Queensland

Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 19 OCTOBER 1880

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LEGISLATIVE ASSEMBLY.

Tuesday, 19 *October*, 1880.

Pacific Island Labourers Bill—third reading.—Railway Companies Preliminary Bill—committee.

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

PACIFIC ISLAND LABOURERS BILL—THIRD READING.

On the motion of the COLONIAL SECRETARY (Mr. Palmer), this Bill was read a third time, and transmitted to the Legislative Council with the usual message.

RAILWAY COMPANIES PRELIMINARY BILL—COMMITTEE.

On the motion of the PREMIER (Mr. McIlwraith), the House went into Committee to consider this Bill.

The PREMIER moved that the preamble be postponed.

Mr. DICKSON said that, before the preamble was postponed, he thought it would be very desirable to learn from the Premier whether they were to regard this Bill in connection with the published correspondence, showing that Messrs. Henry Kimber and Company had entered into preliminary negotiations with the Premier respecting the formation of a company with the object of raising the necessary capital for the construction of a line of railway, as soon as Parliament had affirmed the desirability of authorising land grants to issue to such contractors. There was no doubt that the consideration of the Bill must be more or less affected by the knowledge that the Bill itself was to be first put in operation through the instrumentality of a syndicate such as was shadowed forth in this correspondence. They had heard nothing to reassure them concerning the *bona fides* of this syndicate, and his hon. friend the member for North Brisbane had shown clearly that one of the members of this syndicate had not such a clear reputation as they would like to see possessed by a capitalist tendering for such a large work, and in which the interests of the colony were so largely concerned. The Premier, in replying to the strictures of his hon. friend, intimated that he had been made or was acquainted with Baron Erlanger's position on the Stock Exchange, London, and at Paris in connection with certain large financial operations, and he did not consider his name was really a desirable one to have in connection with the proposed syndicate. It was unfortunate that the Premier's statement should terminate there. The public would like to know whether further correspondence had arisen between the Premier and Messrs. Kimber and Company as to future negotiations, or whether the Premier had distinctly stated that he was not prepared to accept overtures from a syndicate amongst whose names could be reckoned that of this Baron Erlanger. Some statement of that sort was necessary before they could discuss the Bill on its merits. He asked these questions because he desired to discuss the Bill quite apart from the consideration of who was to carry it out. But they had had this correspondence so prominently placed before them that, unless they had the assurance that the Government entirely disassociated themselves from these gentlemen amongst whom stood foremost the name of Baron Erlanger—unless they had an assurance from the Government that the Bill was to be considered on its merits, and that they did not intend to carry out its provisions, when ratified by Parliament, through the instrumentality of any such syndicate as was mentioned in this correspondence, they would all naturally have a misgiving in considering this Bill in connection with the statements already made. The principles of the Bill were such as the House would have sooner or later to adopt; therefore, he wished to see it considered on its individual merits, and not injured by any apprehension of a syndicate of persons who had not been hitherto favourably reported of. He would like to know that this syndicate should not have the manipulation of a work of such magnitude in their hands. It was therefore only fair that before members considered the Bill in detail they should have a distinct assurance from the Government that this preliminary correspondence from Messrs. Kimber and Company did not foreshadow any intention on the part of the Govenment to open a connection with the gentlemen named as being willing to form a co-partnership to construct this line of railway. Such an assurance would set at rest a great deal of uncertainty and anxiety which existed in the mind of the country, and it would be gratifying if the Premier were in a position to say that he had addressed, either by telegram or letter, a reply to Messrs. Kimber and Company, intimating that since he had discovered that some of the names mentioned were not, to his mind, proper parties to whom such a large work should be confided, he declined to have further proceedings with any syndicate containing those names, and particularly the name of Baron Erlanger—not even for the purpose of proceeding with a preliminary survey.

The PREMIER said there was not a single question asked by the hon. member that he had not already answered. The Bill he had laid before the House was a general Bill, and he wished it to be discussed on its merits. He had nothing whatever to do with Kimber and Company, or any other company, and when the Bill passed it would be open to the whole world to tender for the construction of those railways. The most acceptable tenders would be submitted by the Government to Parliament, and Parliament would have to decide the whole matter itself. In no way whatever was the Government committed to Henry Kimber and Company, or to any other company. The object of publishing that correspondence was very simple: it was to show that there were men in England who were willing to take up works of this sort. If the correspondence had served that object it had done all it was intended to do; and he would repeat, again, that the syndicate had nothing whatever to do with this Bill, which he wanted to see treated entirely on its merits.

Mr. DICKSON said this was a satisfactory assurance so far as it went, and he was glad to have been the instrument of eliciting such a distinct expression from the Premier, that the public mind might be assured that in

passing this Bill they were not playing into the hands of Messrs. Kimber and Company, and legislating on a matter the carrying out of which was to be confided to them; but he thought the Premier might have gone a little further. The hon. gentleman on the 6th of May, two days before his departure from England, acknowledged a letter from Messrs. Kimber and Company in these words:—

"London, 6th May, 1880.

"DEAR SIRS,—I have the honour to acknowledge receipt of yours of the 4th instant, giving me the names of the syndicate alluded to in a former communication, and intimating that you proposed to incorporate this syndicate under the Companies Act.

"I quite agree with you, that your letters and my reply do not constitute a contract, nor were they meant to do so. The scheme is necessarily, from your want of information to justify you in making your offer more definite, too immature for that. My colleagues and myself will weigh carefully the whole question of your offer and the syndicate, soon after my arrival in the colony, in July next, and will immediately advise you of the result. Till such advice arrives, justifying the same, it would be premature to incorporate a syndicate as a company for surveying the line and launching a company for construction.

"Yours faithfully,

"THOS. MCILWRAITH,

"Messrs. Henry Kimber and Company."

What he desired to learn was this: the Premier had informed the House that before leaving England he was aware that one of the names, Baron Erlanger, was not of such a character as would give strength to the consideration of the Government in dealing with the proposals submitted by Kimber and Company; and he (Mr. Dickson) desired to learn whether the Premier had intimated to Kimber and Company that the Government, upon weighing carefully the whole question of the offer and the syndicate, had arrived at the conclusion that they did not intend to proceed further with these gentlemen, at anyrate, in the matter. That some correspondence should have taken place might rationally be inferred from the letter itself. The Premier distinctly stated that he and his colleagues would weigh carefully the whole question of the offer and the syndicate, soon after his arrival in the colony in July, and would immediately advise them of the result. It would be reassuring if the House were acquainted with the result of the deliberations of the Cabinet in weighing the offer and character of the syndicate, and what reply had been sent to Kimber and Company. If the Premier, as he admitted, became informed after he wrote this letter, that one of the gentlemen therein named, and who was, he believed, admitted to be the only capitalist in the lot, was of a character which would render it undesirable to confide to his care the construction of the line—as an ordinary matter of business prudence it was incumbent on the Premier to inform Messrs. Kimber and Company that the syndicate did not satisfy him thoroughly, and that unless the company were changed the Government would not be prepared to consider the construction of a line of railway, much as they approved of the principle, by a syndicate composed of gentlemen of whom they did not approve. He wished to clear away some uncertainty which existed. As he had already stated, the principle of the Bill he admitted, but he did not believe in the railway being constructed by the syndicate mentioned. He did not want to carry that prejudice through the consideration of the Bill in its details, but wanted to divest himself of it; and if the Premier could reassure the Committee the way would be made much clearer.

The PREMIER said he thought if the hon. member looked at the Bill as it stood, he would see what the careful consideration of the Cabinet was that had been intimated to the syndicate. The Government had performed the promise they made to the syndicate. They had taken the whole matter into consideration, and came to the conclusion that they would bring in a general Bill that would be an invitation to the whole world to tender for the construction of the Queensland railways. When they had come to that conclusion they sent Kimber and Company a copy of the Bill. That was the reply.

Mr. MILES said he had no opportunity of expressing his opinion on the second reading of the Bill, and did not now desire to take up the time of the Committee to any great extent. He might shortly state, however, that as far as he was concerned he had no objection to the principle of the Bill. Whether it was not premature to enter into such an undertaking he would not say—that was a matter that would depend upon the bargains that could be made. The Premier must know that they were entitled to all the information he could give about this syndicate. Long before the hon. gentleman returned to the colony there was an announcement in the *Courier* that a strong and powerful syndicate had been formed in London to build a railway from Roma to the Gulf, and they came to the conclusion—at all events, they had a right to come to the conclusion—that Baron Erlanger and Company were the parties who were to construct the lines. The Premier had said these parties had nothing to do with it;—then, how did this correspondence take place at all? This Baron Erlanger was not the only shady name in the lot if they took the whole of them into consideration. Take the second name on the list—Sir Robert Torrens. He did not mean to say that there were any discreditable transactions connected with this gentleman, but he was not in a position to assist in the building of a railway across the continent. At the present time he was applying to the South Australian Government for a pension, and this was the second name on the list. It was unfortunate for a man to be in that position; but why was his name put so prominently forward? The Queensland National Bank also was represented in the syndicate, and the Queensland Investment Company. If there was anything that caused suspicion about the Bill it was this correspondence. However, if the Government would inform them whether they were prepared to accept amendments, they might alter the Bill, and the Committee might amend it in a way of which the colony would approve. There should be a guarantee for the due fulfilment of the contract. If the Government were determined to pass the Bill as it stood it would be a great misfortune for the country—there was no doubt about that—he did not care whether Baron Erlanger was in it or not. He hoped, at all events, that hon. members would assist in making the Bill as safe as they possibly could for the interests of the country, for the Bill as it now stood would be complete robbery. There was no protection for the colony—none whatever; and the Bill was entirely in favour of the contractors, whether they were honest or dishonest.

Mr. DICKSON said he was amazed at the reply of the Premier. Instead of answering that the Cabinet had informed Messrs. Kimber and Company that they disapproved of the character of the syndicate, he merely said that a copy of the Bill had been sent home to Messrs. Kimber and Company in reply, and the hon. gentleman seemed to think that was a sufficient fulfilment of the promise made on the 6th May! On the reply being sent to the proposal in the form of a copy of this Bill, he should imagine that Henry Kimber and Company would receive the Bill as an intimation that their preliminary overtures were to a certain extent acceptable, but must be modified to be in consonance with the provisions of

the Bill. Merely sending a copy of the Bill to Kimber and Company would not convey any idea that the Government were aware of the character of the syndicate who were the instruments to carry out their undertaking. The Premier, he presumed, had no confidence in Baron Erlanger. The hon. member said he knew about him before he left England; but where did he show he was not satisfied with the syndicate? If the Premier and the Government were dissatisfied their dissatisfaction ought to be expressed more intelligibly than by sending a copy of the Bill to Kimber and Company. After the disclosures made by his hon. friend (Mr. Griffith) respecting Baron Erlanger, it was incumbent on the Government to show that they were dissatisfied with the syndicate; that they washed their hands of it; and that any action that was taken would be entirely on a fresh departure. Whatever action was taken under the Bill it ought to be an entirely new departure, and he trusted the offer of Henry Kimber and Company had been courteously but firmly rejected. Until he saw that that offer had been distinctly declined he could only conclude that the Bill was based on the overtures made by that company. In one of the papers of that morning a significant paragraph appeared showing that the promoters of bubble companies were again emerging from the obscurity in which they had dwelt during the late long period of depression, and were beginning to smell the carrion afar off. When they saw colonial legislatures introducing Bills of that sort, which were to a great extent encouragements to bogus companies, it was incumbent upon them to see that their legislation was directed solely to the promotion of the well-being of the colony. He had no desire to throw cold water on the scheme—on the contrary, he approved of the principle of the Bill; but it was incumbent on the Government to show that those overtures from Henry Kimber and Company, containing the names of gentlemen whose co-operation would be highly disadvantageous to the colony, had been definitely and distinctly declined, and that the work would be thrown open to the whole world. If the Government had written to Henry Kimber and Company to that effect public confidence would be restored; but as that had not been done he felt bound still to consider that the foundation of the Bill was the correspondence to which he had so often referred; that if the Bill were passed the work would be carried out by the same syndicate, with probably the omission of the name of Baron Erlanger, and probably with the addition of some of those who, according to the paragraph in the paper, were now beginning to be active in promoting undertakings of that sort.

The COLONIAL SECRETARY said he could easily understand that the answer given by the Premier was not readily understood by the hon. gentleman. It was no doubt a great deal too short, sharp, and decisive for the hon. member's intellect to comprehend. If that hon. member had had to transact any business of that sort he would have favoured the syndicate with a letter about three miles long, full of involved sentences containing wheels within wheels of what he considered arguments, but what everybody else considered froth. A more decisive answer to the proposal of any syndicate could not be given than sending them the Bill which it was proposed to introduce, and which said that the contract was to be open to the whole world. A great deal had been said about Baron Erlanger; but what on earth had they to do with Baron Erlanger or any other man of the syndicate? The result of the attack of the leader of the Opposition on the character of Baron Erlanger went to show that he was what they called in America an exceedingly smart man. He had not been convicted of any crime, and neither he nor any other man of the syndicate had anything to do with the Bill. The tender for the work would have to be settled by the House, and if Baron Erlanger's name was allowed to appear on the list of contractors it would be the fault of the House, not of the Government, for the contract would not be made by the Government but by the House.

Mr. KING said the argument that because there was a revival of speculation at home they should not agree with any company to make railways on the basis of land grants was about the most extraordinary he had ever heard. Did the hon. gentleman (Mr. Dickson) mean that they were to wait for another period of depression, when joint-stock companies could not be floated, before inviting capitalists to take up what would be one of the largest schemes ever placed in the market? He could not agree with what had been said about the syndicate either from one side of the House or the other. A great deal too much had been made of some of the cases in which Baron Erlanger and Company had been concerned. He had taken the trouble to read up the reports of those cases to which the hon. member for North Brisbane alluded, and he found that in the Costa Rica case Baron Erlanger was charged with what was called "bulling" the market—forcing a fictitious value on stock to send the loan up to a higher price than it would otherwise have fetched. If "bulling" the market was a crime, there was not a large stockbroker in Europe, from Rothschild downwards, with whom they could deal. It might not be exactly honest, but it was a recognised thing on the Stock Exchange. With regard to the Sombrero Company there were three trials—in the first, the verdict was given for Baron Erlanger, and in the second against him. The Baron then appealed to the House of Lords, and Lord Cairns was in his favour.

Mr. GRIFFITH: No; it was a unanimous decision.

Mr. KING said he was almost certain that Lord Cairns was in his favour, and several of the judges spoke of it as a case which was very doubtful; and he believed that it was only on a technical point that judgment was given against him. But that might be taken for what it was worth. Baron Erlanger and Company had a European reputation; and if Austria, Russia, or Germany were floating a large loan to-morrow, it would probably be placed on the market by Baron Erlanger and Company. But if it was no advantage to the colony to deal with that firm, there was no reason why they should do so, and it would be much more desirable to obtain the capital from English than from foreign financiers. All they need do was to see that they got sufficient security that any company or syndicate would carry out the work. As for the constitution of the company who provided the capital, that was a matter for the shareholders of the company to decide. They could not prevent Baron Erlanger or anybody else taking shares in the company, nor could they prevent the shareholders from making Baron Erlanger a director if they thought fit to do so. All that was necessary for them to do was to see that the company with which they dealt was in a position to carry out their contract. A transaction of that kind, involving an expenditure of four or five millions, was a very different thing from those little bubble companies out of which money was to be made as quickly as possible. No firm in the world could make money by selling a concession to expend four or five millions of money on a work of that kind, payment for which was only to be made in land which was at present of no value whatever. The object of bubble com-

panies was to make a large profit quickly; but in this case profit could only be made by the slow process of settlement enhancing the value of the land, for the railway could not be expected to pay interest on cost of construction for some considerable time. Under those circumstances there was no danger that any syndicate would be able to make a profit by placing a concession on the market and get a bonus for floating a company. No company would take up a proposal of that kind unless they meant to go into the construction of the railway themselves and be content to wait for a return for their money. After taking good security for the completion of the work they might leave the company's shareholders to look after their own business.

The HON. S. W. GRIFFITH said he regretted to hear the Colonial Secretary and the hon. member (Mr. King) refer to people of the character of Baron Erlanger as merely smart men. That was not the correct way of designating them;—he should prefer to call them swindlers, and that was the term practically given them by the judges in England. The hon. member (Mr. King) said the transactions of the firm with Costa Rica consisted simply in rigging the market. What he (Mr. Griffith) read to the House were the words of the judge before whom the case came, which were as follows:—

"The suit of the Republic of Costa Rica against Baron Erlanger, in which Messrs. Knowles and Foster, who make this application, are defendants, is in substance this: The Republic charge—that whereas Baron Erlanger and Messrs. Knowles and Foster were their agents to raise a large sum of money in the English market by way of loan, Baron Erlanger and Messrs. Knowles and Foster, and the other defendants, or some of them amongst them, have so contrived matters that, although a great sum of money has been raised in the English market on the faith of the Costa Rica bonds, a very insignificant part of the amount so raised has reached the Republic. This is the nature of the suit."

And that case was still pending, the latest development of it being a charge against Baron Erlanger of having bribed the solicitors for the Republic to keep back certain of their documents. With respect to the Sombrero Company, the decision of the House of Lords was unanimous. The hon. gentleman could not have read the case through. Some observations were made by the Lord Chancellor which differed from those of the other judges, but the conclusion was unanimous, and the court consisted of seven judges—the largest number he ever remembered sitting in the House of Lords. But after the assurance given by the Premier much more need not be said on the subject. He was glad to hear the hon. gentleman's assurance that the Bill was to be considered entirely on its merits, and apart from any particular tenderers or contractors. From that point of view they ought all to do their best to make the Bill contain as good terms as the colony could get in dealing with people of that kind. It was a matter which, if adopted, would last over the lives of many Ministries, and would affect the interests of the colony for many years to come; and it was the duty of both sides to make the best possible bargain for the colony. He sincerely hoped that the Bill would be in that spirit approached by the Committee. He had had printed and circulated some amendments designed to carry out the views he advocated in speaking on the second reading of the Bill as to the nature of the bargain to be made in carrying out a transaction of that kind, and he trusted they would be received entirely on their merits. The point of view was, that the bargain they made should be for the construction and maintenance of a through line of communication between points selected as the termini of the line for a certain period; that at the expiration of that period the line should become the property of the Government; and that for the construction and maintenance of the line in the meantime the contractors should receive remuneration in land. For his own part, he should not be alarmed at any extent to which that remuneration might go. He should be prepared to go far beyond 8,000 acres, provided that by that means the colony received the construction and maintenance of the line and ultimately got it into its own hands. In making a bargain of that kind contractors would require a much larger area of land to cover any probable loss which might otherwise ensue; but they would no doubt be able to take care of themselves in that respect. That was the principal point of view he had borne in mind in drawing up the amendments. He understood the Government did not care about the retention of the guarantee clauses, and indeed they would be quite inconsistent with the scheme he suggested. In order to secure that the contractors should maintain the line it was absolutely necessary that Government should retain something in their hands by way of security, and the proposition he made was that a certain portion of the land should be held back. Let sufficient land be at once given to pay for construction, and the other half retained. The great thing to be aimed at was to relieve the colony from the necessity of paying interest on large sums of borrowed money. With respect to the quantity of land, if the company were bound to maintain the line, unless they did so at a great loss they would be bound to take some very active measures to settle the land and make it available. He hoped every point would be discussed on its merits, and that if possible they would remove from their minds every question as to where the amendments came from so long as they were good ones.

The PREMIER said he was glad to hear the terms in which the hon. gentleman (Mr. Griffith) had spoken of the way in which this Bill should be discussed. It was his wish that the Bill should be taken entirely on its merits. He agreed with the hon. gentleman in the opinion that it was perhaps the most important Bill that had been introduced for many years—it was certainly the most important since he had been a member of the House—and that it deserved well the attention of every hon. member. The measure would probably affect other Ministries than the present one; it was quite possible that the present Ministry might have nothing whatever to do with the administration of the Act. It was impossible to say how far the offers that might be made by capitalists could be entertained. The Bill was therefore one which interested hon. members on both sides of the House, and it was in no respect whatever a party measure—in fact, he did not see any clause which by any twisting could be so considered. He did not wish at this stage to discuss the amendments which were to be proposed by the hon. gentleman. Some of them contained suggestions which were not radically contrary to the principles of the Bill. The Government would, however, have to oppose the most important of the amendments, because their adoption would alter the character of the Bill and defeat the whole object of it—namely, the construction of railways into the interior of the continent. The amendments were certainly framed so as to insure far better terms for the Government, but the object of the Bill was to arrange terms which contractors might accept. He agreed that it was desirable to get the best possible terms for the Government, but it would only be wasting time to pass a Bill making terms which no contractors would accept and saying that the Government should not assent to any others. He would wish that a company should tender on the terms proposed by the hon. gentleman rather

than on the terms proposed by himself, but he was perfectly satisfied that no company in the world would come forward and offer to construct a railway on the terms proposed by the hon. gentleman. Of course it would always be the object of any Government who had to administer the Act to get as good terms as they possibly could; but as this Bill put a limit to the terms which a Government might consider in entering upon a preliminary arrangement, it would be wasting time to make the conditions such that no contractor would accept them.

Question put and passed.

Clauses 1 and 2 passed as printed.

On clause 3—"Agreement to be in conformity with Act"—

Mr. GRIFFITH said the clause provided that—

"In every such agreement shall be embodied the provisions and conditions prescribed in the following sections of this Act, subject to such modifications as the Governor in Council in any particular case deems it expedient to authorise. Provided that no such modification shall be inconsistent with the provisions of this Act."

The Act being supposed to contain all the important conditions, the proviso appeared to contradict the first part of the clause.

The PREMIER said he wished to provide that no modification should be inconsistent with the principles of the Bill.

Mr. GRIFFITH said the provisions of the Act were not rigid conditions; they only stated the limits within which the Government might act.

The PREMIER said he would allow the clause to be negatived, and then move the insertion of one which would carry out his object.

Question put and negatived.

The PREMIER moved the insertion of the following new clause—

Every such agreement shall be in conformity with the provisions and conditions prescribed by the Act.

Question put and passed.

Mr. GRIFFITH said this seemed to be a proper place to insert the first of the amendments of which he had given notice. He was of opinion that some guarantee should be given by the company that they were a *bonâ fide* company, formed for the purpose of making a railway, and not for the purpose of rigging the market and deluding unfortunate people, of Great Britain principally. The history of companies which had been formed for the purpose of constructing railways by means of land grants had not been by any means encouraging. There could be no doubt that among the companies which had been formed for the purpose in the United States, Canada, and the States of South America, the greatest amount of fraud had been perpetrated. He was not aware of the general provisions of the laws on the subject in the United States and Canada; but in the report of the Railway Board of Massachusetts, from which he had quoted during the second-reading debate, it was stated that every company before being allowed to enter upon its proceedings at all was required to have an actual paid-up capital of 500 dollars per mile, and the commissioners referred to the amount as too small, and expressed the opinion that it should be far larger. Some hon. members with whom he had conversed on the subject had agreed with that view, but he, for his own part, should be content if a guarantee to that amount were obtained. An actual paid-up capital of £100 per mile would be something tangible—it would be more than would be paid up by a mere firm of speculators who intended only to float a company, sell the shares at a premium, and then allow the concern to be wound up. Nothing could be more disastrous to the internal interests of the country, and to its reputation abroad, than to have a joint stock company formed in England with a large nominal capital, a large number of shares nominally taken up, carrying on its operations for a time on paper only by means of false statements and certificates, and ultimately winding up to the great loss of the shareholders. The history of the law courts in the years following 1866 had been a continual exposure of frauds of that kind, and numerous regulations for preventing them had been made on the Stock Exchange without success. If such a case were to occur in connection with Queensland it would result in more harm to the reputation of the colony than almost any other thing that could happen, for it would not be easy to induce investors to discriminate between the colony in which the money was to have been expended and the speculators who used the name of the colony to get the money from the public; and colonists in Great Britain might come to be ashamed to own themselves Queenslanders. Some precaution ought, therefore, to be taken. The guarantee he proposed would not, he thought, be alone sufficient; one of the oldest of the American States had adopted it and had considered it insufficient; but it was better than none at all. The word "ratify" in the amendment he was about to propose might be altered to "confirmed" if the latter word had been used in other parts of the Bill. He moved the insertion of the following new clause:—

"No agreement made under this Act shall be ratified unless the contractors shall be a joint stock company incorporated according to the law of some part of Her Majesty's Dominions, and registered in Queensland according to law, nor until the contractors shall produce to the Minister a certificate, signed by the Auditor-General, that it has been proved to his satisfaction that such company has a paid-up capital, actually available for the purposes of the construction of the railway, equal to one hundred pounds for every mile of railway agreed to be constructed."

He had presumed that the company would be a joint-stock company for the reason that otherwise it would be impossible to prove that the capital was paid up. In the case of a partnership between half-a-dozen persons there was nothing to prevent the partners from withdrawing their money and applying it to some other purpose immediately afterwards; and it was not likely that a private individual or any single capitalist would enter upon such a speculation. He had suggested that the company should be registered in Queensland in order that should any difficulties arise the company would be practically amenable to the Queensland courts. He did not, however, attach any very great practical importance to that condition, and, if in the opinion of other hon. members the enforcement of such a condition would operate to prevent capitalists from coming forward, the condition would have to be omitted. It was, however, very desirable that such a company should be amenable to the Queensland courts, because it might be necessary to wind the company up. The company might be enormously in debt to people in the colony, but if the company were not registered in Queensland the Queensland courts would have no jurisdiction to wind it up, and the people could get no redress. That was his reason for making that suggestion; he regarded it as one of considerable importance, but not so important as some others.

The PREMIER said he agreed with a great deal the hon. gentleman had said, but he did not think he (Mr. Griffith) understood the operation of the Bill, or he would not have introduced a

clause of this sort. It would completely block any proposition being made by a company at all, because they would have to comply with the provisions of the clause before they had the slightest information as to whether they were going to get the contract or not.

Mr. GRIFFITH: No; I do not mean that.

The PREMIER said the Government, in the first place, would receive a preliminary offer from a company; then they would submit it to Parliament for ratification, but before that ratification took place this clause actually required that the company should be formed, should be registered in Great Britain and in Queensland, and should have a paid-up capital of—taking, for instance, the Carpentaria line from Roma to Point Parker, 1,000 miles—£100,000. All this had to be done before they had the slightest idea of how Parliament was likely to deal with their offer. Could any man ask a company to do a thing of that sort? What the hon. gentleman, no doubt, meant was that it should be a condition that before they finally arranged the whole of the terms of agreement with a company they should be satisfied that they were a company that had that amount of capital. If that was the meaning of the hon. member there could not be much objection to it.

Mr. GRIFFITH: Yes; I will alter the wording of the clause.

The PREMIER said he would now speak of the matter from a different point of view altogether. He believed that, in all likelihood, this work would be carried out by a company, but he did not see any reason why they should debar an individual from carrying it out. He did not see that there was any great merit in undertakings of this kind being carried out by joint stock companies any more than by private individuals or firms, and there were plenty of private individuals and firms in the world who could undertake a thing of that sort. By restricting it to joint stock companies they might debar themselves from carrying it out in a more advantageous way. He did not object to the guarantee, because if the line was carried out by a joint stock company this was a small guarantee to ask—£100 per mile; but he did not see why it should be confined to a company.

Mr. GRIFFITH said he understood the term "ratify" in this clause to signify the final ratification of the contract by Parliament, and he was dealing with matter subsequent to that. The object of the Bill was to give notice to the world of the conditions upon which such a proposal would be entertained, and the intention of the clause was to show that the agreement would not be finally ratified except under those conditions. The fact of the company having a paid-up capital, although it might not be a guarantee to the Government, would be a guarantee in this sense—that certain people had put down their money for a certain purpose and that they could not apply it in any other way—because in the British dominions joint stock companies could only apply their capital to the purposes for which they were incorporated. There would therefore be a guarantee that the money would be applied to the purpose. The only other kind of guarantee was a money bond; but in the case of a money bond or deposit of money the Government would only be entitled to recover for any loss actually sustained, and perhaps they would not be able to show that they had sustained any loss. There were many reasons in favour of joint stock companies. Under certain circumstances, in the case of private individuals, there would be practically no remedy.

The PREMIER said the Bill provided that the contractors must make at least thirty miles of line before they could get a single acre of land, and he did not see what better guarantee was required. When tenders were accepted for an ordinary railway contract a guarantee was given by the contractors, but there was a good reason for that, because the contractors were paid from the moment they started the work; they got fair value for their work—from 75 to 90 per cent. There was a reason there for a money guarantee; but in this case it was different, because they would require the company to construct at least thirty miles of railway before they got a single bit of land. He did not object to provision being made for a sort of sliding scale by which, on the completion of each section, so much land should be handed over to the company, always keeping a large reserve in hand as a guarantee that the line would be ultimately carried out—to provide, in fact, that after having got a lot of land the contractors should not leave the line uncompleted. But that, he considered, was not of so much importance, because the success of the undertaking would depend entirely on its completion. If the company commenced at both ends of the line they would be bound to go on and complete it in order to make it pay. That would be a sufficient guarantee; but he did not see why a certain amount of land should not be reserved, say one-fourth, until the final completion of the line.

Mr. MILES was understood to support the amendment.

The PREMIER said he had pointed out that no land would be granted until at least thirty miles of line had been completed, but he thought a much better guarantee or security for the carrying out of the work would be that the first portion of the line to be constructed before the contractors got any land should be much larger than the other portions—say, that in a line 1,000 miles in length, they should complete one-tenth, or 100 miles. He forgot to remark before that on the Carpentaria line the lands at both ends were not at all valuable. Their value would depend entirely upon through communication being carried out.

Mr. KING entirely agreed with the hon. member (Mr. Griffith) that it was of great importance that the company should have a paid-up capital of not less than £100 for every mile of line, but he thought, from the explanation that hon. member had given when he spoke last, that it would be undesirable that the amendment should be inserted in the Bill at the present time. He understood the hon. member that the ratification of the agreement to which he alluded was one to be made by the Parliament that passed the Act of final ratification; and it appeared to him (Mr. King) that by passing this amendment they would limit their own powers, or the powers of the Parliament that dealt with the agreement, in regard to the ratification. If the amendment was not incorporated in the Bill the Parliament that dealt with the matter would be in the same position as the House now was in regard to the Burrum Railway Bill. If Parliament thought it desirable that a company should be formed and registered before they discussed the Bill they could only say so, and the parties to the Bill would, of course, have to comply with the requirements of Parliament. It was evident that the necessity for this legislation or compelling the contractors to be registered as a joint stock company would depend very much on who they were. If they knew the names of those who were going to enter into the agreement they should be in a better position to say whether it was necessary that a joint stock company should be formed, and,

therefore, they should retain liberty of action in that respect, and not encumber themselves with the amendment.

Mr. GARRICK said he did not know what was to be done with the 31st clause, which provided—

> Every agreement made subject to the provisions of this Act shall, as soon as practicable after the execution thereof, be laid upon the table of the Legislative Assembly; and unless sooner ratified or disapproved of by a resolution of such Assembly, such agreement shall be deemed to have been ratified, and shall be binding upon all the parties thereto, after the expiration of thirty days from the date on which it was laid on the table of the Legislative Assembly as aforesaid.

That clause might be modified, but as it stood it seemed to him that if the agreement was once ratified it would be binding on all parties. In reference to the amendment, so far as he was concerned he would prefer an individual guarantee, for this reason—they could always judge a good name, and if they got a good name they would have unlimited liability in respect of that name; but in the case of a company they would have a limited liability. That was one of the dangers of companies. In the one case it was something the same as having a good name on the back of a bill—the party was liable to his last shilling; but in the case of a company the party was only liable to the amount paid up, or, at the outside, to twice the amount of his shares. He did not see any objection to contracting with an individual as distinguished from a company; but should they contract with a company, the provision that the company should have a paid-up capital equal to £100 for every mile of railway to be constructed would be very useful.

The PREMIER suggested to the hon. member for North Brisbane that he should allow the amendment to stand over until after clause 31. He was going to make the following suggestion: that was, that if it was considered desirable that the work should be done only by a joint stock company, the proper provision to make was that the agreement should not be binding unless within a certain time—say three or six months—a joint stock company with a certain amount of capital was formed. He did not consider it necessary himself, because he believed individual security was as good as any joint stock company.

Mr. MOREHEAD said he should like to know from the Premier what would be the effect if a company or a syndicate proposed to start the railway from Roma towards the Gulf? There was a projection to extend the existing western railway fifty miles from Roma; a large area of land had been sold on each side of the proposed line—almost contiguous to it—and he could not see how the land-grant system could apply over that particular distance. It seemed to him that the State was bound to carry out the railway up to Mitchell, to which point it had been approved by the House, and after that point the land-grant system could come in. The land having been alienated along the line he referred to, the land-grant system could not come in unless the State was prepared to buy back the land at a larger price than the price arrived at by arbitration and to hand it over to the syndicate.

The PREMIER said the Bill provided thoroughly for cases where the land along the line had been alienated. The object of the Bill was that in giving the land to the company they should have no power to select, and in order to effect that he had adopted the principle of giving them half of the nearest portion of land which the Government had in their possession. If the land close to the Roma line or any other line had been sold, or was under such obligations that the Government could not dispose of it, the company would have to take the nearest Crown land.

Mr. MOREHEAD: They would have to go outside the 50 miles on each side?

The PREMIER: Yes; it might be 100 miles from the line.

Mr. LUMLEY HILL: They would have to take the land whether they liked it or not?

The PREMIER said they would. The object was to prevent the slightest element of choice in the matter; they must take the land wherever it might happen to be. If some of the land was bad or scrubby it might not be looked upon as worthless by capitalists: they might consider it valuable from a mineral point of view. He was quite sure that English capitalists did not look merely to the pastoral properties of country; and he believed that they would take the country between Emerald and Barcaldine, and between Mitchell Downs and Charleville, just as fast as they would that further out.

Mr. LUMLEY HILL said it seemed to him that this was something like the old principle of running a line to a mountain because there might be something in it. He was not aware that there had been any indications of mineral wealth in that part of the country.

The HON. G. THORN said two-thirds of the last loan authorised had been floated, and money had been procured to construct this line some considerable distance beyond Mitchell; and supposing this Bill were passed, what did the Government propose to do with that money? Were they going to ignore the south-west part of the colony altogether? If they were going to make a railway to the Gulf they should start from the point up to which they had borrowed money to construct the line. Before passing the Bill he would like to know what the Government intended to do with this two millions of money. The more he thought about it, the more convinced he felt that they should extend the trunk line as far as Mitchell upon the loan system. He did not take the gloomy view of this matter which was taken by some of the newspapers. He not only believed that a line to the Gulf of Carpentaria would pay working expenses, but he believed that it would pay 8 or 9 per cent.

The PREMIER said it was not for the Treasurer to decide what would become of the money which Parliament voted for certain lines of railway. If the Treasurer wanted to do something else with the money so voted he would have to ask the permission of Parliament.

Mr. MOREHEAD thought the Committee had received a very satisfactory explanation from the Premier as to the land in the Western Railway Reserves. The Act was not to be repealed or interfered with. Land outside the reserve would be taken by the railway contractors, no matter in which direction the line might go. The hon. member for Northern Downs knew as well as he did that there was no land in this particular reserve which, if sold, would pay for the construction of a line from Roma to Mitchell.

Mr. RUTLEDGE thought that if the whole of the proposed preliminaries had to be attended to before the contract could be finally ratified, mere speculators would be effectually discouraged.

Mr. GRIFFITH said he did not think the proposal to provide for individual contractors worthy much consideration. A transaction involving the expenditure of several millions would not be undertaken by an individual. The

undertaking would have to be carried out by a company. He proposed to amend the clause, so that it would read in this way—

"Any agreement made under this Act with a joint stock company shall be subject to the condition that before commencing operations such company shall be incorporated according to law, in some part of Her Majesty's dominions, and registered in Queensland according to law, etc."

The Stock Exchange Committee did not allow shares in a company to be quoted until it had been proved that a certain amount had been paid up; but even they were deceived sometimes. In one of the American cases he read the other evening, one gentleman gave it in evidence that the money was no sooner paid in than it was taken out again. The Auditor-General being an officer of Parliament would be the best person to issue the certificate.

The PREMIER said he did not object to the clause, but he believed it would prove inoperative. He did object, however, that the officer appointed to give the certificate should be the Auditor-General. There was already a difficulty in determining where the Auditor-General's vote ended and his own vote commenced. The Government of the day should be held responsible.

Mr. GRIFFITH said he proposed the Auditor-General because he was supposed to be a permanent and impartial officer. It sometimes happened that the Auditor-General and the Government of the day differed in matters of expenditure. Presuming that it were a question of protecting the reputation of the colony the Auditor-General was the proper person to issue the certificate. The fact that it had been proved to the satisfaction of a Minister that there was a certain amount of paid-up capital would not count for much.

The PREMIER said the work involved was purely Executive work. The difference between the approval of the Auditor-General and the approval of a Minister was this—that the one was responsible only to the extent of the loss of his situation, while the other had far more serious responsibilities. Surely the hon. gentleman did not mean to say that in this matter the Auditor-General was better than the Government?

Mr. DOUGLAS said there was this advantage in the proposal of the hon. member for North Brisbane—and it applied to any Government which might be in power—that the Auditor-General was not a politician. The Government of the day would be affected by the political colouring through which they viewed objects of this kind. He saw no objection to the proposed guarantee, but he would suggest that it would be preferable not to deal with this question until they had determined in what form clause 31 should be passed. It was true that they were looking at this whole question very much through the spectacles of the line projected from Roma to the Gulf of Carpentaria; but the principles of the measure did not end there. It was desirable, however, not to overlook the fact that the Bill might be applied in many other cases. He held in his hand a pamphlet he had recently received from Canada. It was entitled "The Problem of Canada," and it contained full information as to the various schemes in connection with the Canadian Pacific Line, and, *inter alia*, the scheme of the late Government—the Mackenzie Government—although he believed a new scheme had since been authorised. The scheme contained the following clause:—

"That the contract for any portion of the said work shall not be given to any contractors unless such contractors give satisfactory evidence that they possess a capital of at least four thousand dollars per mile of their contract, and of which 25 per cent. in money, Government or other sufficient securities approved by the Governor in Council, shall have been deposited to the credit of the Receiver-General, &c."

He presumed that the Receiver-General meant the Treasurer. It was clear, however, that most substantial security was required. Before they finally ratified the construction of a line from Roma to Point Parker, however, it would be requisite to pass an Act of Parliament, and in that Act they might embody the security they required from the particular company undertaking the construction. Meantime, he saw no reason why they should not make provisions applicable to all companies. For a mere preliminary offer he did not think they required such guarantees as might be subsequently required. He would prefer to consider the provision, however, at a later stage in committee.

Mr. MOREHEAD said he was astonished to hear the remarks of the leader of the Opposition in reference to the Auditor-General. The hon. member's argument was to the effect that the Auditor-General not being a member of Parliament could not be dishonest.

Mr. GRIFFITH: It was nothing of the sort.

Mr. MOREHEAD did not see why they should transfer their duties and responsibilities to an officer who was merely a servant of the House. The Executive led the House, and when they ceased to do so it would be time to put others in their places. If they did not trust those who occupied the Treasury benches, surely they could put others in their places? The effect of the hon. member's proposal would be to make the Auditor-General master of Parliament. The Auditor-General had already tried to assume that position. He had had a good deal of rope: and the leader of the Opposition now asked them to give him still more play. The hon. member would confer the powers of the Government upon the Auditor-General. The hon. member insinuated that to be a politician a man must be dishonest. They must need go outside the House to get this pure, unpolitical Auditor-General whoever he might be; and in so doing vest the powers of the Executive in a servant of the House.

Mr. REA presumed the Auditor-General was appointed because no one trusted the Government of the day when they had such supporters as had the present Government.

The PREMIER said he hoped the hon. member for North Brisbane would adopt the suggestion of the hon. member for Maryborough, and postpone his amendment until clause 31 was before the Committee, when it could, if necessary, be more appropriately introduced.

Mr. BEATTIE thought it would be much better to omit the words "Auditor-General." He thought they might rely upon a Minister, before finally asking Parliament to ratify a contract, ascertaining that the security of the contractors was good.

Mr. GRIFFITH said he had no objection to withdraw his clause at present, and proposing it later on. He had said nothing about politicians when talking about the Auditor-General.

Mr. MOREHEAD: I took it down.

Mr. GRIFFITH said it was perfectly ridiculous to argue that in a business transaction of this sort they should not submit figures to an officer who was specially appointed to examine vouchers and accounts for payment. They might as well apply the same argument to the section relating to the engineer's certificate. They might just as well say that it was an insult to the Government to appoint an engineer to give a certificate. It was merely a matter in

one case of a scientific investigation, and in the other of the examination of figures by a competent accountant. In either case the party should not be amenable to party or political influences. Experience had proved railways of this kind to be powerful political agents, and that was another reason why the person who gave the certificate to the contractors enabling them to commence operations should not be in any way connected with politics. Why he had mentioned the Auditor-General was because that gentleman was supposed to be entirely independent of all party considerations.

Mr. MOREHEAD said he wished to apologise to the hon. member for North Brisbane for having attributed words to him that were used by the hon. member for Maryborough (Mr. Douglas).

Mr. DOUGLAS said that what he had stated was this—that politicians were not sometimes in a position to judge impartially, and, therefore, it was desirable that an officer like the Auditor-General, who was independent of all parties, should give a certificate. He did not think that they, as a Parliament, could have any objection to the appointment of the Auditor-General.

Mr. KING said that there was a considerable difference between the duties to be performed by the engineer under the Bill and the business it was proposed to assign to the Auditor-General, as the engineer was under the command of the Government, whereas the Auditor-General was not an officer under the Government, but an officer of the Parliament who was appointed to examine and report on public accounts irrespectively of any authority beyond that of the Parliament. He presumed that every Civil servant was independent of political influence, and he thought it was only fair to say of them, especially of those in the higher positions, that they were indifferent to all party influences. He could see no reason why the Under Secretary to the Treasury, who was an officer under the Executive Government, should not perform the duty as well as the Auditor-General, who was not under the Executive Government. It was quite true that an Auditor-General might sometimes differ from the Executive Government of the day, but it was not for that reason desirable that the Parliament should give him a general supervision over the whole conduct of the Government. The only effect he could see of handing over the examination of a company's capital to the Auditor-General, instead of leaving it to the Under Treasurer, or the Registrar-General, would be this: that whilst not being more independent of politics than others, he was altogether independent of the Executive Government, and would take the whole responsibility from off the shoulders of the Government. The result would thus be that the whole responsibility would be handed over to an officer who was not responsible. He was happy to say that they had many officers in the Civil service of the colony who were as politically independent and as well able to examine accounts as the present Auditor-General.

Mr. LUMLEY HILL said he had listened to the speech of the hon. member for Maryborough (Mr. Douglas), and certainly the inference to be drawn from it was that, in the hon. gentleman's opinion, as the Auditor-General was not a politician he must be an honest man. The inference was perfectly plain, and at the time the hon. member was speaking he (Mr. Hill) thought it was a most remarkable thing to say. The hon. gentleman tried afterwards to shuffle out of what he said, but it would have been a much more satisfactory course for him to have followed had he explained to the Committee that he did not know at the time what he wanted to say.

Mr. DOUGLAS said he did not understand the hon. member or what he meant by accusing him (Mr. Douglas) of "shuffling out." He never shuffled out of anything that he said, and he always knew what he wanted to say.

Mr. THORN said that the Premier had not long ago got out of a great difficulty by using the brains of the Auditor-General, and therefore should be glad to accept the amendment. He (Mr. Thorn) considered that the Auditor-General was the most proper man to be employed to inquire into such matters, as he was a servant of the House and not of the Government, and was consequently in an independent position. He would like to see the Engineer-in-Chief named as the officer to give a certificate of the construction of a line, and not an ordinary engineer, as an engineer could be purchased to do anything. That was his experience, and he believed it was also that of the Premier, and the Minister for Works. Engineers were like lawyers: they were jealous of each other, and never agreed in opinion. He hoped the Committee would agree to the new clause of the leader of the Opposition; for his part, he heartily endorsed it.

The PREMIER asked if he had understood the leader of the Opposition to be willing to withdraw his clause for the present?

Mr. GRIFFITH said he was willing to postpone it until after clause 31. He did not believe in all the stuff that had been said about Governments never going wrong, as everyone knew that all Governments were liable to be squeezed. It was of no use trying to make believe that all Governments were so virtuous. He was willing to postpone his clause, but hardly knew whether it would come in after clause 31.

The PREMIER said he should be prepared with a short amendment to clause 31. The object of the Bill was that any arrangement made between the Government and a company should be simply preliminary until it was confirmed by Parliament, and not be binding on the Government in any way;—it was simply to save time, and to give some kind of a guarantee to a company, on which they could raise capital.

Amendment, by leave, withdrawn.

On clause 4—"Railway constructed by and at expense of contractors"—

Mr. GRIFFITH asked whether the Government were prepared with some definite scheme for compelling a company to maintain the line?

The PREMIER thought the clause was quite sufficient as a preliminary measure, as it would make the Bill altogether too long to go into details. If the Government thought favourably of a contract, details of that kind would be contained in the Bill which would have to be passed for the construction of a line.

Question put and passed.

On clause 5—"To be equal in strength to the Government lines"—

Mr. GRIFFITH asked if any provision was to be made as regarded the gauge of a line?

The PREMIER stated that the plans would show the gauge.

Question put and passed.

On clause 6—"To be inspected before deemed complete"—

Mr. GRIFFITH said he had given notice of an amendment on this clause, which was partly verbal. The preceding section required that the railway should, in regard to strength and durability, be equal to the railways heretofore constructed by the Government, and he would

therefore move the omission of all the words after "Minister," with the view of inserting the following :—

"And such engineer shall have certified that it has been proved to his satisfaction that the line has been faithfully constructed of sound materials, and is equal in regard to strength and durability to the railways heretofore constructed by the Government, and is safe and fit for public traffic."

Clause, as amended, put and passed.

On clause 7—"Minister may interdict traffic when line is unsafe"—

The PREMIER said he believed there was an amendment to be moved by the leader of the Opposition, and he should be glad to have it inserted.

Mr. GRIFFITH moved that after the word "times" the following words be inserted :—

"During the construction of the line and after its completion."

Question—That the words proposed to be inserted be so inserted—put and passed.

Upon the motion of Mr. GRIFFITH, a further verbal amendment was made, and the following words were added to the clause :—

"And if the contractors shall run any train upon any part of the line upon which traffic is so interdicted during the time whilst such interdict is in force, they shall be liable to a penalty of one hundred pounds for every day during which they shall so offend."

Question—That clause 7, as amended, stand part of the Bill—put and passed.

Clause 8—"Regulations to be approved by Governor in Council"—passed as printed.

On clause 9—"Governor in Council may reduce tolls"—

Mr. DICKSON said the clause was an important one. The rates seemed to be very high, as he had already pointed out. Viewing the Bill in connection with the extension of the railway to the Gulf of Carpentaria, a perpetual minimum rate of 2d. per mile for each passenger and 4d. per mile for each ton of goods seemed to him to be very high. It might be alleged that the contractors would reduce the carriage in order to secure traffic ; but that was a gratuitous assumption. They might, on the other hand, refuse to reduce, and might maintain a high tariff with a view of forcing the Government to purchase the line. The contractors might have been allowed to charge for four or five years the rates mentioned in the clause, and after that time a reduction should be made. The proposal contained in the clause was entirely contrary to the spirit of the age. In the southern colonies a gradual reduction in railway rates, and not an increase, was witnessed. The Committee must look at the time the line would be in the hands of the contractors. The rates proposed would be heavy, and it would be wise for the Government to have the power of reducing them at the end of a certain number of years.

The PREMIER said he was sure the hon. member had no intention of rendering the Bill inoperative. The clause fixed the minimum price to which the Government might reduce the tolls, and he was afraid that 4d. per ton for goods would be regarded as too low. For the lowest class of goods between Ipswich and Roma the rate was 6d. per ton per mile ; for the next class 9d. ; and for the next 1s. 1d. Those were the prices now charged ; they were not at all profitable, and they compared well with the railway rates of the other colonies. He put in a minimum of 4d. per ton per mile for goods, and he would repeat that he was afraid the rate was being made too low. In the Bill, as first drafted, he proposed that the prices should be not lower than the prices charged by the Government for similar goods on similar railways ; but that was rather indefinite. He knew quite well that the Government rates were not likely to be lower than those charged by the railway companies.

Mr. RUTLEDGE said that before the matter was discussed further he should like to submit a new clause to follow clause 8. He found that there was no provision in the Bill to guard against the colony being swamped by Chinese or other objectionable aliens. It was quite possible that the contractors would be anxious to import cheap labour for the construction of the railways, and that a great proportion of it would be Asiatics or Africans. Nothing would be more distasteful to the people of Queensland than to have the door left open for the introduction of such a class of labour. He did not wish to enlarge upon the evils that might arise from it, but he would merely say that the construction of the transcontinental railway in America led to the introduction of Chinese, and that in consequence an outbreak was threatening throughout the United States which would take the Government all their time to appease. He understood the Premier, when speaking about some such measure as this last year, that it would be easy to pass a provision by which such evils as he had named could be guarded against. He certainly thought that a transcontinental railway might be made useful in more senses than one—first by affording a large amount of employment to our own fellow-countrymen, and next by opening up the interior and promoting settlement ; but they should be defeating one of the main objects of the scheme if they did not provide against the introduction of cheap labour. It might follow that a large number of the navvies employed in the construction of the line might be captivated with the lands of the interior, and be induced to become occupants on portions that could be purchased from the company ; but unless some such clause as he would now propose should follow clause 8 were inserted, one of the great means of promoting settlement would be defeated.

The CHAIRMAN said the hon. member could not bring forward the proposition, clause 9 being still before the Committee.

Mr. RUTLEDGE asked that the Premier should temporarily withdraw clause 9 in order to enable him to test the feeling of the Committee upon the question which he had raised.

The PREMIER said he could see no particular reason why the proposed clause should follow clause 8.

In answer to Mr. GRIFFITH—

The MINISTER FOR WORKS said that 3d. and 2d. per mile were the passenger rates, for first and second class, which were now charged by the Government.

Mr. GARRICK asked whether it might not be provided that clause 9 should extend to a certain time? They must always remember that this would be the only line, and that there would consequently be no competition. The rate proposed for goods would bear very unfavourable comparison with the charges on some of the American lines. The Minister for Works had shown that some of those lines carried produce a distance of 1,000 miles for 20s. per ton, and west of Chicago the toll was something about double that amount, and not more. Nothing but wool could stand the carriage allowed by the clause.

Question—That clause 9 stand part of the Bill—put and passed.

Clauses 10, 11, and 12, passed as printed.

On clause 13—"Line to be constructed in time and managed in manner prescribed"—

Mr. GRIFFITH was understood to say that there ought to be some real safeguard provided that the line would be not only commenced but also completed.

The PREMIER said he anticipated that the Bill would be applicable to railways of all classes, and penalties for non-completion could not be prescribed in it. There might be a general provision to say that penalties should be exacted, but the penalties must be prescribed in the Bill to give statutory authority to the agreement.

On the motion of Mr. GRIFFITH, the word "constructed" was omitted with a view of inserting the words "completed under penalties specified in the provisional agreement."

Clause, as amended, put and passed.

Clause 14—put and passed.

Mr. RUTLEDGE moved the insertion of the following new clause to follow clause 14 :—

The contractors shall not employ in the construction of the railway any Asiatic or African not of European descent, under a penalty of one pound for each such person for every day during which they shall employ such person.

The PREMIER said he did not know what on earth an Asiatic of European descent was. The new clause excluded all Asiatics or Africans not of European descent. What were Asiatics and Africans of European descent?

Mr. GRIFFITH was understood to say that they were such persons as natives of Cape Colony, the descendants of the Dutch boers. The natives of British colonies in Africa and European natives of English possessions in Asia would be Asiatics of European descent.

The MINISTER FOR WORKS said hon. gentlemen need not fear that the aboriginals could be got to make the railways.

Mr. GRIFFITH said he did not speak of them. It was only a matter of minor criticism, which did not alter the great principle that they should not allow the lines to be made by Chinese. If they were not made by Chinese they might be by coolie labour, and the amendment aimed against both. It was a very serious question and deserved serious consideration.

The PREMIER said he had asked the question so that the mover should have an opportunity of explaining the class of people he wished to exclude; but he had not done so yet. It was a matter of very great importance, and the hon. member ought to put the strong points before the Committee; and it was not going to pass without. He (the Premier) considered it a vital part of the Bill, and he wanted it thoroughly understood. He would express his own opinion as soon as he understood what it actually meant.

Mr. RUTLEDGE said that what he meant by the new clause was to exclude not only Chinese but those who were living under British rule in India—Hindoos, coolies and others. There might be, however, and were a great number of native-born residents of the Chinese Empire, British India, and other parts of Asia who, though they were living in Asia, were not in the essential sense of the term Asiatics. Their parents were probably British subjects domiciled for a long time in the country. For example, in Africa there were large numbers of persons in Cape Colony and the disturbed districts who were colonists, and might be called Africans, because those persons and their parents had been resident for a long period in Africa, and were, as far as their place of residence was concerned, Africans. But to distinguish them from the Zulus and Hottentots and other natives of Africa they were called Africans of European descent. There were many persons who, though living there and intending to live there, and were Asiatic or African by actual nationality, were yet persons born of British parents. There might be many persons who had been acclimatised in Asia or Africa who would be very suitable for such work as the Bill referred to. He did not object to persons coming from foreign parts to assist. All he objected to was the coming into this colony of a large number of persons who had no national sympathies with our people, and who never could be absorbed properly into the population or become permanent settlers on the soil. The amendment was aimed almost exclusively at the introduction of Chinese and coolies; it was not necessary to guard against the introduction of Polynesians after the passing of the Bill relating to them.

Mr. HILL said that from what the hon. member had said he supposed that in a few years they should be described as Queenslanders of European descent?

Mr. RUTLEDGE : I am an Australian, but not an aboriginal.

Mr. LUMLEY HILL said he still thought that the amendment might have been worded in a much more simple manner, and one that would be far less liable to misinterpretation. Why could not the hon. member say "Africans," or "Chinese?" They all knew what Africans and Chinese were, but they did not know what natives of Africa or India were not of European descent. It would be very hard to prove in many cases of what descent they were. The informer would have to produce the pedigree of the person employed to show what his breed was, how many crosses there were, and which constituted a pure-bred person not of European descent, and how far back any strain of European blood would affect him. It was a very simple matter, and could be easily rectified by the hon. member wording his amendment differently.

Mr. RUTLEDGE said the case that he had just stated was one in point. He was called an Australian, but there were a large number of blacks who were just as much Australians as he was. When he used the general term Australian what was he to be understood to mean? If he wanted to draw a distinction between descendants of Europeans here, and the original inhabitants of the soil, he must state the distinction in that way. He did not mean the aboriginals, but he meant the Australians who were of European descent, or not, as the case might be.

Mr. KING said he intended moving an amendment somewhat similar to that of the hon. member for Enoggera. Its wording was, in some respects, better than that of the hon. member. It provided—

"That the contractors shall not employ Chinese, Asiatic, or other coloured labour in the construction of any railway made under the provisions of this Act without the permission of the Governor in Council, and such permission, if granted, shall specify the sections upon which such labour may be employed, which shall not extend further than 200 miles back from the shores of the Gulf of Carpentaria."

He would point out that his reason for bringing in that proviso was, that there was a portion of the line where it might be absolutely necessary to employ some other than European labour. They did not know as yet what the country was on the Gulf, to which this line would be taken. He could recollect, and he thought other hon. members could recollect, in 1864, when Burketown was first formed, the mortality by fever during the first year amounted to 75 per cent. of the total population. Of course, if such a mortality as that occurred amongst one or two thousand men on the line, it would be something horrible to contemplate. It would

be as bad as the Panama railway, where they tried Irishmen and negroes, and at last had to bring Chinese. That was how Chinese first came there. It might possibly be that in the Gulf country for the first 200 miles from the shore, on the flooded country leading back to the ridges, they might have the mortality as severe as it was there. If that was the case, and it was discovered that that part of the railway could not be constructed with European labour, the Government of the day ought to have the power to exempt that part of the railway from the operation of the provisions against the employment of Chinese or other coloured labour. For the sake of their own people they could not encourage the employment of European labour on that part of the railway if it turned out to be unhealthy. He did not think any Government would venture to authorise the employment of Chinese labour unless the necessity for it were shown, because they would not receive much support from the public. This was not a proposition such as they had sometimes debated in the House as to the exclusion of Chinese. They knew all the arguments against that, and that they had no right to exclude some of them. It was simply saying that on the work of this railway for which they were paying by subsidy from the Government they had a right to say whom they would employ—that they would not employ Chinese, Asiatics, or coloured labour, unless they chose to do so. He would suggest to the hon. member for Enoggera that it would be better, under the circumstances, to leave the option with the Government to meet the employment of this labour by special permission limited to certain sections of the railway. By that means they would achieve the object of excluding Chinese generally, whilst they maintained the right to employ them if necessary on any particular section of the line.

Mr. SHEAFFE said he was sure the hon. member for Enoggera was a very humane man, for he had spoken last night about his great humanity, but he was sure that if the hon. member knew the country within 150 miles of the Gulf of Carpentaria he would never say Europeans could do pick-and-shovel work there. If the hon. member liked to go and try it himself he would find it was not child's-play for a European to stand in the sun using a pick or shovel. He thought some such suggestion as the hon. member for Maryborough made might do a great deal of good. There were but few people in Queensland who wanted to see the colony flooded by Chinese, and certainly he (Mr. Sheaffe) was not one. It would be the worst thing that could happen, not because they were not good enough, for in his opinion the Chinese were a little too good for the Europeans. As for constructing railways, when they came to within 150 miles of the Gulf of Carpentaria it could not be done by European labour; and if they confined themselves to it the work would not be done at all. There was no reason why they should prevent themselves from possessing what would be of value to the colony —the transcontinental railway—simply through a sentiment, and a very good sentiment too, that of keeping out a race that alone could do the work, and saying it should be done by Europeans who could not do it.

Mr. DICKSON said the hon. member for Maryborough's suggestion was a most insidious one. It seemed to be for the purpose of acclimatising Chinese for railway construction, and placed the colony in a far worse position, regarding their employment, than at present. It was undesirable at present to employ Chinese labour on railways, but the amendment of the hon. member for Maryborough contained a distinct affirmation that it was desirable that on certain sections they should be employed, and he (Mr. Dickson) certainly did not think it desirable that such an affirmation should be made in the House. It would be far better to delay the construction of the railways than construct them with Chinese labour. The amendment of the hon. member for Enoggera (Mr. Rutledge) might advantageously be introduced into the Bill, and he was sure it would tend to popularise the measure, because there was an apprehension that this railway—he spoke more particularly of the Gulf of Carpentaria line—was one that the contractors, from self-interest if for no other reason, would construct with as cheap labour as they could obtain—namely, Asiatic labour. He trusted the amendment of his hon. colleague would be carried. The amendment of the hon. member (Mr. King) was injudicious, for it would tend to record that the Committee contemplated the introduction of Chinese labour in the railway works of the colony.

Mr. LUMLEY HILL said there was no need to go so far north as the Gulf of Carpentaria to see the unhealthiness of some portions of the colony. When the railway line was being opened up between Blackwater and Emerald he often passed up and down, and the thought always struck him what a pity it was to import such a fine-looking lot of men at such a cost to end in the ruin of their constitutions and, in many cases, in premature death; and that those sections might just as well have been made by Chinamen. He was no advocate of Chinese labour, but when there was unhealthy country to go through—and there was a good deal of that in the colony—it would be much better to employ cheap Chinese labour to do it. He did not speak of the cheapness of their labour, but of their lives. It did not matter how many of them died, and besides they were not so likely to die as Europeans; and to see their own fellow-countrymen dying or becoming invalids for life through working in a country like that was very harrowing to his feelings. It was all very well for town members, who never went further than Ipswich or Darling Downs, to talk; but he had a far wider experience of the colony than they had, and he was perfectly certain that there were parts in which they would be very sorry to work, or even to superintend the work of others.

Mr. THORN reminded the Committee that this was a general Bill, and not a Bill to make a railway to the Gulf of Carpentaria; and if they allowed the amendment of the hon. member (Mr. King) to pass, they could not prevent Chinamen being employed to make all the railways of the colony. There was a large coloured race at the Straits Settlements, within five or six days' sail of the Gulf; and what was to prevent their being brought down in thousands to make the whole of the line?

The PREMIER said the hon. member (Mr. Dickson) said that if the amendment of his colleague was carried it would make the Bill a great deal more popular. No doubt it would; but they had to go a little further than making the Bill popular—they had to make it workable, and he was satisfied, referring only to the Carpentaria line, which he hoped would be made under it, that not a single offer would be made for its construction should the clause be carried in the terms proposed by the hon. member (Mr. Rutledge). It was the wish of the Committee that a Bill of this sort should be carried, and they did not wish to see any clause inserted that would make it inoperative. He had not seen the country about the Gulf of Carpentaria, but he had seen the country half-way to it, and as far as his experience went that country was perfectly fit for European settlement, and there was no need to employ Asiatic or African labour for that portion of the line. They were also

paying for the railway by the lands of the colony, and the proper settlement of the land ought to be a prominent feature of their policy as shown in the Bill. Up to within 150 miles of Point Parker the land all the way from Roma was perfectly sound, healthy country, and fit for Europeans to work in. Beyond that it would be an act of inhumanity to force the contractors to employ European labour when the percentage of deaths might, and probably would, be enormous. If they were to compel the contractors to employ nothing but European labour in that unhealthy country, and the labourers were to die off rapidly, the whole world would cry out against them as inhuman. As to the danger of any Government insisting, in the face of the public opinion of the country, in allowing Asiatic and African races to be employed where they actually wanted European settlement, it was a danger that need not be contemplated for a moment. That was a thing which no Government dared do, but steps ought to be taken to see that proper provision was made for getting railways constructed through those unhealthy places. This was a general Bill, and applied to the whole colony, and the only place where he did not wish the restriction to be enforced was on the shores of the Gulf of Carpentaria. An additional safeguard to that proposed by the hon. member (Mr. King) would be found in the fact that in each individual railway that received the sanction of the House—and they must all do that—provision might be made that no Asiatic or African labour should be employed. It was quite competent for the House to insist upon that.

Mr. DOUGLAS said he would say a few words—first with regard to the amendment of his hon. colleague (Mr. King), which was apparently framed under the belief that it would be necessary to make use of coloured labour on the shores of the Gulf of Carpentaria. With regard to that the opinion of the hon. member (Mr. Sheaffe) was entitled to great weight, for he had had opportunities from personal experience of knowing what that country was like; and he (Mr. Douglas) would hardly take upon himself to venture to contradict him. Still they all knew that whatever work it had hitherto been necessary to do there had been done by Europeans. Wool had been carried by teamsters, cattle had been branded, houses had been built, and whatever was necessary to be done for the occupation of that country had been done by European labour. And what Europeans had done before they might do again. The hon. member (Mr. King) referred to a period when there was extreme mortality at Burketown. But that was nothing more than had prevailed at all times in all new settlements. Even to the south of this, on the Richmond and Clarence Rivers, he could remember, there was at one time great mortality. Look at the mortality on the Burdekin and the Dawson;—those were incidents which appertained to the occupation of all new country. He was not aware that at the present time Burketown was more unhealthy—if people would live under the ordinary sanitary conditions—than Brisbane; and from the Registrar-General's returns, it was evident that Cooktown was not more unhealthy than Warwick. When the inhabitants of that country got gradually acclimatised he saw no reason to believe why the mortality at Burketown should be greater than at any other of their settlements. He could not, therefore, arrive at the conclusion that a railway there could not be made by Europeans; and he certainly could not agree with the statement of the hon. member for the Gregory that European life might be wasted in the construction of railways, and that it did not matter how many Chinese lives were lost in the same way. That was really an inhuman and degrading way to speak of human beings, although it was a way they were sometimes accustomed to speak of the aborigines of the colony. If Chinese could do something for them which they could not get done by others, their lives could certainly not be considered as of no value whatever—indeed, their lives ought to be regarded quite as much as those of other men. He did not think it would be impossible to construct a line by means of European labour. Probably there would be a considerable amount of mortality as there was now in the construction of other lines;—on the Warwick section of the Southern Railway the mortality had been very considerable. The mortality was, however, in a great measure due to the fact that the navvies would not comply with sound sanitary conditions as regards camping in proper places, and having recourse to proper precautions to secure the health of their camps. The other important question was the Chinese one—whether a foreign element should be admitted into the colony. His view of the matter was that hon. members, in their capacity as legislators, were perfectly entitled to lay down the principles by which they might keep out aliens from the country if they thought fit. They had already legislated in that direction, and had taken precautions which up to the present time had been sufficient to prevent any large influx of Chinese. The argument with regard to kanakas was pretty much the same. According to the Imperial laws they were not allowed to come to the colony at all, but certain colonial legislation had been effected making certain conditions under which they might be brought, and giving certain guarantees as to their proper treatment while here. The colony was perfectly able to make such conditions and to take any people they chose into co-partnership in their political and commercial affairs; but when that had been done all those who composed the State should stand on an absolute equality, and he would be no party to building a wall of partition between any classes so long as they composed part of the State. The colony should assert its right to place any restriction it pleased upon the admission of what might be deemed foreigners, but, once admitted, they should be treated as on a perfect equality with the rest of the population. On those grounds he could not support the amendment of the hon. member for Enoggera. The effect of past legislation had been to place a brake on the introduction of Chinese into the colony in undue numbers; that was all that was necessary, and he should not be one to say that contractors should not employ anyone who was a member of the community. A more important question was raised by the proposed amendment of the hon. member (Mr. King), which would almost be a tacit admission that it was necessary that Chinese should be introduced. He was not going to make that admission. He had done his share in restricting them by law, and he was of opinion that up to the present time the restriction had been sufficient for all the purpose then in view. Having done so much, it would not be wise to place unnecessary restrictions upon those few Chinese or other Asiatic aliens who might at this time be members of the community. For the reasons he had given he did not feel justified in supporting either the amendment now before the Committee or that which the hon. member (Mr. King) was likely to propose at a later stage.

The MINISTER FOR WORKS said the hon. member (Mr. Douglas) appeared to be combatting an idea which no one in the House had asserted—namely, that railways could not be made in some parts of this country by European labour. The assertion which had been made was that in some

parts of the colony European labour was subject to great mortality—that it would be much better to employ another race of people who would be more able to stand the unhealthy nature of the climate and soil. The hon. gentleman asked why Europeans should not make a railway on the shores of the Gulf as well as in any other part of Queensland, and he said that he believed that Burketown was quite as healthy as Brisbane. It was most extraordinary that the hon. gentleman should have arrived at that belief, seeing that Burketown was entirely deserted: could the hon. gentleman say how many persons were living there at the present time?

Mr. DOUGLAS: Say Normanton.

The MINISTER FOR WORKS said that was a different part of the gulf waters altogether. The reason of the unhealthiness of the Gulf country was, he believed, that the Gulf itself was a shallow sea for a very considerable distance from the shore, and the land was only elevated one or two feet for hundreds of miles. He did not wish to butcher the Chinese or cause them to die any faster than they would die naturally, but he maintained that out of mercy to the European race the Government should give the contractors the power to employ Chinese in such an unhealthy country. If they were permitted to employ them, say within 150 to 200 miles from the shores of the Gulf, no harm whatever could accrue. He was not afraid to face this question: he had been an opponent of the introduction of Chinese ever since he had been in the House, and he believed he was the first to raise the question, when he pointed out to Mr. Macalister in 1874 the danger that was likely to arise. He was, however, firmly convinced that in this case it would be better that Chinese should be employed than Europeans. The hon. gentleman had taken exception to what the hon. member for the Gregory said in regard to the Comet Scrub; but if the hon. gentleman had conversed with the chief engineer of the Central district he would have heard a tale which would have caused him to alter his mind. That officer had stated to him (Mr. Macrossan) that during the greater part of the time while he was going through that scrub the mortality was so great that he kept the particulars carefully out of the newspapers, fearing that if known the works might be stopped entirely for want of men, and as it was he was frequently at a standstill, the men being laid up with fever, and dying almost like rotten sheep until every camp was surrounded with graves innumerable. Would it not have been better that, in such an extreme case as that, Chinese had been employed instead of Europeans? From what he had heard from those who had had experience of the Gulf climate, he was convinced that the same thing would happen there, perhaps to a still greater extent, if the experiment was tried. There could be no harm in allowing the amendment of the hon. member to pass. It did not mean that the contractors would import Chinese, because there were already sufficient in the colony. In the district of Cook there were at the present time from 8,000 to 9,000, who would be glad to be employed on a railway instead of having to work for half-a-pennyweight of gold, or 2s., a-day. The hon. member for Enoggera was under the impression that the contractors who built the United States transcontinental line imported Chinese for that purpose; but the fact was that the contractors found them ready to hand in California. They had come to the gold diggings, which were beginning to fail when the railway was commenced, and they were only too glad to find other employment. The same thing would happen here if a railway were to be commenced at any time within the next three or four years, and it would not be necessary to import a single additional Chinaman into the colony.

Mr. MILES said he did not think there could be any objection to the proposition of the Minister for Works, if the contractors were restricted to the employment of Chinamen already in the colony; but they ought to be informed before entering into a contract that they would not be allowed to import Chinamen for the purpose of building the railway. The law prevented the Chinese from entering without paying a poll-tax of £10; and that should be a sufficient security against any larger importation. There could be no objection to the employment of those who were already in the colony and could not get out of it. It was a pity that it should go forth to the world that any part of the colony was not fit for Europeans. He could inform the Minister for Works that in the year 1858, on the river Macleay, where he landed, the country was considered unfit for Europeans, and half the population were laid up with fever and ague; and the same thing had been said of the land on every river north of the Hunter. Whether the unhealthiness was due to the rank vegetation, or the decay of vegetable matter, he could not say; but the same thing had been said of nearly every district when first taken up. No doubt, the case of Burketown was in the same category. If the amendment of the hon. member (Mr. King) were carried, a proviso might be added compelling the contractors to ship the Chinese off when the line was completed—a portion of the land grants being withheld until that had been done. He would rather that the railway should never be built than that the country should be overrun with Chinese.

Mr. RUTLEDGE said he had no wish to be unreasonable, being exceedingly opposed to extreme measures in all legislation; and if it could be shown that any proposition was extreme in its tendencies he was always ready to modify it. Having conferred with the hon. member (Mr. King) and other hon. members, he had agreed with them to the insertion of a few words which would modify the clause. He proposed to add after the words "in the construction of the railway," in the first line, the words—

"At any place distant more than two hundred miles from the shores of the Gulf of Carpentaria."

He begged to withdraw the original amendment, and move the insertion of the one as amended.

With the permission of the Committee, the original amendment was withdrawn.

Mr. KING wished to observe, in answer to what had fallen from the hon. member for Darling Downs—whom he understood to say that he would have no objection to the contractors employing Chinese already in the colony on any part of the line—that there would be very great objection to that course unless the Chinese were limited to certain sections, because they had no means of distinguishing the Chinese in the colony from others who might come across the borders. A good many had already come across the borders from New South Wales: the Carpentaria section of the proposed railway would be very near the border of the northern territory of South Australia, where there was a large Chinese population who might be induced to come to Queensland if they were allowed to be employed generally along the line. He therefore thought they should limit the employment of Chinese, whether they were already in the colony or not, to certain sections. In answer to what fell from the hon. members for Maryborough and Darling Downs, he was perfectly prepared to admit that wherever Europeans could exist there was no reason why they could not make railways; but the fever they would find on the shores of the Gulf was very different

from any sickness in districts south of that place. Ravenswood, when the quartz reefs were first opened up in 1870, was the worst place for fever ever he was in in Queensland; but the mortality there never approached that at Burketown. Hon. members were perhaps not aware that on the eastern coast of the Gulf of Carpentaria there was not the same extent of flat country as on the western coast, and that accounted for the great mortality which took place at the bottom of the Gulf towards its western side. The country about the point to which it was proposed to take this line—Point Parker—was, he believed, perfectly unoccupied and unsettled. Another thing to be considered was that the people amongst whom the mortality occurred were living in a new township where the accommodation was not first-rate, but still it was better than the accommodation usually provided for navvies constructing railway lines. Anyone who had been along a railway line knew the sort of shelter they had in tents, bough humpies, and bark humpies—all close to the ground, and of the very worst kind of shelter that could be imagined in an unhealthy climate. Of course, if the contractors had to provide proper accommodation for the navvies to preserve health, it would considerably increase the expense of the line; and it was uncertain whether a reasonable amount expended would materially diminish sickness or mortality. He did not think there would be the same amount of mortality amongst the white population at that point as there was at Burke; possibly there might. Burke was the only part of Queensland yet in which the white population had been driven out by sickness. At Ravenswood, and on the Palmer, although they had a bad time of it with fever and ague, still they remained and overcame it; but at Burketown and on the western shores of the Gulf the fever got the best of it and cleared out the white population. As the amendment of the hon. member for Enoggera was now prepared, it went rather farther than his (Mr. King's) amendment, inasmuch as it did not require the permission of the Governor in Council, but permitted the employment of Chinese within 200 miles of the Gulf without the consent of the Government.

Mr. MOREHEAD said, apart from this railway proposal, he was rather sorry to hear the remarks of the Minister for Works, backed up as they were to a certain extent by the hon. member for Maryborough (Mr. King). He (Mr. Morehead) knew something about the Gulf settlement —probably more than any member of that House—and he quite agreed with the hon. member for Darling Downs (Mr. Miles) that that settlement was not abandoned for the reasons given. The Gulf settlement was first taken up by the Scottish-Australian Investment Company and R. Towns and Co., the Scottish-Australian Investment Company going there first; and the reason it was abandoned was because settlement there did not pay. It was not on account of the sickness there. The sickness there was principally caused by bad rum. There was no doubt that what killed a great portion of the first people who went there was the excesses that people often went into on going to an out-of-the-way settlement. That was the reason the settlement was abandoned; and he was not aware, from the knowledge he possessed of the place, that there was any malarial belt running back 150 or 200 miles from the Gulf in which Europeans could not live. He knew perfectly different. He knew that Mr. Landsborough lived at the Gulf for many years; Mr. Atkins, the present manager of Mount Corinth, also lived there at Deavsbrook, on the Albert, and was in the enjoyment of good health. He believed the country there was not more unhealthy than of the other northern parts of the colony on the eastern side. For a good many years the country was held, and it was simply abandoned because the venture did not pay; and at the present moment nearly the whole of the runs there had been taken up, and a considerable amount was paid into the Treasury for them year after year. Therefore, holding these views, he could not agree with the Minister for Works that there was this malarial belt; although he still thought it possible that the work there, as far as the railway was concerned, might be done better by Asiatics than by European people. As was well known at the present time, the whole of the country surrounding Burketown was becoming re-inhabited: that ought to be known to the members of the Government and to the members of the Committee. He held that it was nonsense for the hon. member to give as a reason why settlement had been abandoned that 75 per cent. of the population had died out. If that were the case, let them throw this railway to the Gulf of Carpentaria to the winds at once and be done with it—if they were going to run a worse railway than that across the Isthmus of Panama, right through a fever district that might infect anyone passing through it. With ordinary precautions, he believed, the country it was proposed to run the railway into was perfectly healthy, and he believed it was possible that the work might be done cheaper and with less loss of life by the employment of Asiatics, who were not so fatally affected by the breaking-up of the soil in country of that description as white people. At the same time, he did not hold, as some hon. members did, that it did not matter how many of these Asiatics perished as long as they had the railway. Although these people might differ from them in blood and race, still they were human beings, and had a right to be considered as such as well as white people. Still, that race were more adapted to carry out works of this description, and he would therefore vote for permission being given to employ them. If they were to admit the statement made by the hon. member for Maryborough and the hon. Minister for Works, that there was a malarial belt extending from 150 to 200 miles from the Gulf, it would depreciate the country in the eyes of the capitalists they were endeavouring to get to make this railway.

Mr. MACFARLANE said he was very glad to hear the explanation of the hon. member for Mitchell with reference to the part of the country he had just described around the Gulf of Carpentaria. From the description given by the hon. Colonial Treasurer, who stated that the percentage of deaths was something enormous, followed up by the Speaker to the same effect, he (Mr. Macfarlane) began to think that to make a railway at all to this part of the Gulf would be a very expensive undertaking. From the observations they saw made in the public prints it was evidently expected that at some time there would be a great city on the shores of the Gulf of Carpentaria; but if the place were so very unhealthy he did not think many people would emigrate there. He was, however, very glad to hear from the hon. member for Mitchell that it was not so very unhealthy, and if this was the case he did not see why the employment of Chinese there was necessary at all. The hon. member for Mitchell had said that a great deal of the mortality in the Burke district was due to bad rum, and there was probably a great deal of truth in that. If the Minister for Works would try to bring some power to bear upon the keepers of these shanties that were found along railway lines, no doubt the sacrifice of a great many lives would be avoided. The opinion had been expressed that wherever our own people were

able to live they would be able to make a line of railway; that was his opinion also, and he did not see why the original amendment of the hon. member for Enoggera should not be carried.

Mr. AMHURST said it was well known up north that there was what was called "the Gulf fever," which was as nearly allied to the yellow fever of the West Indies as possible. It was different from the ordinary colonial fever. He had been informed by a gentleman who had had this fever, and suffered from it for eighteen months, that it was almost as bad as yellow fever.

Mr. WELD-BLUNDELL thought the proposed amendment would have no possible effect beyond, perhaps, deterring a good many contractors who might otherwise undertake the construction of the line, although the effect of it would be very small indeed so far as that was concerned, because if the poll-tax of £10 on Chinese were continued it would probably prevent the contractors from introducing large numbers of Chinamen for the purpose of working upon the line. The contractors would not pay £10 per head for Chinese in addition to all the other expenses of bringing them on to the land when they were unable to prevent them from running away and being employed upon other works. Further than that the contractors would know that there was not such a dearth of labour in the colony as to render it necessary to import Chinese or other Asiatic labour. Even if they did employ Chinese, it would not in any way damage the position of white men or reduce their wages, because it was well known that the Chinese would not work side by side with white men, except at the rate of wages at which the white men were paid. The few Chinese who would work upon other conditions would have no appreciable effect upon the position of the white men. Besides, for actual navvy work white men were always to be preferred to Chinamen. Then, again, a company in starting a line of railway to Point Parker would obviously have in view the development of settlement along the line; and the probability was that they would endeavour to import labourers with families, who would be willing to take up the land.

Mr. THORN hoped the hon. member for Enoggera would withdraw his amendment. He held with the hon. member for Mitchell that the Gulf country was not more unhealthy than other parts of the colony; in fact, it was more healthy than some other parts. He did not know a healthier township in the tropics than the township of Normanton, which he believed was not more than thirty miles from the Gulf as the crow flew. When he was in office the telegraph operator and others there enjoyed quite as good health as other people in the colony. Only the other day a gentleman started from Rockhampton with fifty drays bound for the Gulf settlement. He questioned whether the hon. member for Burke knew the country very well; at all events, he had never heard of 70 out of 100 people dying there. Bad rum was the secret of the high rate of mortality; there was no fever in the matter. If the people would only drink good rum it might often prove a preventive of fever and ague.

The COLONIAL SECRETARY said the Committee had drifted into a discussion upon the healthiness or unhealthiness of the Gulf country, with which the Bill had nothing whatever to do. A good deal had been said on both sides, and a good deal of what had been said was true. He believed that parts of the Gulf country were healthy and that other parts were very unhealthy. He saw no necessity for the proposed amendment; their present law was ample for the purpose. There was a £10 poll-tax upon the introduction of Chinese or other Asiatics, and that ought to be quite sufficient. If contractors chose to employ Chinese at the rate of £10 per head for importation, why should they not be allowed to come in and make railways? They were over-legislating, and should endeavour to confine themselves to the question—did they intend to make a Bill which would induce any company of capitalists in England to come forward and enter into a contract with the Government? If they continued putting stumbling-blocks of the description now proposed in the way, they would not get their railways. The Committee should remember that South Australia was working in a direction the very contrary to the tendency of legislation here. South Australia was encouraging the introduction of Chinese into her northern territory. The Chinese were coming there by hundreds, and were being encouraged in every possible way. The result of over-legislation on their part would be this—that South Australia would do as she did in the matter of the electric telegraph—namely, steal a march upon them, and have her central railway constructed long before they had commenced to think about it. That was the practical way in which they should look at the question.

Mr. REA said the Colonial Secretary should not forget that his colleagues had started the question of the healthiness or unhealthiness of the Gulf country, the Premier having suggested that the employment of Asiatic labour should be limited to a radius of 150 miles of the Gulf. So far from South Australia encouraging the introduction of shoals of Chinese, the Colonial Secretary would find, if he looked at the latest intelligence, that the residents of Adelaide were protesting against the introduction of these people, and a Bill had passed the Assembly to prevent them. A large amount of money had been invested in the Northern Territory, and the South Australians were prepared to do anything in reason to get it back, but it appeared from the latest information to hand that they were strongly opposed to Chinese immigration. Supposing what the Colonial Secretary said was correct and that large numbers of Chinese would be alongside their territory, that was a strong reason why they should insert a prohibition in their contract, or numbers of Chinese might come into Queensland overland, and it would be difficult to discover whence they had come. The hon. member for Enoggera went even further in this matter than the Premier seemed prepared to go.

Mr. McLEAN said that, in legislating on this matter, and especially with reference to the construction of a railway from Roma to the Gulf, the Committee should bear in mind that it was proposed to make large concessions to the contractors upon the supposition that they would employ European labour. That was one feature of the Bill. The contractors would be amply repaid by the employment of European labour. It was not a question of the healthiness or unhealthiness of the Gulf country. He knew nothing about that himself, and he believed that very few members of that House knew anything about it. It would appear, however, from the statements of the hon. member for Mitchell, that the country was not so unhealthy as many persons seemed to imagine. He preferred the amendment of the hon. member for Maryborough to that of the hon. member for Enoggera, because it might be found, after the work had been commenced, that there was no necessity for the employment of Asiatic labour, and it would be well, under these circumstances, to leave it in the power of the Government either to give or to withhold the concession.

Mr. GRIFFITH said it seemed to him that these matters resolved themselves into a question of price. If the contractors thought they could not work satisfactorily without the employment of Chinese labour they would ask a higher price. It was simply a matter of bargain.

Question—That the clause proposed to be inserted be so inserted—put and passed.

On clause 15—"Lands pre-empted subsequent to agreement"—

Mr. GRIFFITH said that the clause involved a very serious question, which could scarcely be considered apart from clause 17. It appeared to him that as soon as a provisional agreement was made, the rights of the pastoral lessees on either side of the proposed line of railway must be in abeyance—for a time, at any rate, as it would never do to allow the construction of a line to be interfered with by individual lessees near the line taking up pre-emptive selections. As the Bill stood, it proposed that the right of pre-emption was to hold good, and therefore he had given notice of an amendment to omit this clause, and also clause 17, and to insert another instead, to this effect:—

So soon as any provisional agreement shall have been made under this Act, no pastoral lessee shall be entitled to purchase by way of pre-emption any land situated within such a distance of the proposed line of railway that any part thereof will be included in the blocks to be surveyed as hereinafter provided.

Clause 15 did not go quite so far as the clause he had just read, as it only applied to land that might be actually required for the construction of the line. He would, however, point out that as soon as a provisional agreement was made with a company it would immediately be well known to the lessees where the line was to go, and they would immediately proceed—and very naturally so—to select what was termed the "eyes" of the country, and would pre-empt all the water-holes, thus seriously interfering with the allocation of the blocks afterwards. It seemed to him that as soon as the Government determined to make a line on a particular route, the land required for that line should be reserved from pre-emption, as, if the eyes of the country were picked out, the contractors would not get as good or as valuable land as they were led to expect, and as they had a right to get. There were a great many runs in the country—he would not say in the remote interior, as he knew nothing of the land there—where if one-sixth was taken away by pre-empting—and of course it would be the pick of it—the remainder would be comparatively of little value. It might very well happen that 10,000 acres which included all the water-holes would be as valuable as 20,000 acres out of which all the water-holes had been picked, and if they allowed the lessees to pick out the best of the land whilst a provisional agreement was under consideration they would have to pay the contractors a much higher price in some other way. He took it that what they would be expected to do was to give a block as it was, and not a block where all the best of the land had been picked out. The 15th section was perhaps of little consequence, and whether it was carried or not might not much matter; but his impression was that there should be no pre-empting allowed. If that section stood it clearly provided that there should be no interference with pre-emption, and thus in many cases the most valuable land might be picked out of the block, as the lessee would be sure to pre-empt the very best land.

The PREMIER said he did not agree with the hon. gentleman that the question contained in clause 15 was bound up with clause 17, as the two clauses were quite apart. As regarded the argument brought forward by the hon. gentleman that the clause should not be allowed to stand, he would point out that at present the Crown lessees had a right to pre-empt 2,560 acres out of every 16,000 acres; and surely the hon. gentleman did not mean to say that the lessees should not only lose the half of their runs, but also the right of pre-emption they now possessed? If that was the hon. gentleman's proposition a more unfair one was never made. The lessees had a perfect right to pre-empt, and a great deal more right when the rest of their land was taken from them. He thought that the right of pre-emption should not cease when a provisional agreement was made, and if he thought that the Bill would have such an effect as that proposed by the hon. gentleman he would rather see it torn up, as he would not be a party to see such an injustice perpetrated on any body of men. The hon. gentleman assumed that as soon as a preliminary agreement was made the line would be located, but, taking the line to the Gulf of Carpentaria as an instance, he did not know for 70, 80, or 100 miles, perhaps, where that line was going; and surely the hon. gentleman did not mean to say that over that vast extent of country which that line was going the Government should stop all right of pre-emption? The Government had the power when a line was fixed to give the right of pre-emption, but not before. Then, again, the hon. gentleman said it might be a case of picking out the eyes of the country; and no doubt the lessees would pre-empt the best country, as they had a perfect right to do, and the consequence would be that the contractors would have to go further back. No doubt it was a part of the bargain that the contractors would take into consideration, but, at the same time, it was quite enough to take away the land from the lessees without depriving them of their right of pre-emption. He (the Premier) would not do such an injustice, and, in fact, would rather not have the Bill at all under such circumstances.

Mr. GRIFFITH said that if there was an injustice at all it was in taking away the land from the lessees in these blocks. If it was contemplated to take away five-sixths of the run, why not take precautions to secure the other sixth, as it would be of no use to the lessee? It was a strange thing for the hon. gentleman to say that if the right of pre-emption was not given the Bill might go altogether, as he (Mr. Griffith) questioned whether there was any right. No right was ever given by the law, as all it said was that the Government might allow a lessee to take a certain portion of land; there was no right given by the Pastoral Leases Act; and, therefore, he contended that the lessees should not be allowed to take land to the prejudice of the whole bargain. He would ask what would be the value of a selection crossed by a railway for pastoral purposes?

The PREMIER: They would not take it.

Mr. GRIFFITH said they would not know till the line was surveyed. The whole thing resolved itself into this—that if the best of the land was pre-empted they would have to pay the contractors in some other way by giving them more land—in fact, the uncertainty that prevailed with regard to the land would seriously interfere with any contract. It was quite true that it might not be known where a line would go, but the contractors would be sure to ascertain before they made a bargain. It was provided that they were to have alternate blocks, but in the meantime other persons were to be allowed to pick out the eyes of the country. He could not see why the supposed rights of individual lessees should be allowed to stand in the way of the

country making a good bargain. The hon. gentleman said they would have half of their runs taken away, but if so they would have the benefit of a railway brought to their very doors and would have cheaper carriage. Surely that was compensation. Had it not been recognised in the Railway Reserves Act and other parts of their legislation? Was it not a stipulation in the leases that the whole area might be taken away at six months' notice, and was not the Bill framed on the assumption that portion was to be taken away on the notice required by the Pastoral Leases Act being given? All that he proposed to take away was the right of the lessee to prejudice the allocation of the land in a manner which would seriously interfere with the making of a good bargain. He was surprised to hear the Premier say that he would sooner tear up the Bill than allow the amendment to pass. Surely the Bill was not exclusively for the benefit of the pastoral lessees? Their right of pre-emption could be taken away by a stroke of the pen: if the Governor in Council resolved that there should be no pre-emption, no power on earth could interfere. It was merely a matter of bargain, as he had already said. The privileges sought to be retained for the lessees could be no benefit except for the means of extortion.

The PREMIER said the hon. member had stated that the principle he was advocating was affirmed in the Railway Reserves Act. The hon. member could not find it there, for not only were the rights of pre-emption allowed but they were actually extended; so that the lessees, instead of being compelled to select so much out of each block, were allowed to consolidate, and it was given as a great concession to the squatters by the Government of which the hon. member was Attorney-General. He differed from the hon. member in his dictum that the pastoral lessees had no right of pre-emption, and his own words in his amendment showed that he did not think so. He provided that no pastoral lesssee should be entitled to purchase by way of pre-emption: if the pre-emptive right did not exist, why legislate against it? He (Mr. McIlwraith) held that there was a right of pre-emption, and that it would be a gross injustice to take it away from the occupants of any part of the colony, and he would be no party to perpetrating any such injustice. The hon. gentleman said that the Governor in Council could by a stroke of the pen do away altogether with any supposed right of pre-emption. It would be an extraordinary thing to do, and would lead to the ruin of the colony. It would be an act of repudiation such as had never been attempted, and never would be, he believed. The hon. gentleman said the only value of the right of pre-emption would be to make of no value the contractors' blocks. The Committee did not know the size of the blocks that the contractors would receive. It was quite possible that they might not be more than 2,560 acres, but the hon. gentleman seemed to fancy that the 2,560 acres which the lessees might pre-empt would be small blocks inside blocks of 16,000 acres to be given to the contractors. The hon. gentleman, judging by his amendment, seemed to be under the delusion that the land would be given in large strips and in one block, but it might be in one-mile sections: how, then, could a pre-emptive area in the middle of a nest of selections destroy the value of the selections? He did not believe that the allowance of the right to the lessees to pre-empt would have the slightest effect upon the amount of land that the contractors would require. The lessees would probably, as the member for Stanley interjected, take up the water-holes—a man who did not take up a water-hole when he had the right of pre-emption was a great fool. It was absurd to say that the right of pre-emption would enable the lessees to take up all the water. He believed that the pastoral lessees, as a rule, picked what was the best land artificially, and made dams to obtain water. Picking out the eyes of the country was not known in the interior; men rarely picked for the water. The men through whose runs the line would run would most likely select where they had built their dams, and they were entitled to do that. It would be an act of repudiation not to allow them to do so. They would be only selecting property for which they had paid.

Mr. REA said they had now got to the battle-ground of the measure, which was one to provide plunder all round—first of all plunder of the squatters through whose runs the railway would go, and then plunder of the public by an indefeasible lease. With regard to the route of the line—about which they had not been able to get any information—he hoped hon. members would stonewall if it went further west than half the distance between the seaboard and the western boundary. He would never be a party to doubling the value of land owned by members opposite in the far interior, and inside the South Australian border; and until they knew what the route would be it was the duty of the Committee not to go further. Who was to decide the route of the railway? Was it the Minister, or the contractor, or Parliament? Until they got something like a rough map showing how far inland the railway would run the Committee should not proceed further. The sting of the project was to make saleable the land held by hon. members opposite in the far interior and inside the South Australian border. The Premier had again and again said that he would never do anything so unjust as to interfere with the right of pre-emption. But if the squatter were to be driven out, ousted without any chance of recompense, his neighbour's run at the back would be increased in value fourfold by the railway.

Mr. KING was understood to say that in considering the preliminary Bill to authorise the construction of railways on the land-grant principle it would be premature to decide the question of the tenure of the lands of the interior. With reference to what the leader of the Opposition had said about the pre-emptive right, he was informed that the view the hon. gentleman took that the right of pre-emption was not absolute was correct. The words used were that "it shall be lawful for the Governor in Council," but in the practice of the Land Office these words had been interpreted to give an absolute right; and he believed it was a right which had never been refused, or at all events very seldom. It was obvious that if it were suddenly stopped it would be very hard upon the settlers who happened to be near the supposed route of the railway. Even if they drew a straight line from Roma to Blackall, then to Cloncurry, and then to Point Parker, they would still allow twenty-five miles on each side for the railway to take the easiest route; so that the conditions of tenure of a belt of country from sixty to seventy miles wide would be altered, and it would be very hard upon the men who imagined that they had the right to pre-empt to be told that they could not exercise it as the land might be wanted, whilst those outside the belt would be left untouched. Before taking such a step as cancelling the pre-emptive right of the settlers within the railway belt, it would be wiser to postpone the matter until they came to consider the whole question of the pastoral tenure and the rents to be paid. It seemed to him that there was no avoiding the conclusion that if the amendment of the hon. member for North Brisbane were carried, and

the pre-emptive rights were cancelled on the whole of those runs which were somewhere near the line of railway, it might happen, as the Premier had pointed out, that a man who had made valuable improvements, such as a large dam, would be unable to secure them. The abuse of the pre-emptive right which had brought it into disfavour was that it had been used not to secure improvements but to pick out the best parts of the country. It could not be denied that the lessee of a piece of land who had made an improvement had an equitable right to the pre-emption of the amount which the Act allowed him for the improvement. He did not see how they could manage to introduce an amendment of that effect; but if they could have some assurance that in dealing with pre-emption on the supposed line of railway applications would not be permitted except to secure valuable improvements it would do away with the objection of the hon. member for North Brisbane, for that hon. member, he presumed, did not wish to press his objection to that extent that a man having effected an important improvement would not be allowed to secure it?

Mr. GRIFFITH: No.

Mr. MILES said that the right of pre-emption had no doubt been greatly abused; lessees were given the right of pre-emption to secure their improvements, and he knew, himself, of places where the land would be valueless had it not been made valuable by the storage of water. In cases of that kind it would be very wrong to take away the right of pre-emption. What particularly struck him, however, was that there was no provision made in the Bill as to the route the line would take supposing the contract were entered into. It appeared to be entirely within the power of the contractors to take any route they chose, and stop zigzagging about the country making the line cover an immense distance in order to make it go through the best country. That would immensely increase the cost, and would be, generally speaking, ruination, because not only would the line be extended but the traffic would have to pay double rates. Some provision ought to be made in the Bill that the route should go as far as possible from point to point. Of course, if he were a contractor he would endeavour to run the line through the best country; but they had to legislate not for the contractors but the country. As to the railway running to Point Parker in the Gulf of Carpentaria, if, as an hon. member had said, the line was to be made to run along the South Australian border so as to enhance the value of the runs on the other side, he must say that it was not the duty of the Parliament to give away the public lands for such a purpose. It must be remembered that there would be some considerable difficulty in constructing a railway along the Diamantina and the Thompson, which were liable to floods at times. It would be impossible to construct a railway across those rivers. If the route were laid down it would be more beneficial to the colony.

The COLONIAL SECRETARY said it was very evident the hon. member for Darling Downs had never read the Bill. If the hon. member would have the kindness to look at clause 32 he would find that no company could go zigzagging all over the country. He would read it for the hon. member—

"Whenever an agreement has been ratified as aforesaid, the Governor in Council may, on the application of the contractors, and subject to the conditions hereinafter prescribed, make a provisional order, authorising them—

"1. To make the necessary surveys for the railway, and for that purpose to enter upon any public or private lands along the line of route;

"2. To prepare plans, sections, and book of reference of the railway for the approval of Parliament; and

"3. To take all other preliminary measures necessary for the future construction of the railway."

How were they to go zigzagging all over the country? The survey must be approved by Parliament. It was very evident the hon. member never read the Bill. They must take all other preliminary measures necessary for the construction of the railway. And the 34th clause said—

"The Minister shall, as soon as convenient after the ratification of the agreement or the making of such provisional order, cause a Bill to be prepared and laid before Parliament for the purpose of giving statutory authority thereto."

How was the company under these provisions to go zigzagging over the country and picking out the eyes of it?

Mr. MILES said there was not a single clause in the Bill to insist upon the route which the railway should take. It was all very well for the Premier to say, as he had said over and over again, that he wished to encourage contractors to undertake this work; but would it be fair or just for the House to pass the Bill in its present form and allow contractors to go to the expense of laying plans before Parliament, and then say, "We won't adopt them; you are going out of the way?" That would be monstrous. The Government professed to want to pass the Bill so as to encourage men to undertake this work; but the proper way to do it would be to show them what way to go, and not to reject their tenders after they had gone to the expense of surveying the line and preparing sections. The hon. member must know very well that the cost of the survey was a very large item; and the Bill ought to provide that the contractors should take a direct line as near as possible from point to point, and not travel away towards the South Australian border.

Mr. REA said the 32nd clause gave no information whatever. It appeared that an agreement was to be ratified before the country was surveyed, but there was not a word that indicated the direction the line was to go. Before they agreed to this preliminary Bill they should see something like what line of country the railway would take.

The PREMIER said that in order to show the way in which the provisions would operate through the pastoral lands, he had taken a plan of a portion of the colony and marked an imaginary railway upon it, measuring off 12½ miles on each side of the centre line. Hon. members would see at a glance how it worked, and how the rights of the pastoral lessees would be interfered with. What he wanted to provide was that the whole of a man's land through which the line passed should not be resumed. It would be seen from the imaginary plan that several runs were swallowed up entirely. If a man had to lose his land it would be like skinning him alive.

Mr. GRIFFITH failed to see of what use a pre-emptive selection of four square miles would be to a man whose run had been taken away from him, except to sell to the contractor at as high a price as he could exact for it. The plan submitted by the Premier did not convey to the Committee any idea as to how the scheme would work. It was not provided for in the Bill, but undoubtedly the Government ought to have the first choice of the land, and the pastoral lessee might have a portion of his run left, and the half left ought to be of just as much value to the tenant as the half left under the Railway Reserves Act. In cases where valuable improvements had been made it would be, of course, unfair to take away the land without giving compensation. It would be a mistake to recognise as a right that which was not recognised as such by the law, although it was quite open to

Parliament to create a new right. It had been said that the land would not be given in twelve and a-half square-mile blocks, but it could not be given in less if they were to give 8,000 acres of land to the mile.

The PREMIER said the thing was very easily done—the land would be ruled into rectangular blocks, like a draught-board, one mile square. The hon. gentleman seemed to consider that the contractor must take his block in a rectangle from one side to the other, but he had tried to express in the Bill that he was not to take it in that way at all. The land might be surveyed in blocks from one square mile up to twenty-five square miles.

Mr. GRIFFITH said it was impossible to put more than a hundred bushels into a hundred-bushel measure; and for every mile of line the contractor was entitled to twelve and a-half miles of land, and he could only get it on one side of the line.

The PREMIER: Where does the Bill say that?

Mr. GRIFFITH said the contractor could not take more than half the land on each side of the line; but he could not encroach on the land required for the next mile. If the contractor consented to take a narrower frontage to the line he would only have to go further back.

The PREMIER said the only thing that limited the size of each rectangle was the clause that it should not exceed 16,000 acres. There was no reason why the land should be cut up into blocks 2 miles by 6¼, the contractors and the Government taking alternate blocks. The contractors' blocks might be exactly opposite those of the Government.

Mr. GRIFFITH said the contractors would then get all the land on both sides of the line. Two parallel lines must be drawn, and they might be divided across in any way so long as the Government kept one block for each block given to the contractors.

The PREMIER said when he came to the clause he would move an amendment making the maximum area of one block something more than 16,000 acres. He did not care if the blocks were twelve and a-half miles square. If the hon. gentleman would look at the plan he had sketched he would see that the contractors and the Government took alternate blocks.

Mr. GRIFFITH said according to that the blocks extended twelve and a-half miles from the line.

The PREMIER said certainly they would have to go twelve and a-half miles back.

Mr. GRIFFITH said he objected to the expression "lessee of such land exercises his pre-emptive right," because it professed to recognise a right which was not recognised by law.

The PREMIER said he would accept the suggestion, and move that the words "exercises his pre-emptive right so as to include" be omitted, with a view of inserting the word "pre-empts."

Mr. GARRICK said it was impossible to look at the Bill without considering the whole scheme, and he could not help referring to the 17th clause, which stated that an indefeasible lease should be granted to the Crown lessee for that part of his run which was not required by the contractors. For ten years, therefore, the lessee could not be disturbed in that part of his run, and with regard to the other half it was fair to consider that when the line reached the run it would be worth while for the owner to pre-empt. As soon as this railway reached these runs it would be worth while for the owners to pre-empt for 10s. an acre. They would have got one-half the runs on an indefeasible lease, and they could then turn round—as he (Mr. Garrick) believed they would turn round—and deal with the contractors. It would pay the contractors to sell at less than the pre-emptive price reserved under the lease, and it would pay the lessee to buy at anything under the pre-emptive price; so that, in dealing with the contractors, they could use the cash which they would have been driven to use if their titles had not been in any way touched, and then at the end of the term they could exercise their right of pre-emption. That was not a scheme for altering the settlement of the country: he believed it would confirm it in the way it was now held—that the present leaseholders would become freeholders. He could see that it was an excellent scheme for the lessees if it was properly worked. It was the custom to speak of the pre-emptive right, but it was never intended as a right. He was surprised when he first saw the way in which pre-emptives were dealt with. It seemed to him that the only object of pre-emption was to enable a lessee to secure improvements made upon the land; but pre-emption was made totally irrespective of where the improvements were situated. It was simply used as machinery to take out the very eyes of the country. They always understood that the lessees held their runs ready to give them up when required, but instead of that this seemed a very good scheme for turning leaseholds into freeholds.

Amendment put and passed.

Mr. GRIFFITH said he proposed to divide on this clause. He did not mean to take away the right of pre-emption altogether, but to suspend it so that it should not be exercised to the prejudice of the contractors, because if it was prejudicial to the contractors it must necessarily be to the prejudice of the colony. The pastoral lessees must, to a certain extent, be sacrificed if this scheme was to be carried out. Half the land must be taken from them; they were to keep the other half, and they should not be allowed to spoil the half that was taken from them, which would be the result if they were allowed to pre-empt the best water on the land.

Question—That the clause, as amended, stand part of the Bill—put, and the Committee divided:—

AYES, 21.

Messrs. Palmer, McIlwraith, Macrossan, King, Perkins, Beor, Sheaffe, Amhurst, O'Sullivan, Archer, Thompson, Hamilton, Kingsford, H. W. Palmer, Morehead, Stevens, Hill, Weld-Blundell, Lalor, Low, and Norton.

NOES, 13.

Messrs. Garrick, Griffith, Dickson, McLean, Rea, Rutledge, Beattie, Thorn, Macfarlane, Miles, Douglas, Fraser, and Grimes.

Question resolved in the affirmative.

Clause 16 put and passed.

On clause 17—"Land resumed from pastoral lease"—

Mr. GRIFFITH thought the House was entitled to some explanation regarding this clause. Were the leases to be granted for ever; or what constituted "the remainder of the term?" The present tenure of the lessees was quite good enough. It was as good in the western part of the colony as it was anywhere else. He believed that if the pastoral tenants there had to choose between the present tenure and rent and a better tenure with higher rent they would be found to prefer the present system. He hoped the Premier would be willing to omit the clause, for it constituted no essential part of the scheme. What had the contractors to do with what the colony did with their western lands? What was it to them what their neighbours received? It would be time enough to alter the tenure of the pastoral

lessees in the western country when they came to the House and asked for it.

The PREMIER said the construction which the hon. member for North Brisbane placed upon the word "indefeasible" in this clause did not agree with his own. If there were any serious objections to the word it might perhaps be omitted. He certainly did not take the word to mean leases for ever without any rent.

Mr. MOREHEAD was glad the Premier had consented to amend the clause. He strongly objected to the squatters holding the Crown lands when they could be held for better purposes.

Mr. KING said he would like to hear the Minister for Lands state what the terms of the leases were. He could not satisfy himself from the Pastoral Leases Act what the terms were. The 41st section said—

"It shall be lawful for the lessee of any run at any time, not less than three months prior to the expiration of his lease, to apply to the Chief Commissioner of Crown Lands for a renewed lease of the run or runs comprised in such lease, and such renewed lease shall be granted to him for the term of fourteen years, etc."

Then, at the expiration of that lease, the lessee could apply again for a renewed lease.

The MINISTER FOR LANDS said he took it to be optional whether or no the renewal of the lease were granted, and in the event of it being granted an increased rent might be charged.

Mr. NORTON said he could not see his way to vote for the clause, and he hoped it would be struck out of the Bill. It did not come within the scope of a Bill to encourage the construction of railways by private enterprise.

Mr. MOREHEAD pointed out that the passing of that Bill and the alienation of land for railway purposes was not contemplated when leases were granted under the Acts of 1869 and 1876. Some provision should be made for compensating those who would suffer by a large portion of their leasehold being alienated for railway purposes.

The PREMIER said he had always considered it an objection to the clause that it went beyond the scope of the Bill, but he had strong reasons for bringing it forward. He did not think the interests of the pastoral lessees should be hurt to improve the general interests of the colony, as long as the Government could prevent those interests from being hurt without detriment to the colony. He did not think it was too much to ask for an extended term of lease for an amount of land equal to that taken from them for railway purposes—in fact, it was not enough. There was one other reason he had for bringing in the clause—although he could attain the same object in another way—namely, to prevent the Government from coming into competition with the contractors too soon by selling land in the adjoining blocks at less than 10s. an acre.

Mr. MILES was understood to say that there was no necessity for the clause, and he was glad the Premier was going to withdraw it, as by so doing he would facilitate the passing of the Bill.

Question put and negatived.

Clause 18 put and passed.

On clause 19—"Materials imported duty free"—

Mr. GRIFFITH said he saw no reason why duty should not be paid on locomotives after the line was constructed, as the company would be well paid by the Government in land. He thought the words "up to the time of the completion of the contract" should be added.

The PREMIER said the meaning of the clause was that the company should be allowed to import their locomotives free of duty for ever. He did not much care whether the clause remained in its present form or not, but if it did it would facilitate arrangements, as one of the first questions a contractor would ask would be what duty would be charged for locomotives, &c.?

Mr. KING moved that the following words be added to the clause, "for a period of five years after the completion of the contract."

Question put and passed.

The ATTORNEY-GENERAL pointed out that the amendment made nonsense of the clause. What was to happen during the construction of the line? He would move, therefore, the addition of the words "and during the construction of the line."

Clause, as amended, put and passed.

On clause 20—"Materials to be carried at wopence per ton per mile"—

Mr. GRIMES said he should like to ask the Minister for Works whether twopence per mile would cover the actual cost of transport?

The PREMIER said it would pay the Government well to take rails and other heavy railway material such a long distance at twopence per ton per mile. It would not pay to carry small material at the rate.

Mr. MILES said he had no objection to the charge, and considered that it would be an inducement to the contractors to go in for the scheme.

Question—That clause 20 stand part of the Bill—put and passed.

Mr. KING said he should put the question whether this was the right place to introduce a clause providing that the Government should have the power to construct branch lines in connection with the main lines.

The PREMIER said if the hon. gentleman would put his amendment into print he would give him the opportunity of having it discussed. As they had got to a new subject, commencing at clause 21, he would move that the Chairman leave the chair, report progress, and ask leave to sit again.

Mr. GRIFFITH said he proposed to-morrow to bring forward the clause of which he had given notice, providing that the bargain should be that the contractors should make the line, maintain it for a given period, and then hand it over. The Premier had admitted that it would be a better bargain for the country if it could be made. He hoped that hon. members would consider the proposal, and see that it would not only be better for the country, but quite as good for the contractors as the proposal contained in the Bill. From his point of view it would be so; he would give the contractors all that the Government proposed to construct the line, and as much more to maintain it for a stated period, subject to the condition that until such period had expired grants in fee-simple of the lands to be given for the maintenance should be withheld. That was the scheme he had endeavoured to work out. He did not say that it was worked out perfectly, but he invited hon. members to give it their best consideration.

The PREMIER said he had looked over the clause which the hon. gentleman intended to propose and he had no objection to it, except that it would militate against the contractors undertaking the line. In order that the contractors should not be prevented taking action on the ground that the terms were too hard, for he doubted whether they would undertake the con-

struction of the line and hand it over in twenty-one years' time, he would advise the hon. gentleman to put his clause in as an alternative offer. He (Mr. McIlwraith) intended to move an amendment withdrawing the limit of eight thousand acres, so that each tenderer might state the amount of land that he would require to have granted. He thought it better to do this than to put in the maximum area that the Government would grant, for it would be an inducement to every intending contractor to go up to the maximum in his tender. He would not accept the clause as an amendment to displace the Bill, but would accept it as an alternative mode of tendering for the construction of the railway.

The House resumed; the Chairman reported progress, and obtained leave to sit again to-morrow.

The House adjourned at eleven minutes past 10 o'clock.