a petition which he characterised as a petition—

“Signed by most of the mercantile men in Brisbane, most of whom were large importers,”—men who—

“Had no interest in injuring the trade of Brisbane, but had an interest in preventing the establishment of a monopoly.”

He had read that petition, and, with all respect to the petitioners, must say that he did not recognise them as the principal merchants of Brisbane. On comparing their statements with the statistics of imports and exports he found reason, also, for questioning their judgment in the matter. For

an instance, he would take the name of Hoffnung and Co., who appeared to be about the most eminent firm among the petitioners, and endeavour to ascertain how their trade—which was principally, he believed, in fancy goods, jewellery, &c.—has been carried on, and why they were interested in keeping the trade in the old groove. He could, if he chose, refer with equal effect to other firms who had signed the petition, but had selected this firm as a representative one to show that the petitioners did not represent the commercial community of Brisbane. According to the statistical returns, in 1878 there were imported direct from the old country fancy goods to the value of £7,796, and from New South Wales in the same year to the value of £33,421, or more than four times the quantity. Of jewellery he found there was imported last year from the United Kingdom the value of £741, and from New South Wales £26,033. It was easy to see, therefore, why gentlemen engaged in this trade had a special desire to keep the trade pretty much in its present groove. His (Mr. McIlwraith's) object, on the other hand, had been to wrest the trade from Sydney, and shift its seat and centre to the colony in which our own people were interested. Several speakers had referred to an argument which he (Mr. McIlwraith) had adduced, but upon which he did not dwell very much—namely, that a line of steamers having its terminus in Brisbane would give an impetus to the coal trade of West Moreton. He had not considered it necessary at the time to bring any very strong arguments in favour of that view, but he felt obliged to notice the extraordinary arguments with which his statement had been met. With regard to the proposed line of steamers injuring the coal trade at present existing, that view had been very conclusively dealt with and disproved by the Minister for Lands. Of the objections which had been taken against his own argument with reference to the coal trade, he would take that of the hon. member for Enoggera (Mr. Rutledge) as an example. That hon. member said—

“They (the steamers) would have to lie in the Bay, and have their own hulks there, and there was no provision in the contract to prevent the company having colliers bringing up coal regularly from Newcastle, where they would get it much cheaper than in Queensland.”

In reply to that he could only say that if the coal-owners of West Moreton could not send their coal to the Bay cheaper than it could be procured from Newcastle they thoroughly deserved to lose the trade. He believed them to be perfectly able to do so, and he also believed that the establishment of this line of steamers would increase the trade in coal to at least three times the present dimensions. This calculation was that if the steamers only used Queensland coal during half of each trip the increased consumption thereby would be some 18,000 tons a year; and he had no doubt as to where that coal would come from knowing that it could be delivered in the Bay much cheaper from Moreton than from Newcastle. There was one argument very clearly brought forward by the hon. member for Moreton which was not so well reported as it deserved to be. He (Mr. McIlwraith) had argued that whilst the tonnage from foreign countries to Queensland ports direct had decreased considerably of late years, and especially last year, the tonnage between the Queensland ports and Sydney had greatly increased. His reason for arguing that was the fact, which he believed from all that had been said was admitted on all hands, that the colony was losing its direct British trade, which was going to Sydney; and he believed that his argument was perfectly sound. The hon. gentleman, instead of going thoroughly into figures, brought forward some facts which he said accounted for the amount

of tonnage from England being reduced—namely, that during the last twelve months the Government, for rails and other freight and immigration, had been bringing far fewer ships to the colony than previously. That did seem a sound argument; it was good so far as it went, but its weakness was in failing to show the extent to which it went in accounting for the deficiency in British tonnage. He had been glad, however, to follow that out, and he would take it in a different way in which there could be no dispute. What he wanted to show was that we were losing our direct British trade, and that it was going to Sydney, and that he would show most conclusively from the statistics of the colony. In 1878, the imports of the colony from the United Kingdom amounted to £1,181,246; in 1879, the latest date which he could get, they amounted to £815,973, showing a falling off in our direct trade with the United Kingdom of £365,273 between 1878 and 1879. Now, in 1878, the import trade from Sydney to Queensland ports was £1,531,053; in 1879 it was £1,615,395, an increase of £84,342. That was to say that the import trade from New South Wales to Queensland had increased £84,342, while the import trade from Great Britain had decreased £365,273. What could be more conclusive? Then, take our exports: In 1878 the exports from Queensland ports to the United Kingdom amounted to £922,326, and in 1879 to £879,357, showing a falling off of £43,969. In 1878 the exports from Queensland to New South Wales amounted to £1,710,248; in 1879, £2,052,783, or an increase of £342,485. He thought there could be nothing more conclusive than that to prove that our direct trade was gradually drifting down to New South Wales. He did not take up the time of the House by trying to show hon. members opposite the gravity of the position. He was not one of those who believed, as the hon. member for Maryborough did, that Sydney was to be the centre of distribution of the eastern seaboard of Australia. He looked upon that contingency as one that would make Queensland an utter failure in the commercial world. Ever since he had been a resident of Queensland he had always tried to make the centre of distribution for goods that came here from the old country to be within the colony of Queensland itself; and he was perfectly satisfied that it would never become a good and prosperous country until they attained that end. It was departing entirely, not from the policy of the Liberal party alone, but from that of every party that had struggled for the good of the country, that when it came to be a party fight, there was one party in the House that should start with admitting that Sydney was to be the centre of the commercial world in Australia. He said they had as great facilities at the ports of Queensland, or would have very shortly, for shipping from foreign ports, as they had in Sydney. In fact, he believed they could land goods at the present time in Queensland from foreign ports at lower rates than from Sydney. He knew the great advantages that New South Wales possessed from good harbours; but the harbours of Queensland were being improved rapidly, and he held that in that respect the colony was nearly on equality with New South Wales. What he regretted more than anything was that the immense capital that came up should be used in trade against our own interests and in the interests of New South Wales. That was what he had been fighting against, and he never for a moment supposed that there was a party in the House prepared, on the discussion of the matter, to say that they must take it for granted that Sydney was to be the centre of distribution on the eastern seaboard. Neither Sydney nor Mel-

bourne should stand before their own colony in such a matter. There were as magnificent harbours here as at Sydney or Melbourne; and had it happened that the commercial capital had been fixed—as it might possibly have been, if the gold-fields had been discovered a little earlier—at some of the fine harbours on our northern coast, and got the start, he would defy the hon. member to come forward and say that there was anything in New South Wales to beat them. He recognised the position of the colony to be this: That they were in an equally good position as New South Wales for the introduction of British goods, and it ought to be their desire to prevent any undue influence of Sydney capitalists from diverting our trade there, and from creating a monopoly larger than they had at the present time. He would now say a few words in reply to what was said by some members about making this a party question. The leader of the Opposition said—

“It was in no way a matter which could affect the position of the Government, nor could any opposition to the motion be construed into an attack upon the Government. The Government had taken a very unfair advantage of the country in endeavouring to coerce their supporters with supporting a proposition in the House which some of them had publicly condemned out of it. The Government had not been forced into the position.”

That was a speech that was made on every occasion when an important Government measure was brought forward. He had heard the hon. gentleman make the same speech over and over again, trying to wheedle and cajole hon. members on that side of the House not to regard certain measures as party measures. The hon. gentleman knew perfectly well that unless a measure of importance was made a party question it did not stand much chance of passing through that House; he knew perfectly well that unless the Government exercised what authority they had, and showed their party the importance that they attributed to a measure, that the Opposition would have it all their own way, for this reason—that inevitably, as it had happened in this case, the Opposition were banded together to a man to oppose that measure, not because they disagreed with it, but simply because they would gain a victory over the Government. It was done simply for the purpose of hurting the Government. Look at the hon. members opposite who professed allegiance to the hon. the leader of the Opposition! Look at the hon. member for Rockhampton! Did not that hon. member thoroughly believe in this contract being carried out, and would he not have been received with great *clat* in his district by being one of his strenuous supporters? Hon. members opposite might say they had made it a party question simply because the Government had done so, but that was not a sufficient reason for making it a party question by the Opposition. There was not the slightest chance of a strong Government allowing their powers to be frittered away by acknowledging that important questions were not to be reckoned as party questions in that House. In fact, the hon. member (Mr. Patterson) told them—

“No more important subject had been brought up since he had the honour of a seat in the House, and they would strongly urge that it should be postponed, so that it might be considered and studied in all its bearings.”

The hon. gentleman had a good reason for asking that it should be postponed. He acknowledged that it was one of the most important measures that had been brought before the House, and yet a great deal of time had been wasted by the other side in impugning the action of the Government in making it a party question. Some wild statements had been brought forward

by the hon. members for Moreton and Enoggera. The hon. member for Enoggera (Mr. Dickson) said—

"He would point out that, whatever might be done in connection with the present contract, the mails would undoubtedly go by the quickest route. They were carried at present by the P. and O. Company. The Torres Straits service was at present very little used by the commercial community—that was corroborated by the statement of the Premier."

Which was not true.

"And the large amount of mail matter carried by the P. and O. Company would be further increased if they entrusted the transmission of mails to a company which could not compete with the P. and O. Company either in celerity or in regularity. A fortnightly service was much the most convenient, and the hon. gentleman had not adduced a single argument to prove that the amount of mail matter expected to go by the British-India Company would not continue to go still by the P. and O. Company, notwithstanding the new contract."

The leader of the Opposition had moved for certain information which he (Mr. McIlwraith) would now give to the House. This course was consistent with the usual method employed by the leader of the Opposition, this session, of making allegations first and looking for the proof afterwards. He held in his hand a return of the mail letters conveyed by the four present mail lines to Queensland during the last eighteen months—namely, the Torres Straits route, the Melbourne, the San Francisco, and the Orient. Of letters, 78 per cent. were sent by the Torres Straits line; 13 per cent. by the Melbourne; 8 per cent. by the San Francisco; and 1 per cent. by the Orient line. In the matter of packets, 83 per cent. were sent by the Torres Straits route; 10 by the Melbourne; 7 by the San Francisco route; and none by the Orient. In newspapers, 70 per cent. of the traffic was carried by the Torres Straits line; 17 by the Melbourne; 10 by the San Francisco; and 2 by the Orient. Those figures proved, as he had said, that most of the postal traffic went by the Torres Straits line; and hon. members would notice that the postal matter carried by the P. and O. line was only—letters, 13 per cent.; packets, 10 per cent.; and newspapers, 17 per cent. They must also take into consideration another fact, that by the precipitate action of the Government of the colony of Victoria the revenue of this colony had suffered a good deal. Quite suddenly, and without the acquiescence of the other colonies, they found it to their advantage to reduce the price of letters *via* Brindisi to 6d. and newspapers to 1d. He was not going to say anything against that, but unless they joined at once the letters were bound to go by the P. and O. route. This circumstance affected newspapers most. People rushed their papers through the post because, instead of sending them by the monthly route, they were enabled to take advantage of the P. and O. service and send them quickly *via* Melbourne and San Francisco. However, it was a privilege that the colony was paying for, and he thought it was one that the senders of letters and papers ought to value. If they paid for a service by which they could get their letters for sixpence by Torres Straits they ought to take action in the matter, and at all events offer no inducement for sending them by other routes. They were paying Melbourne for carrying the mails and the Torres Straits route as well, and this was how they were handicapped by the different lines. Why should they not adopt the same principle as was adopted in South Australia, in New South Wales, and in Victoria, and charge 8d. for letters which did not go by their own route, and have a route of their own? The member for Enoggera (Mr. Dickson) made use of an argument which was a strange one coming from any side, but was certainly strange coming from him.

He was the principal instrument—at least, in combination with his former colleague, Mr. Hemmant—in forcing on the House the dry-dock at South Brisbane, and his argument now was that it would be required by the mail steamers for the purpose of docking, and he positively gloried in the fact that it could not by any possibility be used for steamers for the next seven years. He must have played the part of at least a good patriot, so far as South Brisbane was concerned, in advocating a work which he had to prove could be of no possible use. Was it true, however, that it would not be suitable for steamers drawing 21 feet of water for the next seven years? Let them take the figures furnished by the Engineer of Harbours and Rivers. The dredge "Gropser" was capable of working 360,000 tons per annum, and it was fair to assume that it would go on doing so. In the month of July next there would be a new dredge at work, and he assumed that it would do more than that. It would probably do more, but he would simply assume that it would do as much; and if they worked together for two years and nine months they would clear a channel of 15 feet at low water 150 feet wide. There was another part of the subject to which he had not referred, and that was the immigration clause, of which so much had been said by hon. members on both sides of the House. He admitted that the clause was not compulsory on the company; neither, on the other hand, was it compulsory on the Government to send them. He had not been in a position to give a guarantee; he had said that he would give the immigrants if he had them, but possibly there might be none to send, and as he could give no guarantee he could not bind them constantly to find accommodation for immigrants. No doubt the immigrants would be conveyed, but he was bound to save himself by guaranteeing only what he could. He fully believed that it would be a good immigration route, and would furnish a great inducement, on account of the short space of time occupied by the journey, for persons to come to the colony. At the same time, there might possibly be some risk. Some hon. members argued that cholera, small-pox, and other disorders were sure to get on board the ships from some of the various ports at which they would touch, and that in the course of the long tropical voyage diseases would be engendered. All these contingencies had been cautiously taken into consideration, in the circumstance that they would have the right to stop the contract if anything of this kind occurred. It would not have been reasonable to have asked for such an immigration contract to be entered into as some hon. members described, and no reasonable man would have done it. Proper provisions were made for both parties, and if they could not be carried out the immigrants might come some other way. He would refer to one part of the arguments which had come from the other side of the House with great reiteration, and which ran through the whole speech of the hon. member for Moreton; it was simply an argument against the Torres Straits route. He (the Premier) did not think they could argue against it simply as the Torres Straits route, because he believed it was the natural route from this colony to England, and unless they adopted it they would never have an independent route. It was not a proper position for the member of a southern constituency to take up—to come forward and say he would support a line from the south by the long sea route because the one gave exclusive benefit to the southern part of the colony, while the Torres Straits route benefited all the other portions of the colony. He had noticed some of the most prominent arguments that had been brought against the

mail contract; other points he had not noticed so strongly because he had appealed to the reason of hon. members. He did not mean to bring forward any strong argument either for or against another important matter that had been referred to—namely, the export of frozen meat. He was of opinion that it would largely benefit that trade, but there were many others who held a different opinion. Apart from that, he insisted upon the contract because it would benefit all classes of the community. The hon. member for the Logan (Mr. McLean) told them that the selectors would not derive the slightest benefit from it; but from his experience he believed it would benefit them very much indeed. Even although that hon. member was backed up very strongly by the hon. member for Oxley (Mr. Grimes), he did not think hon. members were convinced that a good time was not coming for selectors through that trade being a success. The hon. member pointed out the miserable position of the selector, who, after feeding a beast for four months, only made £3 10s. by the operation. If they made one-half that in America they considered themselves remarkably well off. He believed the selectors of Queensland would be able to do the work at much less cost, and on that account he had no doubt they would be among the first to benefit by the service. As he had intimated before, the Government were prepared to consider any amendment that carried out the spirit of the contract, and he had only to urge that, as those amendments would have to be cabled to the contractors for their approval, they should be introduced as soon as possible. He fully believed, with the leader of the Opposition, that they ought to bind the contractors down so strongly as not to have to depend on their honour for the carrying out of the contract. Although there were some contractors who did not require binding so much as others, he wished to see this contract made as stringent as possible, carrying out the principles on which it was based. The hon. member for Maryborough (Mr. Douglas) had taken up the position that no decision should be come to on the subject until the Financial Statement was made. As the hon. member must know, that was impossible, for two reasons. The first was that the service commenced on the 1st October, and time must be given to the contractors to have their ships ready by that date. It was necessary, therefore, to ratify the contract by the 6th August. The argument that the Financial Statement should be delivered first did not seem to be one of great weight. The service was of so much importance to the colony that the contract ought to be ratified at once, even if they had to find the money for it in some way or other. A second reason against the suggestion was that the contingency might happen of the tariff of the colony being interfered with in the Statement, and if it did he, as the hon. gentleman knew, would be bound to see it carried through before any other measures were taken into consideration. In such a contingency, the Financial Statement might have taken up the time of the House beyond the period required for the ratification of the contract. Those were the reasons which induced him to ask for the ratification being made in so short a time, and he believed they would appeal to the reason of hon. members present.

THE HON. J. DOUGLAS said the Premier had no doubt given the House a great deal of very valuable information with reference to the contract which they had not before. The position he (Mr. Douglas) had taken up was not one of direct antagonism to the contract, though he must confess that on some points it seemed to be unsatisfactory. His position was, that the

time being critical and money being of great present value to the colony, and their engagements being larger than they had ever previously been in proportion to their resources, it was a very serious thing indeed to take upon themselves this additional obligation unless they were perfectly satisfied that they were able to bear it without inconvenience, and also that they were materially convenience by the provisions of the contract itself. He was happy to hear the Premier say that, at any rate, there would be liberty of discussion in dealing with the contract—that if the House saw fit to suggest alterations in the wording of it he was prepared to constitute himself the judge as to whether he would accept those amendments, and whether, having accepted them, he would submit the re-constructed contract for re-consideration on the part of the contractors. Those amendments would be received so long as they did not interfere with the spirit of the agreement. Having made that concession—a somewhat important one—he could not see that a delay of a month or six months was of very vital consequence to the agreement. If the contractors were prepared to enter into such an agreement in October, much more, he assumed, would they be prepared to enter upon it at a later period; and besides, the contractors would be able to enter upon the service, at a later period, at less inconvenience to themselves. It was therefore manifestly desirable, on all grounds—financially and for the convenience of the colony and the contractors—that they should not now ratify a contract which it was not necessary they should at once enter into. It had been admitted on both sides that, whatever conveniences the service might confer on the northern ports, unquestionably, as far as postal matters were concerned, they were already in possession of a more expeditious route. He would take simply the low ground that at present, and for the next few months, there was no urgent need for haste with regard to postal matters. If the Torres Straits route was not carried on—if the E. and A. Company refused on any consideration to meet the convenience of the northern ports, there might be, for a short time, a certain inconvenience to those ports. Still they would surely submit to that if ultimately they could secure a better bargain, and one which would be for the permanent good of the whole country. He submitted, therefore, that postponement did not interfere with the spirit of the agreement. If the directors, powerful as they were, and competent as he believed them to be to carry out the agreement, were willing to listen to amendments, how much more would it be to their convenience to be allowed a longer time to make preparation, which could only be made in October under very special pressure? It was incontestable that postponement would be desirable, and on that point he agreed with the hon. member for Ipswich (Mr. Thompson) that there seemed to be a precipitancy about entering into the agreement. He hoped the hon. gentleman would be willing to grant that additional concession. Before addressing the House on that subject he would refer to some of the remarks that had fallen from the Premier, who had certainly thrown additional light on the question. With regard to immigration, he agreed with the Premier that it was quite worth while to try to get immigration through the Torres Straits, although he was afraid it would always be less applicable for the purpose than the other route. On the other hand, the arrangements of the large modern steamships were such that immigrants might be carried in them without undue mortality. The Indian troop-ships, such as the "Crocodile," the "Euphrates," and others

of that class, brought large numbers of men, women, and children through the Red Sea during the months of December, January, and February, with only very trifling mortality, so excellent were the arrangements. On the other hand, a very material point to remember was that the months during which it was most desirable that immigrants should leave England and be landed here were the very months most unsuitable for the passage down the Red Sea. That period extended from March to July, it being a recognised principle that immigrants should not land here, if possible, in the height of summer, and that was the very season least applicable for the Red Sea passage, which might, during those months, be attended with very considerable mortality. It might also turn out that the line would attract voluntary immigrants from the Mediterranean countries—Italians, Greeks, Maltese, and others who might feel inclined to settle on the northern shores of Australia. He did not contend that the route should not be made use of for immigrants, but submitted that the most convenient time to land them in the colony would be the most inappropriate season to bring them through the Red Sea. The sea voyage by the Cape was a much more desirable route, and there was every reason to believe they would be able to take advantage of that route. There were large ships making the passage in thirty-six days, coming out by the Cape and returning by the Suez Canal; and it was quite possible that hereafter they might be able, instead of shipping immigrants in sailing ships, to make some contract with those large steamers which were now supplanting sailing ships. It would be better to establish such a system of immigration than that proposed in the contract. With regard to the dock and the facilities afforded for bringing ships up the river, he took some exception to the way in which the hon. gentleman at the head of the Government referred to the matter in connection with the hon. member for Enoggera, of whom he (the Premier) spoke as glorifying in the fact that the docks would not be available for years because the river would not be deep enough. But he (Mr. Douglas) did not understand him to glory at all in the fact, but simply to point out the facts so far as they were known. No doubt the dock would soon be ready and could be made available for large steamers—perhaps in a few months, ready for such steamers as those proposed to be placed in the service; but even according to the Premier's own computation, after narrowing the ship channel from 250 feet to 150 feet wide, a passage would not be available for vessels drawing 15 feet of water at low tide for at least four years.

The MINISTER FOR WORKS: Two years and nine months.

Mr. DOUGLAS said that was from next July, when the new dredge would be ready, and when the Premier's calculations dated from; so that the time was three years and nine months. He was glad to hear that the time would be shorter, and considered it a wise decision to narrow the channel, for, though it was better to have a channel 250 feet wide than one 150 feet wide, if it was to delay the work for eight years it would be better to have a channel 150 feet wide in four years than to wait double the time.

The PREMIER: Two years and nine months.

Mr. DOUGLAS said the hon. gentleman had said two years and nine months: but that was from next July.

The PREMIER: The 30th June last.

Mr. DOUGLAS said that was all the better, and he was glad to hear it; but he understood the hon. the Premier to say from next July.

However, the colony ought to congratulate itself on the decision arrived at in respect to narrowing the channel, and having the river opened up sooner. With regard to the figures quoted by the Premier as to the percentage of letters sent by the Torres Straits route, he (Mr. Douglas) accepted them as correct. Still, the fact remained that the Melbourne and San Francisco route was unquestionably the quickest. People did not avail themselves of the latter through ignorance, and because the letters from the northern ports would necessarily go by the Torres Straits route. He would be sorry to see a differential rate of postage, as the Premier seemed to think desirable when he referred to the fact that in Sydney there was a differential rate by which letters *via* Melbourne were charged 2d. additional. It was a mistake to think that, because New South Wales happened to have made a contract for a service *via* San Francisco, the Government of that colony should make the members of its own commercial community pay more for taking advantage of any other service. The object of a Government was to benefit the people governed, and not to make profits. They were not in the House as a commercial body: their object was to do the best they could for the benefit and convenience of the people they represented; and any course which met the convenience of the public they ought to adopt.

The PREMIER: Why pay twice over for the same thing?

Mr. DOUGLAS asked why should they pay at all for such work? It seemed to him they could get a very good service for nothing. They might get a service by either San Francisco or Melbourne, and why should they go to the expense of paying £35,000? He should like to say a few words in explanation and further illustration of an expression he made use of the other day, and which the Premier took up. The Premier said that he (Mr. Douglas) advocated Sydney as the centre of distribution, and he attached to some utterances of his (Mr. Douglas') an authority as regarded the Opposition side of the House which did not attach to them. He merely expressed his own opinion. What he said was on his own account, and altogether apart from what might have been said or from the opinions held on his side of the House. He still thought Sydney would probably remain the great centre of distribution on the eastern coast of Australia. It was at present a large commercial city, and it seemed as if it would be the largest commercial city in Australia, just as New York was of America; and he did not see why there should be any jealousy between the colonies on that account, though they ought to do the best they could for their own State. He did not see why they should be jealous because there happened to be a large city like Sydney in a neighbouring colony. Sydney probably would occupy the same commercial position in Australia as New York did in America with respect to Boston and Charleston and other coast towns, and from its position and advantages it would no doubt be difficult to alter that state of things. He did not know that the people of America had suffered much from having one or two or half-a-dozen centres instead of a dozen or twenty: that did not alter the prosperity of the people themselves; it did not prevent them obtaining the best value for their money. It simply meant that there were certain points which, from their geographical and economical advantages, had attained to the position of great centres of distribution. The main thing to be kept in view was the benefit of the people, and not the ascendancy of any one particular town. The hon. gentleman who sat at the head of the Ministerial benches said

that the city of Brisbane differed as a capital from Sydney. It might be desirable they should have direct communication with London rather than *via* Sydney and Melbourne; but, speaking with a view to the interests and the future of Australia—speaking as Australians—he was not sure their policy should not be in the direction of uniting the different portions both by the bonds of commerce and of politics.

The PREMIER: Queensland first, Australia next.

Mr. DOUGLAS said the distinction he wished to draw out was the advocacy by the hon. gentleman of a direct service. He was not opposing a direct service; but he believed the relations of the colonies should be as close and intimate as possible. England being the great centre of the commerce of the world, no doubt their commerce should be as direct as possible. The Colonial Secretary had indicted him, in a sort of way, with having advocated the claims of the mother colony. He did not wish unduly to advocate any such policy; but he knew that the mother colony of New South Wales had derived much of her impetus first from the old country, which was recognised as the mother country; and Queensland derived her life largely from the mother colony in the same way. And why should they despise the mother colony or the mother country? He made those remarks because what had been stated by the Colonial Secretary led to the inference that it was a disgrace to be tied to the apron-strings of the mother colony, and that they ought to declare their commercial and political independence when they became a nation. It was absurd to talk of the colony as a nation. He did not think Queensland would be a nation, and the Colonial Secretary must have spoken without knowing what the terms really meant. If he meant that they should do their best for their own state he agreed with him, but he did not look upon Queensland in any sense as an infant nation: Australia might become a nation, but not Queensland. Another thing the hon. the Premier had referred to was the statement that the days of subsidies had gone by. He (Mr. Douglas) thought and believed the days of subsidies were going by, and that the tendency was in that direction; and when the Premier spoke of the statement being made in utter ignorance of fact he used too strong an expression. There was a time when Queensland subsidised a line to Sydney: those days had gone by, and they did not now subsidise that line. They found communication so frequent that it was not worth while to pay a subsidy. It might be desirable to give a subsidy in certain cases, but where there was a large amount of commerce and there were ships going to and fro, as across the Atlantic from Liverpool to New York and Boston, almost every day of the week, there need be no large subsidies, and the Government very properly availed themselves of the facilities afforded to despatch mails by those steamers. The question of subsidies had been argued in America. They had viewed the supremacy of the British flag on the Atlantic at the present time with jealousy. Nine-tenths of the steamers which crossed the Atlantic carried the British flag, and it had been over and over again proposed, and he believed since decided, that any line subsidised should be under the American flag, so as to secure the commerce to America. He did not intend to treat the House now to a dissertation on that subject. At any rate, the Americans were content to accept the commerce as carried out now, and he questioned very much whether they lost anything—at all events, they were enabled to bestow the whole of their energies upon their internal affairs, and upon the de-

1880—o

velopment of the different States, or combination of States, such as Australia might become in the future. It was quite possible that the United States might be serving their own interests best by devoting their efforts to the development of their own resources. So long as they got their produce carried across the Atlantic it did not matter much. The profit came back to them in the payment that they received for the produce, and it did not matter much who carried the trade so long as it was conveyed cheaply and expeditiously. He would admit that to secure those objects it was quite possible that a colony like Queensland would be justified in paying a subsidy. But he would here point out that the payment of a large subsidy to the P. and O. Company had been viewed with disfavour, and that Her Majesty's Government had been taken to task for giving it to the company without competition. It must also be remembered that it did not, after all, represent a large outlay, the receipts to a large extent meeting the amount of the subsidy. Some advantages were no doubt gained. There was a weekly and fortnightly despatch of steamers secured, which was of course a great thing, but there was no doubt that postal communication with Asia and the Eastern possessions of Great Britain would be carried on just as efficiently even if the P. and O. Company was not subsidised.

The PREMIER: They must be great fools, then, at home to give a subsidy.

Mr. DOUGLAS said the P. and O. Company had enormous political influence, and, moreover, England had fostered its growth, no doubt, from larger considerations than it being a mere mail-carrying company. There was a vast fleet available for England at any time of emergency; every ship was made available in time of war, and he noticed that the Premier had very wisely put in this contract, not exactly the same condition, but a proviso that if the Government of Queensland found it necessary to charter a ship the contractors' fleet should be made available. Still, he asserted that, in spite of the advantages conferred by the admirable service conducted by the P. and O. Company, it would not cause any serious inconvenience to the commercial world if the subsidy were done away with to-morrow. The great route of carriage must be through the Red Sea and *via* Suez; it was the great artery of communication between England and India, and under these circumstances he did not see it was so necessary to give a large subsidy as it was in the early days when the route had, so to speak, to be explored. It was now known as well as the Strand or Broadway; it was like a great highway, and the consequence was that the days of the contract with the P. and O. Company were numbered.

The PREMIER: The contract was only made last year.

Mr. DOUGLAS said that when he said the days of the contract were numbered he meant that it would not be a permanent arrangement, but would be simply temporary, and that the tendency of events was to do away with subsidies to mail companies. These companies were very much in the position of explorers—they were exploring routes of commerce and profit. It was within the memory of many when the route *via* Suez was explored, and when it was considered a great triumph for Lieutenant Waghorn to have passed over it with a caravan. It was not forty years since that was accomplished, and now the route was one of the great highways of the world; and his contention was that whenever a route became a highway for commerce the necessity for the payment of subsidies would decrease. The case of the Orient Company had been referred to by the Premier as one of injustice to

the company, but he (Mr. Douglas) could not see it in that light. The company ought to receive an equivalent for the value of the mail that they took, and they did; but they did not bind themselves to sail at a stated period or to deliver at any of the different ports that they passed. They advertised their ships as sailing for Australia direct, and the mails were put on board to take their chance. The company were bound to take them according to law, but were not compelled to deliver within a specified time, and he should be very sorry to see that law repealed. Here was natural competition going on. The whole commerce between England and the southern colonies of Australia would be undertaken by the P. and O., the Orient, or some other company. Sailing ships would be completely driven off, and the result would be that, instead of having communication with the mother-country fortnightly and weekly, the time would come when it would be daily. There was daily communication between New York and Liverpool, and yet within their lives that was considered as improbable as it now was to look forward to the time when there would be daily communication between England and Australia. In view of these facts it seemed to him most probable that the days of subsidies were at any rate going out, and that any person who made the statement was not doing so in ignorance of the facts. He had thus referred to a few of the points which the Premier had explained, and he was glad to have heard the explanation; but he had some matters of detail in connection with finance which he wished to take up, because they were of even greater importance than the details of the contract. He still was strongly of opinion that for every reason it was most desirable that they should understand their financial position before they committed themselves to the subsidy. His position was, simply, that though it would be an inconvenience as far as the northern ports were concerned, it was not a matter of vital importance to them that a postal service should be arranged at all. He would even go so far as to say that if a postal service was to be entered into for their convenience—and unquestionably a mail service *via* Torres Straits would suit the northern ports best—he would go so far as to say that, if the northern ports would undertake the responsibility and liabilities of the contract, he would be quite ready to advocate it or to advocate one making the terminus at Bowen or some other northern port, provided hon. gentlemen opposite would advocate a settlement of accounts. If hon. gentlemen opposite were prepared to make this a question of financial separation, and to attach all the liabilities to those on whom they ought to devolve, then all difficulties on his (Mr. Douglas') part would disappear; but the Premier did not propose that. At any rate, he should prefer to hear his Financial Statement, because it would involve an elaborate statement in connection with the finances. No doubt, in the future, they would have large ships leaving the port of Brisbane for England; but that time had not come, and he could see very little chance of it coming from this contract. They could not benefit very much from a mail or commercial point of view by making the terminus of the service at Brisbane; but if the northern people were anxious to have the service and would accept the liability, he did not see that they should stand in the way, but let it be clearly stated that it was to be a matter of account, and that the North was to find the means. In that case he did not see that there would be any objection on the part of the inhabitants of the southern districts. It must, however, be apparent that this raised a serious financial question which would have to be con-

sidered elaborately and explained. The Premier was thoroughly informed on the subject. The hon. gentleman had worked at the question of financial separation, and if it was applied it would clear away a great many difficulties and would pave the way for what he (Mr. Douglas) believed would be ultimately the best destiny both for the South and the North. The territory was too large to be efficiently governed as it was at present, and it led to a great deal of heart-burning and dissatisfaction on the part of a great many of the northern districts. He did not think that they were sacrificed to the South, but they imagined that they were, and unpleasant accusations were constantly made by them against southern influence and Brisbane influence. These grievances had their foundation in the vast geographical area of the colony rather than the essential merits, and he trusted, therefore, that when the Premier gave the House the Statement in connection with the finances he would bear this matter in mind and probably throw some light in reference to the obligations of the different districts, which obligations were at present nominally apportioned, but had no reality in the financial management of the colony. Before they went into Committee he intimated that he should move an amendment in committee. He proposed to do that simply for the purpose of giving expression to his own opinion, and he thought the terms of the resolution sufficiently embodied what his own opinion was, and what he thought ought to be the opinion of the Committee. He did not anticipate, of course, that any effect would result from that motion further than placing on record what his own opinion was with regard to this contract in view of their financial position, and he thought that course was justified; and when he sat down he should move the resolution of which he gave notice, for the purpose of specially ventilating that part of the subject, and of placing on the record what his individual opinion was. He felt, however, that it was incumbent upon him to say something in justification of the position described—that position being that they had, as they all knew, a very large deficit at the end of their financial year, and that their obligations, in addition to that, were also very considerably increased; and then there was this further amount, which he really looked upon as possibly the last ounce that might break their back. Of course, he merely used that term in a metaphorical sense: he did not suppose that in reality they should not find means to pay it; but still he believed that every additional shilling that was imposed upon them might prove a very serious burden. It was clearly admitted on all sides that it was their bounden duty not only to economise wherever it was possible, but to abstain from further expenditure even if they believed that they would ultimately benefit by it. The next two or three years would be a serious time for them financially, and with that view he wished to call the attention of the Committee to some few facts in connection with their financial position, and he could not do better than to make use of the very terms employed by the hon. gentleman at the head of the Government upon their financial position and their duties in regard to it. He would refer to what the Premier said in his opening remarks on the Financial Statement last year. He was reported as follows:—

“The fiscal condition of the colony must be of paramount interest at the present time. For many years an ever increasing expenditure has been met by an elastic revenue. This year, however, the tide has turned, revenue has failed to cover expenditure, and we are faced by the difficult problem how to so regulate the public business as to put the Government of the colony on a sound financial basis. It is our duty to carefully investigate the causes of our straitened circum-

stances, to distinguish those for which we are responsible from those over which we have no control, and, if we discover any deviation from sound principles of legislation or administration, to promptly retrace our steps. The lesson adversity has so roughly taught us during the last two years should, in any case, impel us to make more cautious provision for the future."

At that time, evidently, the hon. gentleman was naturally and very justifiably anxious for the future. At the present time he might be equally anxious for our prospects in the immediate future, and nothing had occurred which ought, in his (Mr. Douglas's) opinion, diminish the weight which attached to the hon. gentleman's words in his last Financial Statement. He found, for instance, that at that time the hon. gentleman anticipated a falling off on the previous Treasurer (Mr. Dickson's) estimate of some £234,000 less than the actually estimated amount; and he found that, according to the statement of the Auditor-General, which had lately been placed in their hands, the actual debit at the end of the year 1879 was £323,878 12s. 6d. That, no doubt, was a very considerable sum, and he could not question the authority of the Auditor-General. No doubt that amount was considerably reduced by the policy adopted by the Premier in the appropriation of the funds accruing under the Railway Reserves Act. The amount, by this means, was reduced to about £177,000. Proceeding to the estimate of ways and means, the hon. gentleman estimated his revenue at £1,658,000 and his expenditure at £1,606,547, leaving a surplus of £51,453 on the year's account. He should not attempt to anticipate the Statement which the hon. gentleman would shortly have to make, but he would briefly refer to some items in the Auditor-General's statement. The operations for last year ending 1st July, 1880, showed a total revenue overdraft of £239,006 12s. 7d. To that had to be added the expenditure for the year between the 1st July and the end of September which accrued during that period, and as during the preceding year that amounted to £146,253, they might reasonably adopt the same calculation, which, according to his (Mr. Douglas's) estimate, would bring the deficit up to about £389,000. He arrived at those results by the figures contained in the statement of the Auditor-General, and everyone must admit that that was a most alarming position for the colony to be placed in. He did not think they had ever commenced a year with such a large balance against them, and with such large obligations in addition to that which stared them in the face. There was, of course, the additional interest on the £2,000,000 loan that had been raised, and next year they might possibly have to provide for the interest on the balance of the loan authorised by Parliament, and which had yet to be raised. At any rate, they might look forward to having to provide for £80,000 in addition to the deficit he had mentioned as probable at the end of the year. That was a state of things which, if not alarming, must at any rate cause a considerable amount of anxiety, and he could not but think that the hon. gentleman at the head of the Government was now in the face of this difficult position that their indebtedness was about to be very much increased without their knowing how it was to be met. He contended that in the absence of any Statement of that kind from the hon. gentleman, it was hardly fair to ask the House to consent to such a proposition as that before them. The hon. member for South Brisbane (Mr. Kingsford) pooh-poohed the idea that the colony was unable to bear additional taxation; but he (Mr. Douglas) hardly thought that was the opinion of the hon. member at the head of the Government, as that hon. gentleman had told them last year that their taxation was heavier than that of any of the Australian colonies; and he believed that there was one paper among

others submitted to the House by the hon. gentleman when making his Financial Statement which proved that to be the case. He did not think the hon. gentleman was of opinion that an additional £55,000 in their expenditure was of no consequence. If they did not pull up, there was no doubt that they would very shortly be in difficulties, as they were now actually paying out of loan the debt which had accrued. In reference to that, the Auditor-General stated in clause 12 of his report—

"When the amount to the credit of the Consolidated Revenue in the Bank is exhausted, payments are practically made from loan or other special or trust funds which may happen to be in credit; for, although no actual transfer from one account to another takes place, the Government Bankers view all public moneys as forming one fund, liable for the half-yearly interest as well as for all cheques which may be drawn by the Treasurer or any of the Public Accountants within the limit of their authority. The above overdraft has, in accordance with this practice, been met from moneys that have come into possession of the Government for purposes of quite a different nature. This system of supplementing a deficient revenue by advances from loan or trust moneys, although very convenient to the Treasury, is hardly in accordance with the spirit, or indeed the letter, of either the Audit, Loan, or the several other Acts of Parliament under the authority of which trust moneys are collected."

That was a very emphatic statement made by the Auditor-General, who was the trustworthy servant of the Parliament, and was appointed in an independent position in order to advise and report to the Parliament. In that report it was stated that the debit balance arising from last year was paid out of loan. Let hon. members look at their position. They would go on borrowing until they were unable to borrow any more, and they would either have to go to some monied institution for help, or issue Treasury Bills, as they had done before. At any rate, their position was not a desirable one, as if they had not floated the last loan they would not be able to find the means to meet their deficiency. His contention, therefore, was, that it was scarcely fair of the hon. gentleman at the head of the Government—and he trusted the hon. gentleman would himself come to that conclusion—to ask the House to discuss a really momentous question like the present before the Financial Statement was made, and when really there was no pressing necessity for it. His contention had always been that a delay of a month or two would not interfere with the spirit of the agreement, and he considered that the Government, who were placed in a majority by the will of the House, should do all in their power not to imperil the financial position of the colony in future. He had never contended that the proposed contract might not, under some circumstances, be an advisable one. There was much in it which commanded his approval, chiefly because of the convenience it would be to the northern ports; but surely a stronger matter to be considered was the financial position in which they would be placed by entering into that contract at the present time, as they were approaching a period when, unless the hon. gentleman could show that they could meet expenditure out of revenue, their position would be seriously jeopardised. If it once became disclosed that they could not regularly meet their annual expenditure from their annual receipts, then they would find that their credit would be seriously impeached. He considered that their credit was of far more importance than their convenience, and all things should be sacrificed to place their finances in a sound position. What, he would ask, was the true position of all good Governments?—surely not that of expenditure? The cardinal principle of sound liberal Government was, first of all things, to place their finance in a sound posi-

tion. Wherever the principles of parliamentary Government had been recognised, that took its stand foremost amongst them all, and if the finances were not sound the whole system was unsound. He contended that the finances of this colony were not at the present time in as sound a position as could be wished, and he considered, therefore, that he was justified in going into the matter as he was doing. Knowing the interest the hon. gentleman at the head of the Government had taken in finance, he had taken the trouble to look back to what the hon. gentleman told them last year. The hon. gentleman then warned them of the variety of channels in which expenditure was taking itself; for instance, he said—

"I doubt if there is any country in the world in which the Central Government undertakes and performs so many and so varied duties as here. Just glance, sir, down the headings of the Estimates of public expenditure placed before you, and you will find sufficient evidence of its multifarious functions."

Again, in the following paragraph he pointed out many of those multifarious functions from which he would have them infer that the Government was extending itself in directions in which it was more politic that they should draw in its operations, and should retrench its expenditure in those directions. He said—

"But enough has been said, sir, to show you that the Government has been charged with numerous duties which it ought not to be asked to perform. Of what functions, then, can the Central Government properly be relieved?"

Further on, the hon. gentleman said—

"Our present financial position, however, urges on us the necessity of economical reform, which we propose to initiate by saddling upon property the expenditure incurred for its improvement."

That referred, no doubt, not to a general property tax which had been, to a great extent, anticipated by the passing of the Divisional Boards Act, but to the necessity of a property tax in another form; and the hon. gentleman justified it on grounds to which he (Mr. Douglas) need not now refer. Even now, with all the necessity there was for economy, he did not know that they could expect that the hon. gentleman would come forward with any great system of retrenchment, judging from his past actions. At page 290 the hon. gentleman referred to the expenditure rendered necessary by the continued extension of the post and telegraph services; yet they were now in their present financial position to be saddled with, in round numbers, an additional £60,000 simply to obtain direct communication with England, and not necessarily for a coastal service. The hon. gentleman had asked them to economise; but the operation should be simultaneous, and they ought to know where they were to get room to economise. He had been a little interested and amused, now that he had time to consider it, at the hon. gentleman's speech in regard to the probabilities of the future. He now told them there was a necessity for increased taxation, but to what amount they did not know. Here was an inkling of what they were to expect from the hon. gentleman, if he entertained the same opinions now as he did then—

"No easier method of augmenting revenue suggests itself to a Treasurer than to increase the Customs duties; and, probably, they were considered by a large section of the community as the only practicable means of making a proper balance-sheet for the forthcoming year. Before increasing the Customs duties, however, it behoves a Treasurer to carefully forecast the effect of a more oppressive tariff, and to consider seriously whether it might not here, as elsewhere, result in a diminution of the gross amount realised instead of the desired increase."

That he would commend to the hon. gentleman's attention before he made his Statement, shortly.

The general principles arrived at by the hon. gentleman were these:—

"Our propositions, summarised, are (1) considerably to decrease the general expenditure of the Government; (2) to remove from the central authority the construction of public works which should be borne by local and property taxation; (3) to divert back into Consolidated Revenue the proceeds of land sold within the railway reserves; and (4) to amend the tariff with a view to lightening the burdens on a portion of the population on whom that tariff has pressed too heavily, and to placing them on others who have hitherto escaped their equitable share of taxation."

That had not been done last session, but a portion of the scheme had been embodied in the Divisional Boards Bill, the effect of which they could not yet tell. He would be with the hon. gentleman in lightening the burdens on the population, but how he was going to square that statement with the necessities existing he (Mr. Douglas) could not tell. It was a thing in which their curiosity would probably be gratified when they heard what the hon. gentleman's financial proposals were. At that time, when he was in the heyday of youth so far as his Government was concerned, he entertained sanguine views as to his abilities. He said—

"The Government are confident that when quick and certain communication is supplied in that direction by the extension of our main railway lines, not only will the necessity for additional taxation be avoided, but the former prosperity of the colony will be restored and established on a broad and unassailable basis."

Then the hon. gentleman remarked further—

"If the principle is approved, no time should be lost, for there is no reason why operations should not be immediately commenced."

These had not been made, and it did not look as if they would be made for some time yet. The prosperity to be obtained from that expenditure was also in the dim distance. The hon. gentleman went on—

"The expenditure of borrowed money entails a future liability for the annual interest charge, for which we are bound to make due provision. Such moneys, therefore, cannot be looked upon as constant additions to the annual revenue of the colony, but must be so spent as to either provide the interest directly from the works constructed, or stimulate its production from some other source. The temptation to extravagance in the public departments, when all revenue deficiencies can be made up by drafts on loan, is very great, and should be steadfastly resisted by the Government. To preserve the public credit it is obviously imperative that ordinary expenditure should be kept within ordinary income; and I have shown that to ensure this result the general establishment of the Government must be prudently curtailed."

Unfortunately they could not avail themselves of these resources in this case. If it could not come out of loan it must come out of revenue. The hon. gentleman had told them they must resist any encroachment on ordinary expenditure; but they had not kept within ordinary expenditure last year, and he was sorry to say they would not have ordinary expenditure within ordinary income this year. He concluded very wisely—though he (Mr. Douglas) wished he could have given effect to his views in a somewhat less dangerous form—

"In short, our supreme object is, by maintaining a well-adjusted budget to attract to the colony a steady stream of foreign capital, to be obtained on the most advantageous terms, and judiciously directed to the reclamation of the vast territory which has been committed to our charge."

That was an admirable peroration, and he concurred in it cordially. He hoped to assist the hon. gentleman to give effect to it; but he asked him whether it was fair to the House, whether it would redound to his credit as a financier, to steal a march on the House and ask them to authorise an expenditure without first telling them how it was to be met, and that in the face of serious complications which already existed in connec-

tion with their railways? He had been trying to inculcate the hon. gentleman's principles in his own words: they were admirably expressed, in some respects. He had been struck by the hon. gentleman's objections to taxation on broad public grounds. What was the position of the hon. gentleman in regard to increased taxation, which he said was to be avoided, last year? He then said—

"It is not the first time they have got this side of the House to put on additional taxation, and then walk into office and remain there as long as the money lasted. I know the kind of extravagance to which that side has been so long committed, and they want us to undertake the disagreeable task of taxing the country that they may afterwards come in on the ground of our unpopularity caused by our making this very additional taxation, and reap the benefit by remaining in office. I have not the slightest intention of giving them that opportunity, and I mean to give very good reasons for my statement that additional taxation is not required at present."

He (Mr. Douglas) doubted whether that was a very creditable statement. Then, with regard to future taxation, they saw how the hon. gentleman had forecast the future. With regard to the question of protection, there was a rising subsection on the same side as the hon. gentleman who were about to commit themselves to protection. If they combined with other subsections they must be prepared for some extraordinary developments. On this subject the hon. gentleman had said—

"I have always held to my view, and never disguised it, that protection is the most expensive thing we can possibly have in this country. I have held that it is an educational system, and that in the same way that we pay £120,000 for purposes of education we should have to pay for the education of our shoemakers and tailors. I have always held that protection has a great number of advantages, but that it is wrong to cover the cost from the eyes of the people. If this is such a costly system, is this the proper time to initiate it when men cannot afford to pay the taxation to carry on the ordinary cost of Government? I say that it is in good times we can afford to go into such a system, and not in bad times, when the cost of ordinary government is almost too heavy to be borne."

He did not think the state of the times now would justify any measure that the hon. gentleman might bring in for the education of shoemakers and tailors. Further on the hon. gentleman said, in reference to his argument, that the people of Queensland were the most heavily taxed people in the Australian colonies:—

"I differ from the hon. gentleman in his opinion that additional taxation is necessary. I think that every expedient should be tried before we resort to additional taxation. At the present time, as I have said, we are more heavily taxed than any other people in the Australian colonies."

This was very pertinent to the question before the House. If there was to be no additional taxation—and he presumed the opinion of the Premier last year was, with some modification, his opinion now—he (Mr. Douglas) arrived at the conclusion that the Premier was prepared to let things drift without making any special provision, and to pay any deficit that might occur out of loan. That, he must affirm, was as bad and rotten a system of finance as could be propounded, and he hoped that whatever the Premier might propose he would not rely for support on such a broken reed as that. On the occasion to which he was referring, he (Mr. Douglas) had taken the opportunity of informing the Premier how he might raise additional revenue, and he had referred to what he considered the insufficient rent derived from Crown lands. He had indicated that the leaseholders in the Mitchell and Gregory districts might, at any rate, pay as much rent as the leaseholders in the Leichhardt district, and shown that, as people were willing to pay £2 per square mile for the lease of country in the settled districts, those

who occupied the much superior country in the far-famed districts of the West might be called upon to pay an amount somewhat approaching that—he believed he stated £1 6s. 8d. The hon. gentleman professed himself scandalised and horrified at such a proposal. He said—

"To pay it" (that was the £1 6s. 8d.) would be almost to ruin them, and it would only be to save themselves from ruin that they would consent to pay it. But is the land really worth this value? Has the hon. gentleman any information whatever to show that the men have made wealth in the Gregory—or that they are at present a prosperous class in the community? I think if he examines the facts he will find that they, perhaps, above all sections of the community are least able to bear taxation. I am perfectly satisfied, and can bring statistics to prove, that there is not a single Crown tenant in the Gregory who has, up to the present time, sold enough stock to pay simply the rent of the land, leaving expenses out of the question altogether."

If that was the position of our boasted inland resources at the present time it was a rather blue look-out for us. If it was impossible to obtain any additional revenue from this vaunted pastoral paradise of the West, he should certainly oppose the imposition of heavier burdens upon the industry of those who had far greater difficulties to contend with in attempting to secure a living in the settled districts. The hon. gentleman was evidently as opposed to obtaining taxation in that way as he was to the form of protection which would result in the education of shoemakers and tailors. If those were our prospects of securing revenue to pay the additional expenditure now to be hung round our necks, his hopes of the hon. gentleman and his system of education as applied to taxation were not bright. The hon. gentleman continued, after an interjection by Mr. Garrick—

"I speak from knowledge of the district, which I have a better knowledge of than the hon. member who interrupts me; and I say I do not believe there is any lessee in that district who has made as much as would pay simply the rent of his run, let alone expenses."

Reserving for a future occasion a few more even choicer statements of the views of the Premier, he had now sufficiently shown that the hopes entertained by the Premier of securing additional revenue were not at that time brilliant. The hon. gentleman's hopes of maintaining even the ordinary revenue had been somewhat disappointed, and seeing that the hon. gentleman had stated that additional revenue could not be raised, either from Crown lands or by means of protective duties, he failed to see from whence the hon. gentleman expected to make up the alarming deficit which now stared us in the face. These matters would be fully discussed when the Financial Statement came on for discussion, but he had drawn attention to these facts because they bore most materially on the matter under discussion—namely, the expenditure of a large sum of money over and above that to which we were already committed. It was all very well to talk in general terms about the benefit from the increase of our industries and the stability of our commerce. Those were mere speculative opinions not proved. The tangible outlay was some good £55,000 sterling; the intangible returns were all in the future—untested and unknown. Under those circumstances it was very important not to commit ourselves without first fairly counting the cost. He had no wish to push this matter to any extreme, or to argue that it was incontestably the right of the Assembly to insist that this amount should be appropriated before the contract was ratified. He would at once admit that agreements of this kind had been made before, both here and in the Imperial Parliament—resolutions had been passed binding Governments to a large expenditure through successive years: there was no use declaiming against that when it was a plain fact. But if the practice was not founded on parliamentary prin-

ciple, there was no reason that because it had been done once it should be done again. Some contracts in the Imperial Parliament were validated by Bills. "May" stated that—

"By a Standing Order of the 13th July, 1869, where a postal or telegraphic contract with Government requires to be confirmed by Act of Parliament, the Bill for that purpose should not be introduced and dealt with as a private Bill, and power to the Government to enter into agreements by which obligations at the public charge shall be undertaken should not be given in any private Act."

Todd, for whom he had great respect, though he did not worship him as an authority, said—

"An important question has arisen of late years with regard to contracts to be entered into between any department of the Executive Government and other parties, for the performance of any work or service which has been authorised by Parliament to be undertaken. It is manifest that the responsibility of entering into such contracts properly rests upon the Executive alone. But it is equally clear that the Government have no constitutional authority to make a contract which shall be binding on the House of Commons by whom the necessary funds for carrying on the contract must be supplied. And that if any contract be entered into by any executive department for work to be performed the cost of which will exceed the amount already voted by Parliament for the service to be contracted for, such contract should expressly state that payments on behalf of the same would be made 'out of moneys to be voted by Parliament,' and in addition thereto a copy of said contract should be laid upon the table of the House of Commons for one month previous to its going into operation, in order to afford an opportunity to the House to express its disapproval thereof, if it should think fit to do so. That was to say that such contracts should contain a condition that the funds available under it must be voted by Act of Parliament. It was an important matter to consider at the present time, whether such a clause should not be inserted in this contract."

Further on Todd said—

"The House of Commons, in forbidding by their Standing Orders and uniform practice interpreting the same, the reception of petitions for pecuniary aid, and the presentation of reports from select committees recommending the expenditure of public money, have voluntarily assumed a restraint which goes beyond the positive obligation of the constitutional rule that requires all grants of money, by Parliament to be made only upon the application of the Crown. Nevertheless they have wisely imposed upon themselves the restriction, in order to guard against importunate demands from without, and as a check upon the too easy liberality of their own members, the responsibility of recommending applications for pecuniary redress or relief to the consideration of Parliament should rest solely upon the Executive Government, who are strictly accountable for every item of public expenditure: and who possess peculiar facilities for investigating into the merits of all pecuniary claims. It is, moreover, a waste of time to encourage premature debates in Parliament upon questions involving a grant of money, whether for public or private purposes, before the attention of Government has been directed to the merits of the application."

"Should any case arise wherein it may appear to be the duty of the House to point out to the Government public charges which ought to be incurred, they have still undoubted authority to do so, either by the adoption of a resolution expressing an abstract opinion in favour of a proceeding which will necessitate a future grant of money or by agreeing to address the Crown to incur certain expenditure with an assurance of their readiness to make good the same—the House is free to approach the Crown with their constitutional advice in this as in any other matter of prerogative. This method of procedure does not finally bind the House to make the grant, and it throws upon the Government the responsibility of either accepting or rejecting the recommendation. But this is a right which the House exercises and should exercise with very great reserve, and only under peculiar and exceptional circumstances. The adoption of an abstract resolution, however, for the express purpose of evading a wholesome rule in matters affecting the public expenditure should be discouraged as much as possible."

That also, in connection with the proposed contract, was worth thinking about. Further on in "Todd" this statement was made—

"Sometimes the House of Commons, either with or without the previous recommendations of the Crown,

as the case may be, agrees to address the Crown to advance money for some particular purpose, with an assurance that the expenses to be incurred will be afterwards made good by the House. But this practice is only justifiable under peculiar circumstances, which have already engaged our attention in a former part of this chapter.

"There is yet another method whereby it has been customary for public expenditure to be either pledged or actually incurred by Government to amounts in excess of that which has been actually voted by Parliament—namely, by means of contracts or other engagements entered into for the construction of public works, or the performance of particular services for the public benefit.

"Such contracts necessarily pledged the Government to prospective payments for a series of years, while the funds required could only be obtained by annual votes in Committee of Supply, or by special Acts, passed from time to time, granting the necessary sums, the consent of Parliament to the continuance of the contract being assumed from their concurrence in the initial payment proposed, while their vote has been given, perhaps, in total ignorance of the terms of the contract itself. The attention of Parliament was first directed to the irregularity of this practice, and to the necessity for the exercise of more rigid control over this branch of expenditure, in the year 1859, in consequence of certain objectionable transactions regarding contracts for postal and telegraphic services, that then transpired. A committee was appointed by the House of Commons on the subject, and their report led to the adoption, by the House, of various resolutions and Standing Orders to be hereafter enumerated, which were intended to assert and maintain the right of the House to control the execution of such contracts. By these rules"—

and he would direct particular attention to this—

"By these rules ample provision has been made to secure that full information shall be given to the House when any such contracts have been entered into: and that they shall invariably contain a clause declaring that the consent of the House, either expressed or implied, is necessary to give them validity."

This contract did not contain that clause—

"Although, at present these rules merely extend to the case of certain specified contracts, it has been admitted by the highest authority that the Executive has no constitutional right to make a contract which shall be binding on the House of Commons. It may therefore be safely assumed that hereafter no contracts, involving any considerable amount of public expenditure beyond that which has been granted for the current year, will be carried out until the sanction of Parliament has been obtained on behalf of the same."

He did not wish it to be understood that he contended that this contract could not be ratified by the House by a simple resolution, but he submitted that in doing so, and barely ratifying it, they were not adopting the usual course of procedure in the House of Commons—that the contract itself ought to contain a clause stating that it was ratified subject to the money being voted by Parliament. The best security for a transaction of this kind was really to be found in an Act of Parliament. It would secure, in the first place, ample discussion upon a very important matter—it would secure them those constitutional stages of several readings and full discussion in committee which always attached to a Bill; and this in itself was quite sufficient to justify such a mode of giving it validity. If they adopted that course, the hon. gentleman would still command his majority: he had an obedient majority at his back, and he could with perfect safety act upon his (Mr. Douglas's) suggestion. All that would be required would be a postponement in the matter of time, which was not essential to the spirit of the agreement. That was all the hon. gentleman had to do in order to give hon. members an opportunity of discussing the question in all its stages and finally ratifying it by Act of Parliament, so that no doubt might be attached to the instrument itself, which would undoubtedly attach to the simple ratification by such a resolution as this. He gathered from what he had quoted from "Todd" that, without something more formal than a simple

resolution, there would be a certain amount of justification in resisting payment if they were not satisfied that this contract would be faithfully carried out. A contract of this kind should not rest upon such a foundation; it should be placed in the best position that it could be, so far as an Act of Parliament could place it, for our own sakes, and for the sake of the contractors, who would be secured that upon the performance of the conditions there would be no doubt as to payment. He also doubted very much whether, in the strict terms of the Constitution Act, the contract could be made in this form. There was a good deal to be said for what was argued by the hon. member for North Brisbane (Mr. Griffith), when he pointed out that by the Constitution all appropriations must be inaugurated by message. There was no reason, because contracts had previously been dealt with without message, that they should continue to be dealt with in that way. The 18th clause of the Constitution Act provided—

"It shall not be lawful for the Legislative Assembly to originate or pass any vote, resolution, or Bill, for the appropriation of any part of the said consolidated revenue fund, or of any other tax or impost, to any purpose which shall not have been recommended by message of the Governor to said Legislative Assembly during the session in which such vote, resolution, or Bill shall be passed."

This resolution was an appropriation; it bound them in honour if not in law to an appropriation not only during this year but for eight successive years. In equity he submitted that this resolution—call it what they liked—was an appropriation: under it they were bound to appropriate an equivalent amount to that expressed in the contract. The contract set out that there should be £55,000 paid yearly, and if this resolution were carried a message must come down with that sum placed on the Estimates which must be embodied in the Appropriation Act, and it would simply appear there as a number, or anything else. They should then have appropriated the money, and this resolution that they were now asked to pass was the appropriation. It was a resolution in the terms of the Constitution Act, for by it an amount of money was appropriated, and yet it had not come down by message as it ought to have done. Here they were bound by the terms of the Constitution Act in so far as they were expressed, and where not expressed they were bound by the practice of the House of Commons—by the practice of Parliament—and he submitted that the 18th clause of the Constitution Act prohibited them from passing finally this resolution, unless the appropriation for it was brought down by message from His Excellency the Governor. He believed this question had not yet been raised, and, casting aside altogether the precedents of the past, he submitted that if they had validated contracts similar to this on previous occasions there was no reason why they should validate this contract, unless it was in accordance with law, in accordance with equity, and all that bound them in the phraseology of the Constitution Act. It would be the duty of the Chairman to put whatever interpretation he thought proper upon that clause, and he (Mr. Douglas) should be quite content to accept his decision whatever it was, but they must consider the importance of that decision. It raised issues of the very greatest magnitude, and he hoped the Chairman would be able to see it in the light in which he (Mr. Douglas) had submitted it—that it was an unconstitutional resolution involving a very large appropriation which, in his opinion, was far in excess of what they could wisely appropriate, until they knew where the money was to come from to pay it. This consideration had induced him to take every means to ascertain what was their position in regard to the matter, and, in order that they

might be guided by the soundest principle in the future, he asked the Chairman to lay down what he thought was the constitutional law in regard to this question. He would also call the Chairman's attention to the equity of the case in connection with the law. His ruling, if supported by higher authority, as it might or might not be, would no doubt be held for the time being to be binding, and the question was, consequently, worthy very serious consideration. He asked the Chairman, therefore, to give his opinion whether under the express phraseology of the Constitution Act they were justified in passing this resolution and giving it the effect of law—for that was what it really meant. If it were once passed the Government could sign the contract and place £55,000 on the Estimates, and the House would be precluded from discussing it unless they were prepared to take up a position which, he must confess, he was not prepared to adopt at present—that of repudiating the bond which the Government might contract on behalf of the colony. He did not take up that stand. If the contract were made binding they were committed to it, and should stick to it for good or evil. He hoped the Chairman would give his decision on this important question of constitutional law, and he should be quite content to abide by it.

The COLONIAL SECRETARY said, with reference to the question put by the hon. member for Maryborough (Mr. Douglas), before the Chairman gave a decision on the point he begged to say, in the first instance, it was not necessary to bring this down by message. The appropriation of the money would have to be brought down by message, no doubt; but, if it were necessary to bring this down by message, it had already been brought down in one of the most important messages that could be sent to the House—the Governor's Speech.

Mr. GRIFFITH said if that were the only message necessary then the Appropriation Bill could be introduced without message, because the Governor always said the Estimates would be sent down. That was a mere quibble. This resolution was an appropriation as plainly as possible: it bound the colony for eight years to pay £55,000 a-year. If this were the proper course of procedure, the Government could grant a pension to any civil servant without Act of Parliament: they had only to make a bargain with him and ask the House to ratify it, and the country would be committed to it. This was a very important matter, and there was, he believed, only one precedent here on the subject—in 1872, when they entered into the present contract for the Torres Straits service. He stated on a previous occasion that that contract was approved by both Houses of Parliament, and he was flatly contradicted.

The COLONIAL SECRETARY: By whom?

Mr. GRIFFITH said, by some member of the Government. His recollection of the matter was perfectly clear, but when he was so directly contradicted he began to think he must be mistaken. On reference to *Hansard*, however, he found he was not mistaken—that it was approved by both Houses of Parliament. His memory did not deceive him. It was the first vote he had ever given in the House, and he remembered it well. No resolution was moved on the 23rd April, 1872, and according to *Hansard* the Colonial Secretary moved—

"That this House will at its next sitting resolve itself into a Committee of the Whole, for the purpose of considering the following resolutions:—

"That this House, being of opinion that the postal arrangements of this colony with Great Britain are not satisfactory, resolves—That the Government shall be empowered to make arrangements for establishing steam communication by way of Java, at an annual cost to the

colony of —, and authorises the Government to negotiate with the Governments of the neighbouring colonies with the view of obtaining their concurrence and assistance in subsidising the line.

"2. That this resolution be transmitted to the Legislative Council for their concurrence by message in the usual form."

That resolution came before the Legislative Council on the 2nd of May in the same year, and the Postmaster-General moved a resolution in the same terms, which after debate was carried, and the usual message was directed to be sent to the Assembly. He was not wrong, therefore, and his memory did not deceive him. The course was adopted of asking the concurrence of both Houses on the contract. That was the only precedent in this colony, but he did not think that under the circumstances it should be taken as binding, or as authorising the Government to make such a contract without receiving the sanction of Parliament by Bill in the usual way. There could be no doubt this was in effect a resolution for the appropriation of a sum of money, and it should be introduced by message. But it was said that although it would really bind them it was not formally an appropriation of money. That was true, but if they could not go through the form of voting a sum of money without a recommendation from the Governor, the principle applied more strongly to this resolution. It was said that if they did pass the resolution they could not give effect to it. But he had shown that they would have to give effect to it or repudiate. He did not know why it was not sent down from the Governor in the form of a recommendation. It was a very serious matter. He did not know what was the custom in the House of Commons, except that they were governed by standing orders, and in Queensland they were governed by the Constitution Act.

The COLONIAL SECRETARY said that the memory of the leader of the Opposition, even helped as he had been by *Hansard*, had deceived him, and even with *Hansard* in his hands he could not argue fairly. He had been pleased to say that on the Ministerial side they quibbled; but he (Mr. Griffith) was the man of all others who quibbled and quibbled again. The contract with the E. and A. Co., he said again and repeated it, had never been submitted to either House, and the hon. member either could not or would not see it. Authority had been given for the Government to make a contract with some company, the name not being mentioned, in 1872; and they were also authorised to make a contract not exceeding £25,000. They made it for £20,000, but they never submitted it to either House before the money was voted. His memory was as good as that of hon. members, and certainly no message was brought down before, and it was not necessary now. When it was passed, a message would come down in the usual manner. It was his decided opinion that the Governor's Speech was sufficient message for the Government as far as they had gone. It was exactly the same as had been done with the E. and A. Company when the subsidy was voted and put on the Estimates.

Mr. DOUGLAS said that if his recollection served him right the hon. gentleman was right in one respect. The Government of the day gave a promise that the matter should not be entered into until Parliament had an opportunity of discussing it. The hon. gentleman signed the contract, no doubt, but Parliament had been led to suppose that it would not be entered into until they had a chance of expressing their opinion; and the matter ended in an abiding contract so far as that contract was concerned.

Mr. GRIFFITH said he was strictly correct, and did not attempt to mislead the House or de-

part from the strictest accuracy. The House empowered the Government to establish a certain steam communication, and left to the Government its proper function—namely, that of an executive administration to arrange the necessary details. They simply gave a general authority, and that was the proper way to do it.

The COLONIAL SECRETARY: It was not a contract. No contract was made.

Mr. GRIFFITH: There was a provisional contract. It was read to the House as the agreement.

The COLONIAL SECRETARY: Was that a contract?

Mr. GRIFFITH said it was a provisional contract, and the contractors were bound by it. Whether they carried it out exactly as it then stood or made another contract he could not remember, but it could be found out by a reference to the "Votes and Proceedings." That was the only precedent.

The PREMIER said that the hon. gentleman had referred to a precedent as the only one; but he could find another, in the time of the late Government of which the hon. gentleman was Attorney-General. About a fortnight or a month before they went out they called for tenders. They did not ask for authority in the shape of resolutions, and they received no message from the Governor. They simply printed tenders and called for tenders in England and the colonies for a mail service in exactly the same terms as set down in the present instance. In drawing up the present contract he (the Premier) had quoted exactly the words then proposed to be adopted. That was another precedent, at least.

Mr. DOUGLAS said that was simply a preliminary step. They had called for tenders simply, and the result depended upon the nature of the answers received. Besides, two blacks did not make a white. They were always learning, and he could assure the Committee that he was willing to learn. It was the function of the Government to be corrected, just as it was the duty of the Opposition to correct the Government when they erred. They were as fallible as other men, and if they did that which was wrong that was no argument for authorising a matter of this kind.

The PREMIER said that a great deal of consideration had been given to the contract to get into it everything that was necessary. It commenced exactly in the form of the old contract of 1872. It was an actual one which the successful tenderer was bound to carry out.

Mr. GRIFFITH said he had never seen the contract, although he was a member of the Government at the time and responsible for it. As a matter of fact it was forwarded to him, but before he opened it he ceased to be in office and did not trouble himself about it. Even if he had seen it and did not take the proper view, that was no reason why he should not take it now. When his eyes were opened he was only too glad to acknowledge his fault.

The ATTORNEY-GENERAL said the Opposition contended that it ought to have been brought down by message. He took it that the 18th section provided—

"It shall not be lawful for the Legislative Assembly to originate or pass any vote, resolution, or Bill for the appropriation of any part of the said Consolidated Revenue Fund, or of any other tax or impost, to any purpose which shall not first have been recommended by a message of the Government to the said Legislative Assembly during the session in which such vote, resolution, or Bill shall be passed."

They would have to provide the money year by year for that purpose, and it was idle to contend that they were asking for the whole of the

money at present. Hon. members of the Opposition were too ready to accuse those on the Ministerial side of quibbling, but that was done entirely by themselves—by representing something to be something else, calling a thing by a name that belonged to something else. This was from no point of view a vote of appropriation; it was a vote for a contract, but because that contract might involve a subsequent vote of appropriation it could not be contended that it was in itself a vote of appropriation. The latter was a thing that would have to come down to the House by message. Nothing could be more clear and distinct than the words of the section. No doubt many resolutions had been passed involving votes of appropriation, but no one had ever thought of calling them by such a name until the notion came into the head of the leader of the Opposition, the other night. That hon. member said they were not to take the precedents of this colony. What other precedents were they to take? They could not go to the old country, for the procedure there was totally different; and the precedents of this colony showed that exactly the same course had been pursued on former occasions.

The PREMIER said the leader of the Opposition seemed to attribute a good deal of importance to precedent. He would give him one to the point. He (the Premier) made a contract last year for three years with the A.S.N. Company to do similar work to the present, and was not blamed for not having a resolution passed here about it, and the matter was not mentioned in the House at all until it came forward in the usual way in the Estimates. That contract was for a shorter period than the present, but the principle was the same. Besides that, the hon. gentleman (Mr. Griffith), when Attorney-General, made a contract with the same company for five years, and did not introduce it into the House by resolution or message.

Mr. GRIFFITH said that no doubt that was so. In small matters Governments were allowed to pledge the credit of the country, and no one would ever dispute the right of a Government to make a mail contract for two years, although it might not be fully in accordance with the strict terms of the Constitution. It was allowed as a matter of convenience. The Government had power to pledge the credit of the country at any time, and the country would be chargeable with any penalties attached to repudiation. But in this case the Government proposed to get the sanction of one branch of the Legislature before making the contract, and when they asked Parliament to exercise its powers under the Constitution they were bound to comply with the conditions imposed. If the Government had chosen to make the contract irrespective of Parliament they would have to choose between repudiation and punishing the Government who made it. No Government would ever make a contract of this kind without asking the sanction of Parliament. As to the annual appropriation, the House might, of course, refuse to continue the subsidy, but it would amount to repudiation. The Government had no more right to make such a contract without the authority of Parliament than they had to issue terminable annuities.

The COLONIAL SECRETARY said the hon. member was evidently endeavouring to get the Chairman into a fog with his legal quibbles and talk about terminable annuities, which had nothing whatever to do with the question. The question for the Chairman to decide was—is the resolution an Appropriation Bill? He (Mr. Palmer) said it was not. If the resolution was carried they would still have to go to the House for money to carry it out.

Mr. GARRICK said it was a resolution appropriating a sum of money. Was the contract a good one? Supposing at the end of the second year the House refused to pass the vote, had the contractors a good action against the colony or not? If they had—as there was no doubt they would have—this was clearly an appropriation for eight years. If not, the whole thing was idle. The colony dare not, for its honour's sake, or as a matter of policy, repudiate, no matter what the infringement of the Constitution might be. If this company performed its work the colony was bound to pay their £55,000 a-year for eight years. It was idle to say this was not an appropriation. It bound the colony as strongly as a debenture, payable in annual instalments, over a period of eight years.

The MINISTER FOR WORKS said the question raised by the hon. member (Mr. Douglas) was said to be one to be decided by practice and precedent. The practice had been distinctly proved to be against it. An attempt was made to argue the question on the amount, because this was a larger sum than that involved in the contract with the A.S.N. Company. It seemed to him that there was no difference whatever in principle. If the principle was good for £1,000 it was good for £50,000. It was not a question of amount, but whether they had a right to vote this resolution in accordance with the precedents and practice of the House. He held that they had, and he felt confident that the Chairman, acting on the evidence before him, would be of the same opinion.

Mr. GARRICK said it was well known that in many matters the amount really made the principle; and so it was in a case of this kind. Government might make a contract for three years for a small amount, such as £1,000 a-year, but the case was different in a matter of great weight like the present. This was a matter of £55,000 a-year, and belonged to quite a different category of transactions. The Minister for Works had alluded to precedent, but no matter would form a precedent unless the point had been raised. That was a judicial principle, and would apply equally here. If a matter is proposed to be dealt with, and persons on the other side are either ignorant or so neglectful of what they ought to do as not to raise objections, the decision taken formed no judgment at all: the two sides of the question had never been placed together and judgment passed upon them. On this occasion the Opposition had been alert enough to raise the question. They were never too old to learn. They found the Government side going as one man, led like sheep by a shepherd whom they ought not to trust. But he would seriously ask the Government to listen to them (the Opposition). He saw the hon. member for Gregory was preparing to speak, and hoped to hear the hon. member confess that on this point, at any rate, he would not treat the matter as a party question. He (Mr. Hill) told the House the other night he was sorry the Premier had made it a party question; and he (Mr. Garrick) therefore hoped that hon. member would listen to the voice of reason.

Mr. LUMLEY HILL said the other side seemed determined—judging from the volumes from which the hon. member for Maryborough quoted, boxing all round the compass—to be about to treat them the same way as they did last year. The Premier had given a full and lucid explanation of everything that had not been previously explained; but, instead of attempts to answer him by arguments, there had been small legal points raised, which amounted to nothing but quibbling and straw-splitting. Perhaps, however, that was as good a way of beginning the stonewalling which was threatened as any other. He would leave it to the House

to say whether such a course should be adopted, when all industries were flagging more or less and the trade of the colony was going to leeward. They ought to advise together, and give their best counsels, and the Government should meet with fair criticism from the other side. They should not array themselves one side against the other, determined to see which side could last longest in the struggle. No arguments had been brought forward during the day by the other side. He did not think a struggle between the two sides of the House would tend to the union of the colony the least in the world, but it would disunite and tend rather to the separation of the northern part of the colony. He did not see why northern interests should not be considered by the people of Brisbane, seeing that Brisbane was in a measure dependent for her greatness and future prosperity upon them. Every shilling of revenue collected from the North flowed through the coffers in Brisbane, and a good deal of it stuck there instead of going back to the North as it ought. The sort of argument now used was detrimental to the credit of the House. The same thing was experienced last year from the Opposition, and they saw as the sole result the wasting of a lot of time. That was nothing to the legal members, but it was a very serious matter to him (Mr. Hill) who resided 700 miles away, and could not go backwards and forwards to see how his affairs were going on. He gave up his time to do the best he could for his constituency and the colony, and would remain where he was he did not care how long. Those benches were very comfortable, and he had camped under much less favourable circumstances.

Mr. DOUGLAS said that the Premier had shown his moderation and good temper by adjourning night after night, and the hon. member should not now put naughty thoughts into their heads, as good as holding out inducements to obstruct. Let them go back to the important question before the Committee: they did not wish to be interrupted by the side issues raised by the hon. member for Gregory. There was not a more important question than that now raised for the Chairman's decision. He did not quite agree that he had made it a question of practice and precedent. Nothing he had said would lead to such an inference. But precedents, so far as they knew, were rather against them. As the hon. member for Moreton said, the question had not been raised before, and until it had been settled nothing could be cited as a precedent. If usage was bad and not in accordance with the constitution, they had good grounds for raising the question. But in the terms of the resolution they must first be guided by the terms of the constitution, and they were bound to construe that clause of the constitution, not only by its literal rendering, but by its bearing upon the spirit of their legislation. In matters of such importance as that before the Committee it was necessary that all the safeguards possible to be secured should be applied to the resolution.

The ATTORNEY-GENERAL said now that the cloven hoof of obstruction had been displayed, it seemed hardly worth while to get up and answer what had been said. However, just for the benefit of the Committee, he would read the 43rd section of the Postage Act, which said—

"The Postmaster-General or any other person from time to time authorised in that behalf by the Governor-in-Council may enter into contracts in writing on behalf of the Government for or in respect of the carriage of mails by land and sea or either for a fixed sum or for a sum depending on the number or weight of the letters packets or newspapers so carried and may impose such terms and conditions as to him shall seem fit as to the vehicles and vessels to be employed the times of departure and arrival and otherwise for securing the due regular and efficient performance of the contract."

A great deal had been said about precedents, and the hon. member for Moreton had adduced an illustration from the practice of the law courts. He (Mr. Beor) did not go to the extent the hon. member (Mr. Garrick) went as to the rule prevailing with regard to precedents there, for in his opinion the hon. member had put the rule far too widely. However that might be, and whatever might be the rule with regard to precedents in court, he supposed it was fully recognised in Parliament that what had been done once was a precedent for the same thing being done again. That was a part of the genius of parliamentary Government, and when they looked at the history of parliamentary Government they found that from time to time no stronger argument in favour of a thing being done could be found than that it had been done before. With regard to the assertion that the question had never been raised before, he (Mr. Beor) said it had been raised before. That objection was the essence of the matter. The objection was that the thing could not be done on constitutional grounds; and the complete answer was that it could because it had been done before in the House.

The MINISTER FOR LANDS: More than once.

The ATTORNEY-GENERAL said once was enough for his argument, and therefore that was so far a precedent. Objection was made that the step could not be taken; and the answer was, that the step had been taken and therefore could be taken again. Then the very strongest answer was that suggested by the arguments of the leader of the Opposition, the hon. member for Maryborough, and the hon. member for Moreton, because they based their contention on the argument that when the resolution was once passed the House would be bound in honour to pass the appropriation vote. That might be so: but they did not regard what they should be bound to do in honour when they were making laws. When they talked of being bound then it was only by the laws and nothing else.

Mr. DOUGLAS said the axiom laid down might be a very good legal one, but it was not a very good political axiom. He (the Attorney-General) said because things had been done it was a presumption they ought to be done again.

The ATTORNEY-GENERAL: Can be done.

Mr. DOUGLAS said that during the whole history of their legislation their business had been to undo what had been done wrongly—to wipe out the bad actions of law and to revert to the purer actions of equity and of right. It appeared, according to the Attorney-General, that because contracts had been made by Executive authority without the authority of Parliament, therefore they should be going on. But they knew that evils had arisen out of this. So far as the home practice was concerned, it was this:—The House of Commons in 1859 appointed a select committee to examine into the evil precedents that had arisen in this very matter of contracts, and it had since been laid down that no contract should be taken by Government unless on the condition that it should be subject to validation by Parliament. Evils had arisen, anomalies had existed, in regard to the relations between the Executive Government and contractors, and the result was that a change was made; new standing orders were provided, and a new clause was inserted in every contract that it should be subject to ratification by Parliament, and the authorities stated that the utmost precautions were taken by Parliament in reference to such contracts. This seemed to him to indicate that as evils had arisen in the past at home they were remedied, and that if the Assembly here had departed from the true constitutional course in the past it was no reason that it should continue doing so.

The MINISTER FOR WORKS said they had had the benefit of precedent so far as the Assembly was concerned, and had learnt that the practice of the present Government and the previous one differed only in the amount, the principle being the same. The hon. gentleman had told the Committee that a select committee of the House of Commons examined into the question of precedents, and he (Mr. Macrossan) supposed that the Committee decided something that was final. He found that last year the Imperial Government entered into a contract with the P. and O. Company, and that the contract was submitted to the House of Commons for ratification, in the same way as the contract under discussion was being submitted. The House of Commons did the same thing under their standing orders that was done here under the constitution, and had been done three times in the history of the colony. He maintained that as far as precedent and practice were concerned they were on the side of the Government, and they had the House of Commons doing the same thing, under the standing orders, that was done here under the constitution. They might as well have the Chairman's decision, for it was no use discussing the merits or expediency of the contract—they wanted to know whether they had the power to do what they proposed.

Mr. GRIFFITH said the Minister for Works had stated that the Standing Orders of the House of Commons corresponded with the constitution of this colony.

The MINISTER FOR WORKS: I said that in the matter of contracts the House of Commons does under their standing orders what we do under our constitution.

Mr. GRIFFITH said the hon. gentleman had, either intentionally or not, confused two things which were entirely distinct. The practice of the House of Commons as to the recommendation by the Crown of resolutions to appropriate money was under a very old standing order, but it was not the same standing order under which mail contracts had to be submitted for their approval. The latter was a very modern rule, passed within the past twelve years, and when the Minister for Works talked about what the House of Commons did under their standing orders, he was either intentionally or unintentionally confusing the Standing Order of modern date with the one nearly as old as the House of Commons. As to the question of amount, all through their constitution they recognised practical distinctions between weighty and important matters and matters which were unimportant. It was quite true that the practice had been followed in small amounts. Government were often allowed to spend money before an appropriation was obtained, on the understanding that the authority of Parliament would subsequently be got.

The MINISTER FOR WORKS said he hoped the hon. gentleman did not call the expenditure of £9,000 a-year—the amount involved in the contract with the A.S.N. Company—a small matter.

The CHAIRMAN said that in the Governor's Speech it was stated in reference to the contract, the subject of the motion before the Committee—

"In response to the invitations issued for tenders for the continuance of the Torres Straits mail service, several offers were received in October last; but, all involving a subsidy largely in excess of the amount paid under the present contract, none of them was deemed eligible by my Government. Advantage was therefore taken of the presence of the Premier in England to invite offers for the establishment of a first-class through service providing for the more speedy transit of both mails and immigrants through the Suez Canal and Torres Straits. No eligible tender in reply to

the advertisement issued was received; but the Premier was subsequently enabled to make an advantageous contract, a copy of which will be laid before you, and which my advisers confidently submit for your ratification."

He therefore held that if the contract was for an appropriation, the provision of the 18th section of the Constitution Act had been complied with, and ruled that the motion was in order.

Mr. GRIFFITH said he did not want to prolong the debate upon the point that had been raised, but wished to say that there was no recommendation to spend money in the message that the Chairman had read, but a simple statement that the contract would be submitted for the ratification of the Assembly. He did not wish to cavil at the Chairman's ruling, but wished the point referred to the Speaker; and would now move that the Chairman leave the chair, and report the question to the Speaker for his decision.

The COLONIAL SECRETARY said he should like to ask what the Chairman would submit to the Speaker? The Committee might have to argue that question.

The CHAIRMAN said he thought the member moving the motion ought to draft the question proposed to be submitted.

Mr. GRIFFITH said the form in which he would put the question was—

That an objection has been raised that the resolution for the approval of the contract under consideration is in effect a resolution for the appropriation of money from the Consolidated Revenue, and that it consequently cannot be proceeded with under the 18th section of the Constitution Act, such appropriation not having been recommended by message from the Administrator of the Government for this session.

The COLONIAL SECRETARY thought they should also have the other side of the question stated. It was held, on the other side, that this was not a resolution for the appropriation of money, and that if it was it was covered by the Governor's Speech, which was essentially a message to the House.

Mr. GRIFFITH said he apprehended that if the objection was well-founded the hon. Speaker would rule accordingly.

Question put and passed, and the House resumed.

The point having been reported by the Chairman,

The SPEAKER said: The Chairman of Committees has reported to me that an objection has been raised that the resolution for the approval of the contract under consideration is in effect a resolution for the appropriation of money from the Consolidated Revenue, and that it consequently cannot be proceeded with under the 18th section of the Constitution Act, such appropriation not having been recommended by message from the Administrator of the Government during this session, the Chairman's decision being that the Governor's Speech was in effect a message recommending the appropriation.

Mr. SCOTT (the Chairman of Committees) said that perhaps he might be allowed to state what was his decision. It was to the following effect—that he did not consider that he was called upon to rule as to whether the ratification of a contract was or was not an appropriation, but he had ruled that if it were an appropriation it was covered by the recommendation in the Governor's Speech.

Mr. GRIFFITH said he should like briefly to state the points he had raised. The resolution was for the ratification of a contract by which the Government would be bound to pay annually for a period of eight years a sum of £55,000. The money would be paid out of the Consolidated

Revenue each succeeding year during the period of the existence of the contract, and was therefore an appropriation of money. He would point out that the Constitution Act provided that it should not be lawful to pass any resolution for the appropriation of money which had not first been recommended by message from the Governor. Assuming that it was a resolution for the appropriation of money, he submitted that it had not been recommended by message from the Governor. The Chairman had ruled that the appropriation was covered by the reference to it in the Governor's Opening Speech; but he (Mr. Griffith) contended, and he believed the hon. Speaker would hold with him, that that was not a message in the terms of the Appropriation Act, any more than the reference to the Estimates, which was always made, was a message. It had been the universal practice for any appropriation of public money to be preceded by a message to that House, and every Bill involving the expenditure of money had also to be sent down by message, in addition to the mention of it, very frequently made, in the Governor's Speech.

The COLONIAL SECRETARY said that if he were to argue for a month, he could not do better than quote the speech of the hon. member who had just spoken. The hon. member said that the Estimates were always referred to in the Governor's Speech. That was precisely the case with regard to the resolution before the House.

Mr. DOUGLAS said that the prominent point was this—that by passing the resolution the Parliament and the Government would be so committed to the contract that there could be no evasion, and it would be necessary to find the money to pay for it. But under the Constitution Act they had not the same latitude in dealing with the resolution which they would have with regard to other matters.

The COLONIAL SECRETARY would remind hon. members opposite that in 1872 a contract was entered into with the E. and A. Company for a postal service. Authority was given for entering into the contract, but the contract was not submitted to the House. He would also point out that a mere resolution of the House did not bind the Government to pay the money voted; for instance, in the case of Mr. P. F. McDonald, the House passed a vote of money, not a penny of which was ever paid to Mr. McDonald. If the resolution before the House was passed, the Government would have to come down to the House with a message recommending the necessary appropriation.

Mr. GARRICK said that if a resolution of the House was not binding the contractors might not be in any better position than Mr. P. F. McDonald was. He scarcely thought that they would hear of the company building steamers, as it was said they would do, if they were told that the contract was not to be a binding contract. It must be either a contract or not: if it was a contract the House was bound year after year to find the money for it; and if it was not a binding contract then the Government were in this dilemma—that they were asking the House to ratify what was utterly worthless.

The COLONIAL SECRETARY said that, as usual, the hon. member had misquoted him. He never said that the resolution would not be binding.

The PREMIER said that hon. members opposite had admitted that they omitted to bring down a resolution in the case of Mr. P. F. McDonald.

The SPEAKER: It appears to me that the question is whether the resolution is in fact an ap-

propriation of public money, and I will therefore consider what the meaning of "appropriation" is. It appears to me that an appropriation is a vote by virtue of which, when completed, the Treasurer may pay money. Now, the passing of this resolution would not authorise payment of money, and if money was paid by virtue of it it would, no doubt, be classed under the heading of unauthorised expenditure by the Auditor-General. If this contract is to be carried out, it will be necessary that the money shall be voted by the House, in the usual way, on the recommendation of the Governor. This House has every session taken steps to initiate appropriation, although it cannot proceed to appropriate money except by message from the Governor. I am therefore clearly of opinion that this resolution is not an appropriation, as no money can legally be paid by virtue of it, and I am therefore decidedly of opinion that it is not contrary to the 18th section of the Constitution Act, and that the resolution can be put.

The House again went into Committee.

Mr. DOUGLAS said he wished to place on record the amendment of which he had given notice, and he would therefore move—That all the words after "that" be omitted with the view of inserting the following:—

Having regard to the large deficit in last year's accounts of revenue and expenditure, and also to the largely increased liability on loan expenditure, the interest on which is still unprovided for out of revenue—this House declines to ratify the articles of agreement signed on the 6th of May last by Thomas McIlwraith, on behalf of the Government of Queensland, on the one part, and by William Mackinnon and others on the other part, until provision shall have been made by Bill for giving effect to the same by the appropriation of the several sums covenanted to be paid, and of the port dues covenanted to be remitted on account of the said articles of agreement.

Mr. GRIFFITH said the hon. gentleman at the head of the Government had spoken in detail in the course of the afternoon upon the question before the House, and had referred at some length to the arguments used on the Opposition side. The hon. gentleman had told them that it was a mistake to suppose that the contract might not be modified in committee. He (Mr. Griffith) wished to point out that it was no part of the duty of Parliament to enter into negotiations with contractors. That must be left to the Government. It was impossible for the House to enter into consideration of the details of a contract. Suppose, for instance, that they entered into a contract which was to last for seven years, and that in committee it was carried that this period should be altered, they would have to adjourn the committee and enter into communication with parties at the other side of the world as to whether they would agree to it. It was altogether ridiculous to think that the House could go on making stipulations which had to be submitted to parties at the other side of the world, and from which the latter might dissent. The Executive must be entrusted with all details of that kind. It was their business to enter into details. The Premier had told them that they must retain the spirit and essential conditions of the contract. What were these? Was the speed of the steamers an essential condition, or the duration of the contract, or the amount of the subsidy, or the clause about going to Sydney? The Premier would assist them in discussing the matter if he told them what were essential conditions, in modifying which they would require to get the consent of the parties in London. The Premier had made this a party question. He protested against this course, and said that it would be absurd to go to the country on such a question as the approval of mail contracts. In this way the contract was attempted to be forced on the House by the Government.

Except members of the Government, there were not eight gentlemen on the other side who really approved of the contract. They did not want to discuss the matter at all; they were ashamed of it, and did not care to listen to arguments in which they believed, and then vote against them. It was a most unfortunate position for hon. members to be placed in, and he warned the Government that however obedient and obsequious they might be, if they were too much pressed in this way they might at last revolt against such treatment. The Premier had spoken of negotiations he had with the Orient Company, but did not say exactly what they were. He (Mr. Griffith) thought that a branch service of the Orient line to Cooktown would, if it existed, fulfil all the commercial services that would be rendered by this new line. An hon. gentleman had told them that the Orient line already delivered goods in Brisbane at 70s. the ton, and he (Mr. Griffith) did not think that the new service would do it for less. So far as could be learned from the hon. gentleman's remarks, there was no advantage by this new line they might not have from the Orient line. He had also spoken of the offer of Messrs. Thomas Law, about the details of which the House knew little. There had, no doubt, been a good deal of correspondence with the various tenderers, but none of it had been laid on the table, and they were altogether in the dark in regard to it. Another objection was that the British-India Company were not the contractors with the Government for this mail service. The Premier said to-day that they would be substantially the contractors; but it was clear from what he said on the former debate, that it would be carried out by a new company, and that the gentlemen named in the contract would merely hold shares in it, which they could dispose of and clear out of the company at any time. The hon. Minister for Works had said that clause 22, that the contractors or assigns could not underlet the agreement without the consent of the Postmaster-General, was a clause common in such contracts, and was in the conditions issued by the last Government; but he had stopped short and did not read the rest of the clause, which was the unusual part of it. It said, the Postmaster-General "shall not arbitrarily withhold his consent to an assignment of the whole contract, &c." What was the use of saying the contract was with the British-India Company? It never was with them, to begin with, and it was never intended it should be. What guarantee had they that the new company would be a satisfactory one? The hon. gentleman referred at considerable length to what he was pleased to call the contradictory arguments used by the Opposition. It was not necessary, however, that all arguments should be consistent with one another—a case might be so bad that every possible kind of argument might be used against it without inconsistency. The hon. gentleman referred to a statement made on the Opposition side of the House that the days of subsidies were passed. If he (Mr. Griffith) had used that expression he was referring to subsidies to trading services, which he believed were gone past. The service could not be seriously defended as a mail service. It would be the slowest in Australia, and the most expensive, and it was clearly not an immigrant service. The objection on the part of the Opposition was, that this was an attempt to inaugurate a system of subsidising a trade service with Great Britain, and he contended that the times of such subsidies had gone by. No doubt the Imperial Government subsidised the P. and O. and the British-India companies, but they did so for great State purposes quite as much as for mail purposes; and it was seriously discussed in the House of Commons last year whether those subsidies should be continued.

These colonies were, however, in a very different position. He should like to see the continuance of mail communication by way of Torres Straits if the colony could afford it, and a reasonable service could be obtained. The northern part of the colony, however, did not desire that an enormous burden should be placed on the colony to enable the people residing there to get their letters a few days sooner than they otherwise would—and this part of the colony had no desire for such a service. The Premier, in substance, said that all the letters from the colony would have to go by this route; but it was preposterous to suppose that, with twelve-not services all over the world, the people of Queensland would be content with a nine-knot service. With six routes available, five of them at least twelve-knot services, and one a nine-knot service, did anyone suppose the people of this colony would be satisfied with the nine-knot service? It was notorious that when the last Torres Straits mail left here a great many people—himself among the number—waited two or three days, and then sent their letters by way of Melbourne to catch the same steamer at Galle. The Premier would not always be in power, and it was useless for him to say that for eight years to come the people of the colony would have to be content with a nine-knot service: as a fact, they would not send their letters by such a service. Having once attained the position of being able to send letters by whichever route we chose at the same rate of postage, we were not likely to go back to the old system. Any attempt to divert the letters would be quite useless, as people would always insist upon sending their letters by the earliest and quickest steamers. The Premier also stated that by the establishment of this route the output of coal would be increased by 28,000 tons a-year. If the hon. gentleman would only consider, he would see the absurdity of the argument. How could the thirteen steamers which were coming to the colony take away 28,000 tons of coal? They could only take 2,000 tons each if they took no other cargo, and probably the extent of their requirements would be 800 tons each, or about 10,000 tons in all. That was not a reason for paying £55,000, or a tenth part of it. If the coal owners were to be subsidised it would be better to give them 10s. a-ton on the output, which on 10,000 tons raised would make £5,000. He (Mr. Griffith) had before insisted that these steamers would not make Brisbane their terminus. Coming all the way from England and nearly all the distance through tropical waters, he believed they would require to be docked here; but some hon. gentlemen had said no. He did not profess to know much about nautical matters; but if the company did not want to dock their steamers, why did they insist upon being allowed to do so? The fact that they insisted upon the right would appear to show that they expected to find it necessary. When the Brisbane dock was built the principal argument used in its favour was that it would enable this port to be the terminus for mail steamers; but nothing had been said in the course of the debate to show that the steamers would be able to make use of the dock for some time to come. At the present time the scheme being carried out was that laid down by the Engineer of Harbours and Rivers in 1877. In his report on the 4th September of that year he said—

"It will at the same time be necessary, I consider, to increase the width of the cuttings to 250 feet; and this has been allowed for in the calculations."

The proposed width of 150 feet was very narrow for a steamer of 2,000 tons burden, especially with a high wind blowing; and he should like to know whether that width would be safe for a steamer coming up in bad weather. He

would also call attention to the size of the dock and the depth of water in the channel. According to the Engineer of Harbours and Rivers, there was a difference of 6 feet between high and low water, and he proposed to deepen the channel of the Brisbane River to 15 feet below low water of ordinary spring tides. That would, therefore, give a depth of 21 feet at high water. He did not know exactly what a steamer of 2,000 tons would draw, but it would probably be not much less than 20 or 21 feet, so that there would be very little water to spare. It would be an extremely perilous matter to bring such steamers up under such circumstances and in so narrow a channel; and, if one stuck, the channel would be closed. With respect to the depth of the dock the cill was intended to have 20 feet over it at high water of ordinary spring tides, and 17 feet 2 inches at high water neap tides. He was not satisfied that that depth would be sufficient for the accommodation of steamers of 2,000 tons burden. It was quite clear from the terms of the contract that the steamers would have to come and go quickly, and that they would have no time to wait for high-water spring tides. He had not the slightest doubt that, even if the cuttings were made as stated by the Premier, these vessels would not be able to come up the river. Whether Brisbane would be the terminus or not, was, therefore, an open question. One of the strongest arguments, however, in favour of the contract was that Brisbane was to be the terminus—that the contract was to be one of benefit to this colony alone, and it was important to see whether that advantage existed. The contract could not be justified on the grounds of the service being an immigrant service. The Government were not bound to send any immigrants, and the contractors were not bound to take any. That view might as well be left out of the question altogether, as in that sense there was no contract for an immigrant service at all. The whole speech of the Premier was made in support of a proposition—in which he (Mr. Griffith) entirely agreed—that it was very desirable that a direct trade should be carried on with Europe. But the question was, could the country afford to pay £55,000 a-year for such a direct trade with Europe as this service would establish. And to that question very few arguments had been addressed. The abstract question of the desirability was agreed upon; the concrete question was whether this mode would enable the colony to get what it desired, and upon that point no information whatever had been vouchsafed. The Premier had said that the arguments used with respect to the tonnage monopoly were unsound. The hon. gentleman had shown that about 40,000 tons of goods were imported from England, and that the greater part of that quantity came to Brisbane. But if they had a line of steamers taking three-fourths, or four-fifths, which was the proportion stated in the previous debate—or supposing they took only one-half of the tonnage, it was certain that any line of sailing ships would be placed at very great disadvantage. So far as he could see it seemed to him that if they subsidised steamers that would carry more than half our total imports, the ships that carried the remainder would be placed at very great disadvantage. He believed there was difficulty now in ships on the berth in London getting filled and starting for Queensland within a reasonable time, and what would it be when there was only half the freight to carry? It had been said that they would come here for wool. No doubt the wool would be here; it would come down in two or three months at a particular period of the year, the three steamers that were leaving here for home during those three months could not take it, and what would take it? Sailing ships would

not come here in ballast to take our wool home; they would not come unless they could get full outward cargo, and if there was no outward cargo to bring he supposed the only alternative would be that our exports would go by the Orient or some other steamers to Sydney. It was extremely probable that the Orient line would not be the only one running round the Cape: it was well known that another large company contemplated running the same route in competition with them, and was it likely that with such speedy means of transit within a few hundred miles—and negotiations had been opened with the Orient Company to send a steam vessel here every month to take away our cargo—that sailing ships would come out in ballast and compete? The only thing he could see to bring ships here for wool was the importation of rails: as long as we kept on importing rails they might come and take away our wool. He could not see how the colony was going to benefit in that way. He was as anxious as the Premier, and very likely more so, to see the trade of the colony benefited, and to see direct trade maintained between the colony and Great Britain, but he could not see that the Premier had shown how this contract was going to bring about that result. Some hon. members had attempted to make it a question between North and South—to revive the old cry and old animosities which had gradually died out, because it had been found in the North, as it had been seen elsewhere, that that cry was merely being made use of for other purposes than the benefit of the North. The old cry of the North against the South—the cormorant South—was about played out, but an attempt was now made to reintroduce it—to get up a northern combination and a northern cry against the South in order to injure hon. members who were anxious to do their duty to the colony and to consider this matter upon its merits. But he was satisfied that the good sense of the colony at large would not give any weight to a cry of that kind. He for one was not prepared to condemn the principle of a mail service *via* Torres Straits; on the contrary, he was anxious to see it carried out in some reasonable manner, but he said to make a contract for a nine-knot service was simply ridiculous at this time of day—in fact, no one could contend that it was a mail service. With regard to the rest of it, he said before they involved the country in an expenditure of £55,000 a-year for a trading service they should be told more distinctly than they had been what advantages they were likely to derive from it. Surely, if there were any arguments in favour of this contract they could be adduced: they had not yet been adduced, and he did not know whether they would be or whether the Government would rely on making it a party vote to carry it against the wishes of a majority of the House. He did not think there was anything to be gained by forcing a matter through the House contrary to the opinion of the majority. He remembered one Act that was passed against the wishes of a majority of both Houses, and it would have been far better if the measure had been defeated in the first instance. However, he did not know that there was any use discussing the general principles of the contract. He supposed the principal purpose of going into committee was to discuss the details, but they had not been told by the Premier what details were open to consideration or modification—in fact, the Government, so far as he could see, did not want the matter discussed at all. It was a strange thing that the Premier told them last Thursday night that he was anxious that the question should be fully discussed, and to-night he made a speech going more fully into the question than he did previously and making use of new arguments; and

when hon. members on the Opposition side proceeded to discuss it hon. members opposite went out of the House. It looked as if the Government did not mean to carry it on its merits at all, and made hon. members on that side suspicious when they saw such tactics adopted. There were several matters in the contract that he thought should be modified if it was to be made one for the benefit of the colony, and not one dependent merely upon the intentions of the good gentlemen who might succeed Mr. Mackinnon and the others in the contract. First, with respect to clause 5—

"The port of Brisbane shall be the terminus of the line, and none of the contractors' mail steamers working under this agreement shall proceed to any port south of Brisbane without the sanction of the Postmaster-General."

He thought they might add a proviso to qualify that, if the Government really meant what they said—that none of the contractors' mail steamers should be allowed to carry cargo or passengers between Brisbane and the southern ports. They were told that that was what the Government meant, and if that were so there could be no objection to embody a proviso to that effect. If they did not mean it he thought it would give a very good idea of what their intentions were. Passing on to the seventh clause—

"The said vessels shall be propelled during the aforesaid voyages from London to Brisbane, and from Brisbane to London, at an average speed of not less than 220 knots per day, exclusive of the time of stoppage or detention at the several intermediate ports of call hereinafter mentioned or referred to, the extent of such stoppage or detention at each port to be approved by the Postmaster-General, &c."

In the same clause there was a stipulation that the contractors should be paid £50 a-day for every day saved, exclusive of detentions; but that should only be counted between Singapore and Brisbane, not from London to Brisbane. He thought, also, that the time of detention should be specified. If it was to be three hours, let it be stated clearly. Then, if there was to be immigration the contractors should be bound to carry the immigrants. He would now pass on to the extraordinary condition to which the hon. member for Stanley (Mr. Kellett) called attention. Under that condition the contractors need not perform the contract at all unless they liked; and there should be some more stringent stipulation than that inserted. At any time the contractors could knock off a steamer, and the only result would be that they would not get paid for it. He never heard of such a contract as that before. They could run six months of the year and get half the subsidy; they could run for three months, then discontinue for six, and run during the last three and get half the subsidy, and there was no provision for determining the contract. There was a provision to determine the contract if they did not begin to run within three months, but there was no provision to determine it if they did not run steamers afterwards—in fact, they could do just as they pleased—it was a contract by which the contractors were absolutely bound to nothing. He should like to compare this contract with the conditions issued for the Torres Straits service, in regard to the condition respecting the non-performance of the contract. In this contract the contractors merely bound themselves in the sum of £5,000, and as the contract was to be transferred from them to a company it was merely an obligation on the new company to pay £5,000. That was the only stipulation binding the company to the performance of the contract. It was, no doubt, a good penalty if they were worth the money, but they might charter their steamers or do many other things. When he looked at the tender for the E.

and A. Company for the service from Brisbane to Singapore he found that they were willing to enter into a bond for £20,000, and deposit £5,000 in cash, as security for the effective performance of the contract. Why was there no cash deposit in this case, and only a bond for £5,000 instead of £20,000? These things had not been explained. Moreover, as this was clearly not a mail contract of any value, if it was to be a freight and immigrant contract, how was it that there were no provisions with regard to freight? The only stipulations contained in the contract were with respect to the size of the ships and the rate of speed. They must secure some advantage for such a large sum of money. The advantages, so far as they knew, were problematical. They were told there would be some, but they did not know where they were. One of them, he presumed, would be when they saw some of their neighbours running large steamers at twelve knots an hour while they had only a nine-knot service. Apart altogether from the advisability of establishing by subsidy a trading service, how were they going to pay the money? It had to be raised by taxation. If they had a large surplus revenue he could understand it, but, seeing that they had to expend a sum of money that was yet to be raised, was it not common fairness for the Government to say where it was to come from? The Colonial Treasurer had said he would not tell them. He said, "First promise to spend it, and then it shall be raised." That was entirely reversing the constitutional practice. He could not see the object of forcing it. They were told that the Government were prepared to admit modifications. Surely if the company were sincere in their desire to carry it out they would not object to a month's delay. Either the company or the projectors were anxious for it or they were not. If they were not anxious the smallest modification would be taken as an excuse to get out of it. He could not understand why, when the matter was first suggested a fortnight ago, those gentlemen were not consulted, or why so much of the time of the House was taken up when, by asking for consent to a reasonable delay, they would be in so much better a position. If the Financial Statement were unsatisfactory the House would never consent to this contract. From what had fallen from the Premier that afternoon, it was not likely that he would be able to make up the difference between revenue and expenditure within £100,000, then where was the money to come from? He asked hon. members to consider the matter on its merits, and not to regard it as a party question. Supposing that the Financial Statement—which would disclose information which it was in the power of the Colonial Treasurer alone to give—should show that they could not, without unduly burdening the people, incur the expense, was it conceivable that the House would insist on going into a luxury of this kind at that time? If the contractors insisted on its being ratified by the 6th of August or not at all, the slightest modification would be taken hold of to break it up, and he would be glad to see it;—not that he did not want a mail service, but he could not see how they were justified in rushing blindly with their eyes shut into the matter.

Mr. RUTLEDGE said he was not in the House when the Premier spoke, but he understood that willingness to effect modifications had been expressed. If that were done he would not raise unreasonable objections to a line of subsidised steamers. They would be committed to this expenditure, which would be purely speculative. There were many features in the contract that rendered it objectionable to members on both sides of the House. Some of the stipulations would not bear examination. Clause 6 said that the vessels were

to come up to the Bar or as near thereto as the vessels could safely go. If they had the river deepened next week to the requisite depth for bringing up large vessels of the tonnage proposed, there was nothing requiring them to come beyond the Bay. It was quite possible that they would come; yet it was to be feared that if it entailed the cost of a few pounds, or caused the slightest risk, they would not come up the river, and they could not be made to. Although these gentlemen might be disposed to do what was right, they might be succeeded by persons disposed to do exactly what was required by the contract and no more. In clause 11 he found provision made by which the owners of the steamers, if they did not like the service, could employ them in some other way. He could show that it would pay the contractors to take the steamers off that line, seeing that if they put them under charter they could earn much more money. Clause 16 gave power to the Government, in case of any great public emergency, to charter the ships for Her Majesty's service at the rate of 30s. per ton gross register. On those terms, and for a period of not less than one month, it would pay the contractors to take their ships somewhere else. If a goldfield broke out, and they found it more profitable to convey passengers, they would be placed in this position—they would be left without a mail service virtually for six or twelve months, and the company could come back and resume their contract. According to the contract there was nothing to authorise the Postmaster-General to cancel the contract, and not only would the colony be left without a mail service, but it would be prohibited from contracting with any other company for the conveyance of the mails. The company would make a convenience of the colony while freights were low in other parts of the world, and when they could run to greater advantage elsewhere they would do so for a trifling penalty, and resume the contract whenever they thought proper. That was a serious matter, and one which had not entered into the calculations of hon. members. In other colonies it was the custom to require a substantial deposit as a guarantee for the due fulfilment of the contract, but in this case not a single shilling was required for that purpose. A more serious objection was that the contract would enable the company to increase freights when once the monopoly became well established. It had been said no such thing would take place, but it was distinctly stated in section 15 that the contractors "shall immediately give notice to the Postmaster-General of any alteration in the rate of freight charged by them for private goods." That was a recognition by the Government that the rates charged by the contractors when they commenced running the steamers would not be the rates charged by them subsequently. That was a contingency that ought to be taken into consideration by the people of the North. As a southern member he wished to enter his protest against the attempt that had been made by the hon. member for Leichhardt (Mr. Feez) to introduce a feud between North and South in this matter. That hon. member, in his telegrams to the Rockhampton papers, in anticipation of a spontaneous demonstration that was about to take place in Brisbane, said the jealousy of the people of Brisbane was aroused against the North on account of the supposed advantages which this mail service would confer upon it. The hon. member for Cook (Mr. Cooper) also telegraphed to his constituents to get up a demonstration at Cooktown, but although it succeeded there, the excitement did not reach as far as Thornborough, where the people had the good sense to get up a demonstration against it. The same thing would be done elsewhere as soon

as the matter was looked at apart from the representations made by those interested in the contract. It was said by some that the North would never prosper again until Chinese were admitted freely, and no doubt this contract would be used as a means of reviving the importation of Chinese. Clause 27 provided that the contractors should make proper arrangements at Batavia (or Singapore) for interchanging traffic to and from China; and if there was any feeling in the North strongly in favour of the line it was by the adroit way in which the Government promised by that clause that the good old times should be restored, when Chinese would be allowed to flow uninterruptedly into Cooktown. It was ridiculous to say that the mere fact of direct monthly communication with Great Britain would of itself have the effect of bringing about a full flood-tide of prosperity in the North. If this line were once established, even the powerful A.S.N. Company would have to give way, for it would suit the new company to destroy all competition, and the people of the North would be entirely in the hands of the contractors. In the interests of the North he protested against the contract being adopted. But much as he was opposed to the subsidy, he was prepared to give his vote in favour of the mail contract if the Government would introduce a clause which would make the contract terminable at six or twelve months' notice. To make that service virtually the only means of communication was a policy subversive of all that tended to the prosperity of the colony. Surely it was not such a life-and-death matter. The best thing the Premier could do would be to adjourn the debate, and give himself a couple of days in order to put himself in communication with the contractors, and bring down such modifications as would make the contract more acceptable to the House than it was at present. He (Mr. Rutledge) would move the adjournment of the debate, if necessary.

Mr. GRIFFITH wished to know whether the debate had concluded so far as the Government was concerned. The Government were taking up a strange position. The Premier had said on Thursday that he was anxious to have the matter discussed to the fullest extent, and had this afternoon adduced several new arguments. Those arguments had been replied to by the hon. member for Maryborough and himself (Mr. Griffith), and the hon. member for Enoggera had also spoken on the subject; and yet they were now met with dead silence; and hon. gentlemen were coming into the House in dressing-gowns and great-coats. Were they to understand that was the position the Government had taken up? They knew the majority of the House were against the contract; and were they to be told there was to be no further discussion on the Government side?

The MINISTER FOR WORKS would tell the hon. member for North Brisbane that a majority of the House believed that the Premier's remarks were most exhaustive, and were quite sufficient as far as the Government side of the House was concerned. But so far from the hon. member for Maryborough attempting to answer him (the Premier) he spoke two hours, and the greater part against time, entering into a general discussion about finance, education, and sundry other matters. He admitted that the leader of the Opposition certainly did speak rationally on the subject, and he listened attentively and admired what he said very much. He could not say as much for the member for Enoggera, whose legal studies had certainly not had the effect of correcting his early studies. That hon. member had made a proposal to the effect that he would not oppose the contract if a certain modifi-

cation he stated was inserted. He (Mr. Macrossan) could not say whether that modification could be inserted or not, but he did not think the contractors would agree, after spending £300,000 at the outset, to a clause by which the contract could be terminated in six or twelve months. It had been said the Government would have to pay a large amount of money annually, but the company would also have to pay a large amount of money for the privilege of running their vessels. Besides their original investment of £300,000 they would have to spend yearly from £100,000 to £125,000; and it was scarcely reasonable to expect any company of commercial men to agree to such a clause as the hon. member for Enoggera proposed. The Premier had stated he was willing to agree to certain modifications that might be inserted without causing the gentlemen who signed the contract to give it up; and he (the Premier) would no doubt be able to inform the committee what modifications he would accept. Some hon. members seemed to imagine that because the contract was not for a postal service of the best description that could be obtained for Brisbane, it was therefore not a postal contract at all. Without entering into the question of North or South, or any supposed antagonism between them, he would make a few remarks in relation to the two. Hon. members on the other side had been throughout discussing the question from a Brisbane point of view. It had been said by the hon. member for Maryborough that it was not a matter of much importance, even if the North was inconvenienced by this contract not being entered into before the arrangement with the E. and A. Company expired. He knew they would put up with it. Was not that distinctly excluding the interests of the North? He would not advocate the interests of the North against the South; but the interests of the North must be considered, no matter whether the hon. member for Enoggera thought the North had not much trade, or the hon. member for Maryborough thought there was little inconvenience. Whatever hon. members thought, they must consider the interests of the North. It was a mistake to think the interests of the North small in comparison with Brisbane, for it was shown by the Customs returns that they were more than half the interests of the South, though the North contained but one-seventh of the population. The Customs returns were a very fair indication of prosperity, and they distinctly proved that there was in the North more than half the amount of trade there was in the South. The returns for the year ending June, 1880, for the whole of South—Brisbane, Ipswich, and as far as the border—showed an amount of £250,000; and that was worse than any year since 1873, and only a little better than 1872; whereas the returns for the North showed an amount of £131,000, or more than half the amount of the South.

Mr. GRIFFITH: Where does the North begin?

The MINISTER FOR WORKS said it began at Cape Palmerston, as defined by the Financial Districts Bill brought in by the Government of which the hon. gentleman was a member. The Customs returns showed £131,000 for the North, and £250,000 for the South, for the year ending June, 1880. The Customs returns for the same year showed for the whole colony not four times the amount produced by the North, with only one-seventh of the population. He would leave it to hon. members whether the trade of the North was not an important matter. Why should they pay from 50s. to 70s. additional on every ton of goods brought from Sydney? They had been told the Orient Company would carry goods from Brisbane to Sydney at 7s. a-ton. The carriage from Queensland ports to Sydney, beginning at Cooktown, was from 50s. to 30s., and they must

1880.—P

add that to the amount of the carriage to Sydney to find what the consumers in the North have to pay for carriage from England. Though the population of the North was small, they were large consumers. There was also another district just about as good as the North, although times were very much depressed, and that was the Wide Bay district, which the hon. member for Maryborough himself represented. That district, according to the returns, showed an amount of £34,000, which was higher than any year since Separation. So that in reality the great loss and the deficit which had occurred through the Customs was principally in the South. It did not affect the North so much as the people in the South, and yet hon. members opposite, in discussing the question, had persistently ignored the interests of the people of the North. If the member for Enoggera, and the member for North Brisbane, and other hon. members, were sincere in their profession for the interests of the North, they would try to come to some arrangement, pass the contract, and get to the other business, which was of equal importance.

The PREMIER said the leader of the Opposition had asked what points in the contract the Government would submit to be altered. He wished to know whether they would submit to any modification by which the rate of speed would be allowed to be increased from 220 knots to say 250 knots per day. That was an essential part of the agreement, and to amend it in that respect would be increasing the rate of speed and making the contract different to the one that was entered into in London. The kind of amendments to which he had referred were such as he would indicate in clauses 4 and 7. Hon. members would see that the contract was a postal one from the time the company's steamers left London or Brisbane, and that fines might be exacted at Brisbane and London if the service was not carried out at the rate of 220 knots per day. The intention of clause 4 was to provide for the meeting of the British-India Company's boats with the P. and O. boats at Singapore or Batavia. The intention of clause 7 was that if the steamers did not reach Batavia or Singapore in time to receive the mails and carry them on to Brisbane they would be subject to fines. In the same way it was provided that if the steamers did not reach Singapore from Brisbane in time to allow the mails to be carried by the P. and O. Company, a fine of £50 a-day would be exacted. Although the intention of clause 4 was pretty clear to him, still, from the phraseology of the third last line, it was evident that the penalty could not be exacted if the company failed to have a steamer at Singapore in time, either from London or Brisbane. He would propose an amendment to meet the case—to provide that not only should the contractors be fined if the steamers leaving Brisbane or London did not come through at the rate of 220 knots and arrive in proper time, but also if they did not reach Singapore or Batavia in time either from Brisbane or London. The member for North Brisbane had also asked why a bond to the extent of £5,000 only should be required from this company, when one for £20,000 was required from the E. and A. Company; but he would point out that the penalties under the contract might reach £55,000 besides the bond for £5,000. Hon. members would see at once that he could not secure a higher fine per day, and that it was only a proper concession to make that if the company were fined for being behind time they should receive an equivalent for every day they were in advance. It would conduce to the good working of the service. He was informed by his colleague that the hon. gentleman had further asked whether a modification could

not be made by which the contractors would be debarred from bringing any cargo to Sydney. Clause 5 was absolute on the point that Brisbane should be the terminus, and that no steamer should proceed further south without the Postmaster-General's sanction. The Postmaster-General had it in his power to stop the vessels going past Brisbane, no matter what reason might be given for wishing to go to Sydney. It was, however, said that according to the letter no objection would be raised to ships going to Sydney to dock and repairs so long as Brisbane had not the facilities. The meaning of that provision he considered quite plain, but he would first point out that the sanction of the Postmaster-General had still to be got. He maintained that if a vessel took one ton of goods or any passengers from Singapore to Sydney it was a breach of the contract, which said distinctly that Brisbane should be the terminus. The letter was not put in because the contractors wanted to hedge and get to Sydney after all, but because it was quite possible that an accident might happen at Brisbane. The company might not consider it necessary to dock at Brisbane, because he understood from them that they had made arrangements which would dispense with the necessity of their docking at Brisbane or going to Sydney. Still, it might be necessary that they should have some right to go to Sydney for docking and repairs, if necessary, as in case of a breakage of machinery here or any other accident it might involve a large expense to bring men and tools from Sydney to effect the repairs. He thought the colony was quite safe, and that according to the reading of the contract it would be a breach of its provisions if it should be proved that the company had gone to Sydney ostensibly for the purpose of docking but in reality to deliver cargo and passengers. The British-India Company had not yet brought themselves into competition with the P. and O. Company, and would have to incur considerable expense to come into competition with that company, and therefore they would not want to go to Sydney. No alteration in the duration of the contract could be made without causing the breaking of the bargain. He could not get a better service for a subsidy of £55,000 than one at the rate of 220 knots. As to clause 22, he considered it a reasonable privilege to grant, these matters being generally carried out by companies. He believed it would be the British-India Company itself which would carry out the contract, but even if it should not be—if it should be a branch company—the contract would not be objectionable on that account. Steamers would have to be built specially for the service, and it would be a great many years before the company would be likely to go into any other trade. It might be a sentimental idea to some extent, but in his opinion it would be an advantage to Queensland to appear before the world as connected with a distinct mail service.

Mr. GRIFFITH said he should like to know what the arrangements were that the contractors had made about docking.

The PREMIER said he did not know definitely what the arrangements were, and did not care to give his ideas for they might be incorrect, but from discussions that he had he knew that the contractors did not contemplate the necessity of docking either at Sydney or Brisbane. The hon. gentleman seemed to think that it was an absolute necessity that vessels after a voyage from England to Queensland should have to go into dock, but that was not so. The Orient Co.'s vessels were not all put into dock, but only when necessary. The P. and O. Company's boats were put into dock at Melbourne during their last contract, but that was only on account of the

extraordinary advantages given by the Victorian Government. It was not at all necessary that the vessels should go into dock, and he believed the British-India Company would not have to do so except in case of accident.

Mr. GRIFFITH said that no doubt if it was proved that the company had got permission to go to Sydney in order to effect repairs, when their real object was to discharge cargo and passengers, a breach of the contract would be established, but supposing they discharged their cargo at Brisbane, and then advertised for passengers and cargo for Sydney, and when they reached Sydney took cargo and passengers for any northern port, would that be allowed?

Mr. DICKSON said that no hon. member on the Government side of the House had met all the arguments adduced by hon. members on his side, and it was because he thought that the whole question should be ventilated as fully as possible that he rose to make a few remarks. Some of the speakers on the opposite side had endeavoured to arouse a feeling of discord between the northern and southern portions of the colony, and by so doing had diverted the attentions of hon. members from the real points at issue. He had noticed that nothing had been said by hon. members opposite with regard to the desirability of having the Financial Statement submitted to the House before the resolution was carried; and surely the contracting parties to the proposed steam service were not so urgent but that they would extend the time for the ratification of the contract for a month or two, so as to allow of the Financial Statement being first made. He thought that the subject-matter of the amendment could not be too strongly impressed on hon. members. There had been no factious opposition shown to the resolution, and the whole question had been debated on its merits; but a peculiar silence reigned opposite with regard to the amendment, and they had not yet been told why the proposal contained in the resolution should be pressed on the country until it had been shown where the money was to come from to pay for the service. He apprehended that the hon. Treasurer should have taken notice of that objection, as it was one that could not be viewed as a party cry. Had the hon. members now occupying the Treasury benches been sitting in opposition, he had no doubt they would have taken up the same position, as it was highly desirable that the House and country should have made known to them the financial proposals of the Government. It appeared to him that, when a contract like the present was entered into, the sum to be paid to the contracting parties should be secured by Bill, because it might so happen that, at a future time, opposition might be offered to the item when placed on the annual Estimates, which would lead to trouble. If the payment were made under a Bill, the annual subsidy would be provided on schedules, and not be annually voted. He wished that the hon. Treasurer had fairly pointed out the inconveniences that would accrue to the country by a delay which, under the circumstances, could not be more than a couple of months, especially as the colony was not without a mail service, and would not be until next November. The Minister for Works told them that there was a large amount of important business on the paper, which was only another reason why they should proceed as quickly as possible with the consideration of Ways and Means. He had hoped to have heard from the Premier, that evening, something that would have materially altered the terms of the contract so as greatly to reduce the cost of the service, or that the

arrangement was only to be a tentative one—say for three years—to see how it would answer, and with a view to revive our prosperity, which had been on the wane for the last year or two. As regarded the rate of passage-money, he thought that where a large contract was made for the conveyance of immigrants, the sum of £16 was too high to charge, and he believed that in these days of competition it would be found that the sum could be reduced in the future to £10 or £12. He admitted that the hon. Treasurer could not make any modifications without the assent of the contracting parties, but such could be obtained by wire, and whilst time was occupied in making these modifications the Financial Statement could be made, and the House would be in a better position to deal with the whole subject. The contract which had been made was of such a character that the contractors were justified in demanding a port for docking the steamers. He had been in hopes that the Premier would have recognised the fact that the preponderance of argument was against their dealing with the contract at present, and that the unanimous opinion of the country was also opposed to it. This was shown by the resolutions passed at numerous public meetings. At meetings in the North it had been approved of, but these meetings had been held without the persons at them having due knowledge of the provisions of the contract. In some cases a copy of the contract had not reached the towns in which these meetings were held. While he quite understood the desire that existed in the northern towns to have a mail service, he did not think they would approve of the present contract. At any rate, nothing would be lost by giving the country time to become fully acquainted with the proposals. He deprecated the idea of the cry of North against South. The hon. Minister for Works had argued that the mail service under the contract would be beneficial to the North, but, as he had already remarked, the North had not been made so fully acquainted with the contract as to be able to express an opinion upon it. There was no desire on the Opposition side of the House to deny the North its fair share of the benefits of the public expenditure. No case could be pointed out in which they had not done ample justice to the North. No doubt a direct steam service on equitable terms would be of great advantage, not only to the North but to all parts of the colony; but a contract of that kind, by which they should be bound for eight years, which was for the benefit of a section of the community only, and which was being passed in the face of public opinion, would not be of advantage. The Minister for Works had spoken in approving terms of the passage of immigrants through the tropics by the new route. He (Mr. Dickson) considered that it would be unhealthy, uncomfortable, and a very expensive route. No notice had been taken of the objection that no provision had been made for the steamers calling at Mackay and Port Douglas, and when they did call at other ports no provision had been made for their landing their cargoes and passengers. Steamers and lighters must be provided, which would entail considerable expense, and would have to be added to the subsidy in calculating the cost of the contract. No hon. member on the Government side of the House had attempted to answer those objections. It had been argued that the contractors would furnish the means of landing cargo, but that contention was without foundation. They would only deliver the goods over the ship's side, and the people would call upon the Government to bear all the expense of landing cargo. That expense—probably £10,000 a-year—would therefore have to be added to the amount proposed to

be paid under the contract. He trusted that the Premier was not actuated by any false pride in insisting on this contract in its present shape. Had the hon. gentleman given the slightest indication that the period over which the contract would extend might be reduced to three or five years, and that by giving a certain notice the contract might be abandoned thereafter, the objections against it would have been to a great extent removed. But nothing of the sort had been shown, the only modification proposed by the Premier being of so unimportant a character as to be scarcely worth considering. He had not heard any reason given for allowing the contractors to have the option of bringing out immigrants or declining to do so. Why should not that part be optional on both sides? He should like to hear the opinion of the Minister for Works on some of these one-sided provisions in the contract. As the Premier had stated that he was prepared to accept some modifications if they did not interfere with the principle of the contract, perhaps he might see reason to alter this clause. With regard to clause 22, the Premier said that the fact of a special company being formed, bearing the name of the colony in the title, would be a good advertisement for the colony, but he (Mr. Dickson) would prefer the solid advantage of having a substantial company like the British-India to deal with the sentimental idea of a Queensland company. At present the Premier had not shown definitely which of the gentlemen named in the contract would be responsible for the carrying out of the contract. If the Premier would, as suggested, let a month elapse whilst he communicated by wire and got information on that point, and other matters previously alluded to, a great objection would be removed. Those were the principle objections entertained by him, and they appeared to be of a very important nature. He had not had the advantage of hearing the speech delivered by the Premier to-night, and he hoped that the hon. gentleman, if he had not already replied to the objection, would now take the opportunity of doing so.

Question—That the words proposed to be omitted stand part of the question—put, and the committee divided :—

AYES, 25.

Messrs. McIlwraith, Palmer, Macrossan, Morehead, Perkins, Beer, King, Norton, Lalor, Low, Lumley Hill, Hamilton, Baynes, Stevens, Anhurst, Simpson, H. W. Palmer, Feez, Archer, O'Sullivan, Kellett, Cooper, Davemport, Swanwick, and Kingsford.

NOES, 14.

Messrs. Griffith, Dickson, Garrick, McLean, Rutledge, Macdonald-Paterson, Bailey, Macfarlane, Kates, Hendren, Douglas, Miles, Price, and Groom.

Question resolved in the affirmative.

Mr. GRIFFITH said the Premier had this evening introduced a new point into the matter by intimating that he was prepared to propose certain modifications in the contract. Hon. members were under the impression until to-day that nothing of the kind would be allowed; and, as it appeared that the Premier himself had amendments to move, it would be a great convenience to see them in print. There were two or three that he (Mr. Griffith) should like to propose, and as the matter had come upon them quite unexpectedly this evening, he thought it would be more conducive to the proper discussion of the question if they adjourned, now that the amendment of the hon. member for Maryborough had been disposed of, and all that remained was matter of detail.

The PREMIER said he had indicated the only amendment he intended to propose. Could not

the hon. member now indicate what amendments he intended to propose?

Mr. GRIFFITH said some of them he had indicated but he had not formulated them. One was with respect to the detention of three hours at the ports of call; another, that he understood the Premier to agree to, was that the allowance for saving of time should be only as between Brisbane and Batavia or Singapore. Then he should certainly feel it his duty to submit a resolution with regard to the duration of the contract, which no doubt the Government would oppose with all their power. He should also consider it his duty to submit a resolution with regard to the carriage of passengers and cargo between Brisbane and southern ports. With respect to the carriage of immigrants he should make it not altogether optional on the part of the company; and he should propose with regard to the penalty for non-performance of contract that it should be something more than not paying the subsidy. If these were merely oversights, of course there would be no objection to them.

Mr. DOUGLAS thought that there should also be a clause inserted embodying what he had pointed out earlier in the evening as being embodied in all contracts of this kind made by the Imperial Government—a clause saving the right of the House itself to vote the money. He had not had an opportunity of investigating the form which that clause took; but he believed that it existed in the P. and O. contract, and he should like to have an opportunity of seeing it. He thought the discussion was now thoroughly exhausted, and hoped to hear from the hon. gentleman at the head of the Government that he would consent to the further consideration of the subject being taken to-morrow.

The PREMIER said that several of the amendments likely to be proposed by the hon. member for North Brisbane touched the contract vitally, but that others that the hon. gentleman had mentioned he did not think were of so much importance. For instance, the hon. member said that the only penalty provided was that if the contractors did not start they would not get paid; but he (the Premier) differed from him, because in clauses 7 and 11 it would be seen that they were liable to a penalty of £100 a-day for not starting, and a further penalty for not reaching the other end at the appointed time. He thought that the amendment he intended to propose should be before hon. members in print, and he should have it printed in time for consideration to-morrow. At the same time, it must be understood that this question was to take precedence of all other business until it was got through. With the exception of a rather long-winded speech by the hon. member for Enoggera, they had done a considerable amount of work to-night, and he supposed they must rest satisfied with the progress up to the present time. However, he wished the member for North Brisbane to clearly understand that some of the amendments indicated by him touched so vitally the contract that if carried the whole thing would be thrown over. As for the amendment suggested by the hon. member for Enoggera, it was simply absurd. He suggested that he (the Premier) should make the contract for three years instead of eight: but did he think that he (the Premier) would pay for a telegram asking such men as those whose names appeared on the contract to consent to anything of the sort? He moved that the Chairman leave the chair, report progress, and ask leave to sit again.

Question put and passed, and the House having resumed, the Chairman obtained leave to sit again at a later hour of the day.

The House adjourned at 12:15 a.m. until the usual hour this afternoon.