

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

WEDNESDAY, 20 OCTOBER 1880

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LEGISLATIVE ASSEMBLY.

Wednesday, 20 October, 1880.

Unfurnished Returns.—Railway Companies Preliminary Bill—committee.

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

UNFURNISHED RETURNS.

Mr. MILES drew the attention of the Minister for Lands to the non-appearance of a return which he moved for on the 19th September. He hoped the hon. gentleman would stir up his clerks and get the returns furnished. He (Mr. Miles) had been continually attacked upon the subject to which the return referred, and was very desirous to see it laid upon the table of the House.

RAILWAY COMPANIES PRELIMINARY BILL—COMMITTEE.

The House went into Committee to resume the consideration of the clauses of this Bill.

The Hon. S. W. GRIFFITH said that before clause 21 was moved it would, he thought, be the proper time to discuss the question which was raised by the new clauses of which he had given notice. He would propose the first of these clauses, to the wording of which, he might remark, he was not at all wedded; but he asked the careful consideration of the Committee to the general principle. It was as follows:—

"By way of premium to the contractors for the construction and maintenance of the line, an area of Crown lands, to be specified in the agreement and proportionate to the length of railway constructed, shall be granted to the contractors, subject to the conditions hereinafter set forth."

He thought that some general provision of this kind should precede the statement of the conditions. Certain conditions were proposed in the Bill, and the conditions he proposed might take their place, or be by way of alternative. As he understood it, the scheme proposed by the Bill would practically operate in this way:—A premium or reward would be given to the contractors simply for making the line. After the line was made it would be lawful for the contractors to do what they liked with it. They might work it or they might cease to work it. If they found it would not pay to work it, they might let it remain idle; and then the country would either have to work it themselves or lose the advantage for which they had given the land. If it would pay to work the line they might be sure the contractors would work it; and if it would not pay

they would drop it. In that case the country would have a railway which it would pay to work, and would be committed either to an absolute loss of the land, or a considerable loss in working the line. He did not know how this matter was managed in the United States and in Canada; but regarding it from a common-sense point of view, which did not require any reference to what was done in other countries, it seemed to him very desirable that there should be some provision in the bargain by which the contractors should be bound to maintain the line. That point of itself was not necessarily connected with the question whether the railway should fall into the hands of the Government at the expiration of a certain time. That was another question, to which he would refer in due course. But they ought certainly to secure that the traffic should be maintained, and that the country should have the benefit of certain means of communication for a specified time. The benefit the railway would give to the colony would be the enhancement of the value of the rest of the public estate; and they were willing to give away a quantity of land, say 5,000,000 acres, for that advantage. The real consideration they expected to get was, that the remaining, say, 100,000,000 acres, would be increased in value by the construction. If, however, the line of communication was not maintained, that advantage would not be derived. It was therefore desirable that there should be some security exacted from the contractors for keeping the trains running upon the line for a specified time. The only practical security he could see that could be exacted for that purpose was by making the grant of part of the land conditional upon their doing so. Whether a line of that kind would be run at a loss or not would be, of course, to a certain extent problematical. The contractors would have to ascertain that before they made the line; and they would estimate the income they expected to derive from letting the land, selling portions of it, traffic along the line, and so forth, and they would no doubt require a sufficient quantity of land to indemnify them against loss, and to give them a substantial return for their money while the line was in their hands. What quantity of land they would require for that purpose was a matter to be agreed upon between the Government and the contractors. What the country wanted to get was the benefit of railway communication; and for that they were prepared to pay, not in money, but in land: instead of saying they would give to railway contractors so many thousand pounds per mile, they said they would give so many acres per mile. But the question of insisting upon the maintenance of the communication should be also provided for in the Bill. The mode he had suggested for carrying out this was as simple as any other, and quite as liberal as anything in the scheme of the Bill. The Premier stated last night that he did not feel disposed to fix a limit of 8,000 acres per mile; and he (Mr. Griffith) himself thought it was better not to do so. Suppose, for the sake of argument, however, that the House decided that 10,000 acres per mile was a fair thing to pay for making the line, another 10,000 acres might then be a fair price to pay for maintenance of communication for, say, twenty years. To secure this he would grant the contractors, as soon as they made the line, all that the Government Bill proposed to grant them. He would also undertake to give them, as a price or premium for maintaining communication on the line for twenty years, a further quantity of land, on the condition that communication was maintained. In the meantime, they should receive leases of this land on condition that if the line was taken from

them in consequence of any breach which entitled the Government to take it under the conditions mentioned in the Bill they should lose those leases. In that way the country would be protected. They would still be liable to have the contractors throw up the line, but if they did so they would not get the whole of the price. They would be paid a certain price for construction and a certain price for maintenance. Connected with this, in one way, was the question as to whether the railway should fall into the hands of the Government at the expiration of a certain period; and most people would agree that it was desirable, and that the Bill should provide for it if practicable. But the system proposed in the Government Bill provided that if the contractors sold the line they should get the full value of it; and he took it they would charge all it cost, to construct, with a premium for anticipated profits. In such a case as that the country would of course pay for the line twice over. It might be necessary for the country to do so, but he could not help thinking that some better bargain might be made. The scheme he had suggested was that after, say, twenty-one years from the time of completion, the line should be handed over to the Government, and the contractors, during that period, should keep up the communication. By constructing the line, not only the value of the land granted as the line was completed in sections would be enhanced in value, but the contractors would also be increasing the value of their leased land, and at the expiration of the twenty-one years, unless the transaction were a total failure, they would be in possession of an enormous property. They would be in possession of a great property even if they had sold enough to make good the cost of the construction of the line. His calculation was that when all this was done they would be in possession of from six to seven million acres of land. By this means the company would have a very large capital to carry on operations with, in addition to their paid-up capital, which was originally all money, but now would be represented by this enormous quantity of land, greatly developed and increased in value by railway communication. The quantity of land they would want to make it worth their while to enter into a bargain of this kind would be a matter of agreement. Whether they took land or money as the currency, the other parties would exact their price: what it would be would be a matter of negotiation. In his opinion, this was the best way to meet the difficulty, and he raised the question at this time because this was the place at which it could be best discussed.

The PREMIER (Mr. McIlwraith) said the hon. member had mixed up two points. One would be considered for discussion in its proper place—namely, the question as to what security they ought to exact from the contractors to compel them, if necessary, to work the line after it was constructed. There was a clause in the Bill touching upon that subject, and when that clause came on it might be discussed. As to the hon. gentleman's amendments, he did not see that he could have any objection to adopt the suggestions made by them. If, however, they were meant to be substituted as clauses in the Bill and to be amendments on them, he could not accept them at all. The scheme of the Bill was to provide that companies might tender to the Government to build railways in certain places in the colony, and, as a bonus for constructing them, should receive an amount of land adjoining the line; the railway to remain the property of the companies. That was the scheme of the Bill. The hon. gentleman thought, and so did he, that it would be much better for the country if after a certain time, say, twenty-one years, the railway became the property of the Government; and that might

the hon. gentleman to that extent met him by saying that in order to secure an object of that kind the country ought to be prepared to give an additional grant of land. He (Mr. McIlwraith) was prepared to admit all this, and under some circumstances it would be advisable to demand tenders of that kind. But were the present the circumstances under which they could ask for them? Why should the Government throw away the chances it had of making the whole thing successful? Why should they be debarred from obtaining the advantages that might be obtained by the method he proposed, simply because it would be better that the company constructing should hand over the line, without any money paid, at the end of twenty-one years? No doubt it would be a much better thing for the country if they could get such tenders, but he did not believe they could get them. It was possible, however, that they might do so, and, as he would be sorry to lose the chance of obtaining them, he would be quite prepared to take the amendments of the hon. member as an alternative scheme. Of course, the Bill must be the Government Bill; it could not be the Bill of the leader of the Opposition. The Government scheme must be carried out; and if the hon. member's scheme were added to it it might possibly improve the Bill. He (Mr. McIlwraith) did not believe action would be taken on the new clauses; but, as he said before, he did not wish that the country should lose the chance of receiving such tenders if they were brought forward; and therefore he had no objection to receive as an alternative scheme the clauses which would authorise the Government to make an agreement with a company on the understanding that the Government should give a certain amount of land, and that, without any compensation, the railway should become the property of the State in the course of a certain number of years. He should, however, strongly object to the clauses if substituted for the Bill itself.

Mr. GRIFFITH said he did not understand the practical result of what the hon. gentleman stated: did he object to the clause at present before the Committee? He could not quite see how the hon. gentleman proposed that the alternative scheme should be arranged. Of course, if the Government insisted on having their scheme in the Bill it would be carried, and he would propose that his should be inserted as an alternative scheme. A great part of subsection 21, he might point out, would be common to both schemes, but there were other parts that would not.

The PREMIER said clause 3 provided that the Government might accept agreements in conformity with the Act; and at the end of clause 34 the hon. gentleman might introduce his alternative scheme. He did not object to it in that way, but he objected to its taking the place of his Bill. He also objected to the clause as moved, because the same thing was provided in clause 21 of the Bill. The hon. gentleman's scheme would no doubt be an improvement to the Bill, but he did not wish the preceding clauses to be modified in principle. Did the hon. gentleman think for a moment that a Bill could possibly be passed through the House giving compensation in land to contractors who, after making the line, would leave it unworkable? They were not such fools as to make an arrangement of that kind. The value of the land depended entirely on the working of the line, and if the contractors abandoned the working of the line they would abandon the value of their own property. If the land given was not equal in value to the railway, and the railway was abandoned, then the railway became the property of the Government at a

much lower price than it would have cost them to construct it. There could not be a safer guarantee than that.

Mr. GRIFFITH said he would give a bonus to the contractors for working the line, by promising that if they did so they should have a certain quantity of land.

The PREMIER said his scheme was, that the contractors got a certain bonus for making the line. By the time the railway was completed they would have got the whole of the land to which they were entitled. If after that they worked the line it would be to their own profit, for it would enhance the value of their property.

Mr. KING said he wished to offer a remark or two on the proposition of the hon. member for North Brisbane, which was that instead of giving a bonus of 8,000 acres and the line remaining the property of the contractors, to give a larger bonus in order that at a certain specified time the line should become the property of the Government. In the latter alternative it would, of course, be necessary to give a much larger land grant—perhaps even double the bonus provided in the Ministerial proposals. At the end of that time—say thirty-one years—money would probably be much more plentiful in Queensland than it was now, and land much more valuable. The Ministerial proposal was to hand over eight million acres of land in exchange for an expenditure of four and a-half millions sterling. If that bonus was doubled, eight million acres at the end of thirty-one years would be of much more value to the colony than four and a-half million pounds. Where the land-grant system had been most satisfactorily tried, and where not less than 250 million acres had been granted to different companies, it had been found that the enormous areas held by those companies operated very prejudicially against the settlement of the country. That was a contingency which they must guard against as far as possible. In the present condition of the colony—having much land and no money—it was advisable to encourage the opening up of the country by means of railways by sacrificing a portion of their land; but there was no reason to sacrifice more than was necessary to carry out the purpose they had in view. His idea was that it would be much better to pay five millions at the end of the thirty-one years for the line, supposing the colony was in a position to do so. There was no fixed time at which the railway should be bought. It was simply provided that at any time after five years from the passing of the Act the Government might buy the railway at a valuation. He understood that to mean the valuation of the works, exclusive of any payment for prospective profits. In thirty-one years' time four or five millions of pounds would be of much less importance to the colony than they are now, and eight millions of acres of land would be of far greater value.

Mr. GRIFFITH said the contractors would want to be paid for three things—first, the cost of construction of the line; secondly, the loss in working it for a certain period; and thirdly, a price for handing it over to the Government. On both the Government scheme and his own they would require to be paid for the first two items; but by the scheme he suggested the third item would also be paid by an additional grant of land if the line was worked for twenty-one years and then handed over to the Government. He estimated the bonus under his scheme at nearly double that provided for by the Government scheme. He would propose his alternative scheme at a later stage of the Bill—probably after the 33rd section. Even in the Government scheme it would be advisable to

modify section 21 very considerably. Considerable difficulty must be experienced in settling details of that kind, and he had given notice of certain amendments in the clause to make the clause more workable. It might be convenient, first, to lay down the principle that remuneration should be given in land proportionate to the length of the line. The next thing would be the survey of the blocks, in order that the adjoining lessees might become acquainted with what was to be taken from them as soon as possible. There was one difficulty which he had not succeeded to his satisfaction in meeting, and that was with respect to the preliminary survey. It might facilitate matters by having some general provision to precede clause 21.

The PREMIER said he did not see the necessity for it. All that the hon. gentleman wanted was contained in clause 21. He (the Premier) intended to move an amendment to omit the words, "8,000 acres," and insert the words, "stipulated in the agreement," so that a company might have a bonus of from 1,000 acres per mile upwards, as the House might afterwards decide. Putting the limit at 8,000 acres might convey the idea that that was the amount of land a company ought to get for any railway; while if it was left open they might get offers for 4,000 or 5,000 acres; and there were lines where that amount would be quite enough. If 8,000 acres were left in as a maximum, he was afraid they would never get offers for less than that amount. If the hon. gentleman would withdraw his clause he (the Premier) would move clause 21.

The HON. J. DOUGLAS said he could not quite agree with the alteration suggested by the Premier. There was a value in having a maximum area fixed. The object of the Bill, as explained by the hon. gentleman in moving its second reading, was quite as much to convey to tenderers what the colony's terms were, as to ascertain from them what theirs would be. It was of the utmost moment that they should let possible tenderers know how far they were prepared to go, and it was important that they should make up their minds on that point now. They were more likely to receive acceptable offers if in this Bill the maximum amount was stated. There seemed to be a decided advantage in naming a maximum area, which might be increased to 10,000 acres if it was intended—as he understood it was—to do away with the guarantee. He would prefer to see the amount raised to that figure on the understanding that the guarantee clauses should be eliminated. With regard to taking security for the maintenance of the line, if people invested their money in the construction of such a work, it was so manifestly to their interest to maintain it that, if they had any faith in the future of the colony, it was hardly within reasonable bounds to contemplate the very remote contingency of a possible abandonment of the line. On the other hand, he should very much defer to the arguments advanced by the hon. member (Mr. King) and give a less amount of land now, and take their chance of making a bargain if it was thought necessary to buy the line hereafter. It might be desirable to insert a clause defining that they should, within a certain number of years, have the right of purchase on specific terms if they came to an agreement to do so; but they were not called upon to consider those minor matters in the present Bill. In considering it they ought to divest themselves as much as possible of details, taking care to apply a few broad principles which would secure the object contemplated—it always being remembered that the Bill must in every case be supplemented by another Act of Parliament. For that reason the less specific the details were the

better, and the broader ought the general principles to be defined on which they were prepared to give grants of land.

Mr. GRIFFITH said that if the Premier had such a strong objection to his amendment he would, with the permission of the Committee, withdraw it.

Amendment withdrawn accordingly.

The PREMIER, after formally moving that clause 21 as read—"Crown lands may be granted to contractors"—stand part of the Bill, moved that the words "thirty miles" in the third line of the clause be omitted with the view of inserting the words "fifty miles."

Mr. DICKSON said there seemed to be no great advantage in insisting on the contractors constructing fifty miles of railway before they got the portion of the concession due to them. In the interests of the contractors it would be more desirable that they should be able to claim it after the construction of thirty miles. But in any case the question arose, how were the lands to be granted? Were they to be granted absolutely and unconditionally immediately after construction, or was any portion to be retained to secure the maintenance of the line? In the interests of the country that ought to be done, so as to secure its maintenance for a certain number of years. It was all very well to say that it would be to the interest of the contractors to maintain the line; and some hon. members went so far as to say that it would be a highly remunerative line, though that had yet to be seen. While offering every facility to the contractors, the interests of the country ought to be protected by seeing that the line was not only constructed, but maintained so long as it remained in the hands of the contractors. He should like the Premier to point out how that could be done if none of the land was retained as security for its due performance.

The PREMIER said the meaning of the clause was that the contractors would receive from the Government the fee-simple of the land as soon as they had completed a section of fifty miles, and he did not see any necessity for retaining any portion in the hands of the Government as a guarantee that the line would be proceeded with and maintained. The contractors were limited as to the time for the completion of the contract, and therefore it was probable that when one section was completed two others would be at least well under way. The terms of the contract would probably provide that the line should be commenced at both ends, and possibly also in the middle, and the continual progress of the work would be the best guarantee of the *bona fides* of the contractors. It would be finessing a good deal too much to retain a portion of the land for that purpose. This was, however, a general Bill, and if under exceptional circumstances it was desirable in any case not to give the whole of the land a provision of that kind could be inserted in the Bill dealing with a particular contract.

Mr. REA said if the contractors after getting the land dropped the line the colony would be stuck in the mud. He would suggest that a long lease should be given of the land, to become a freehold when three-fourths or one-half the line was finished. The contractors might otherwise finish the line at the two ends, where the valuable land was, and leave it undone in the far interior.

Mr. DICKSON said the weak point in the Bill was that it held out no inducement to the contractors to maintain and run the line after construction. It had not been shown that the traffic on the line would be so remunerative that it would be obviously to the

interests of the contractors to keep the line in working order. It might be so, but his idea was that the traffic for the first five or ten years would not be very great, and perhaps not remunerative. In that case there would be nothing to induce the contractors to keep the line in order and run trains upon it. The Bill in that respect appeared to be eminently unsatisfactory. The amount of land which might be transferred to the contractors was quite secondary to the consideration of ensuring the fulfilment of the obligation of the contractors in respect to the maintenance of the line.

Mr. GRIFFITH said he had given notice of some amendments in this clause. As it was now worded the clause first provided what should happen when the first thirty miles had been completed, and then it went back to what would take place before the construction began. In his opinion, the first thing to be provided for should be the survey of the blocks; and next, the selection of the alternate blocks by the Government and the contractors. There was nothing in the clause about that, though it was a very important matter.

The COLONIAL SECRETARY: One takes first pick, and then the blocks are allotted alternately.

Mr. GRIFFITH said that would be all very well if all the blocks had frontages to the line; but if they were to be surveyed back from the line, as suggested by the Premier, the matter would not be so simple. It might not always be desirable to give the contractors alternate blocks. Supposing the land around Point Parker should prove when surveyed to be an enormously valuable territory, it might be very desirable that the seaport should belong to the country; but according to this plan the contractors might get the first ten miles, comprising perhaps all the valuable land there. As the selection could not commence at that end of the line, it would be a matter of chance whether the valuable property fell into the hands of the contractors. It should therefore be clearly defined who was to have the first choice, and in what way the choice was to be given effect to. It was possible that valuable mineral lands might be met with, and in such a case it might not be desirable that a hard-and-fast line of alternate blocks should be adopted. It was important, however, that the selection should be made as soon as possible. The first consequence of the ratification ought to be the survey of the blocks, then they should be selected, and when the section was completed they should be granted. A difficulty here arose in connection with clause 32, which provided for a survey which must be made before the ratifying Bill could be passed.

The PREMIER said the hon. gentleman had not shown in the illustrations he had given the difficulties he referred to. With regard to the desirability of the Government retaining certain blocks, he had framed the clause in such a way that it would depend upon chance which belonged to the Government and which to the contractors. They would be surveyed in equal sizes; the two parties would throw for the first choice; and, the first choice being made, the blocks would be allotted alternately. There would, therefore, be no selection either by the Government or by the contractors. It might, of course, be desirable to retain the whole of the land about Point Parker. The Bill provided that the land there should be treated in exactly the same way as the land on other parts of the line; but in cases where it was not desirable that the land should pass in large blocks into the hands of the contractors, as in the case of Point Parker, the land would be surveyed in one-acre blocks; that would be defined in the Railway Bill. I

was quite possible, as the hon. member suggested, that a rich copper mine might be met with, but the Government would have no power to reserve the land; the contractors would take their chance whether the land was valuable or only poor scrub. Where the land was known to be very valuable it would, as he said before, be cut up in small blocks, about equal to thirty or forty town allotments.

Mr. KING said it was well for the Committee in discussing this Bill to consider what had been done under similar circumstances in the United States. In the State of Illinois the land to be granted was surveyed in sections extending six miles back; the sections were then numbered, and the company took the even numbers and the State the odd ones. The same plan might be adopted in the present case. He intended to propose, when the next subsection was considered, that the maximum area to be granted should be 80,000 acres. The blocks might then be surveyed with a ten-mile frontage and extending $12\frac{1}{2}$ miles back, commencing from Mitchell Downs; and numbered and apportioned according to the plan adopted in Illinois. In that way a fair division would be arrived at.

Amendment put and passed.

The PREMIER moved that the words "not exceeding in the whole 8,000 acres" be omitted, with the view of inserting "stipulated in the agreement." He should be glad to know if the hon. gentleman (Mr. Griffith) intended to move the alternative scheme, because if so this amendment would become all the more necessary?

Mr. GRIFFITH: I intend to move it if I get any support at all.

Amendment put and passed.

Mr. KING moved that the words "sixteen thousand" be omitted, with a view of inserting "eighty thousand." He considered that 16,000 acres would be too small an area, only giving a frontage of about two miles, and that by cutting up the land so small its value both to the contractors and to the Government would be diminished. Probably a frontage of five miles would be sufficient where the land was good, but even that would be too small in the case of a good deal of the land in the interior. In his opinion ten miles frontage would not be too much for a maximum, and a block with that frontage extending back $12\frac{1}{2}$ miles would give an area of 80,000. Such blocks would be sufficiently large to be utilised even under the present circumstances of the interior; and until some change took place and settlement commenced it would be unwise to cut up the land so small that it could not be utilised for pastoral occupation.

The PREMIER said he did not object to the principle of the hon. gentleman's amendment, but he thought it would be better to first consider the amendment on the same subsection standing in the name of Mr. Griffith. An amendment affecting the size of the blocks could then be moved.

Mr. KING said he was willing to withdraw his amendment until that of Mr. Griffith had been moved.

Amendment, by permission, withdrawn.

Mr. GRIFFITH moved that all the words after "rectangular," in subsection 1, be omitted with a view to inserting—

And of such dimensions that each block will contain for each mile of frontage to the line an area not greater than that agreed to be granted to the contractors for each mile of railway constructed.

Question put and passed.

Mr. KING moved that the following words be added to the words just agreed to—"Provided that no block shall have more than ten miles frontage to the line."

Mr. KATES said that the alienation of land in blocks of 80,000 acres would lead to the creation of large squattages to the exclusion of small holdings. There were plenty of men who could stock 16,000 acres, but very few who could utilise 80,000.

Mr. KING said the hon. member overlooked the fact that the portion of the subsection relating to the area of the blocks had been struck out.

The PREMIER said he had no objection to the amendment, as it only fixed a maximum. The size of the block to be surveyed would depend upon the stipulations in the Bill.

Mr. DOUGLAS said the proposition now before the Committee was to give authority to the present or some future Government to alienate Crown lands in 80,000-acre blocks. That was what had never been done before, and it raised a very serious question indeed. Eighty thousand acres in the "never-never" country might be a small block; but as it had been customary to estimate acres, it seemed a tremendous stretch of country. That such an area should be alienated in one block to any one person seemed to be altogether abnormal, and the Committee ought to be allowed time to consider such a novel proposition. He believed there was a provision in the Bill by which a reservation might be made for roads or for future railways; but notwithstanding that it was hardly fair that the Committee should be committed to such a proposition as this without having a little time to consider it in all its bearings. It might happen that the fact of a large company holding an area of 80,000 acres would result in great facilities for the introduction of immigrants and the settlement of the country; but, on the other hand, it would unquestionably introduce what had previously been considered a great objection in the colony—namely, the alienation of land in very large blocks to any one person.

Mr. SHEAFFE said that if the Committee would only look at the question from a proper point of view they would see that this amendment was really necessary. If the land were cut up into small blocks, narrow and long, it would be rendered utterly useless for all pastoral purposes. It must be admitted on all sides that a great portion of the land through which this line would pass would be only fit for pastoral purposes for a very long time to come; and it would be a very great pity to so divide it as to prevent it being used for that purpose. The object of the Committee should be to allow the land to be made as valuable as it could possibly be. To cut it up into small blocks which pastoralists could not use would be to inflict great injury upon the colony. This was only a preliminary matter, and either the Government or the contractors would be able to cut up the large blocks into as many smaller portions as they would see fit.

Mr. KING said that his amendment actually put a limit which did not exist at the present time. All the limits which previously stood in the Bill had been swept away, and as the Bill at present stood 800,000 acres might be alienated in one block. He had proposed a maximum, but the character of the country would always have to be taken into consideration in making the division. A great deal of the country was fairly well but not plentifully watered, and it might happen if land were divided into small blocks with two-mile frontages that the contractors might get one block containing a waterhole, and thereby obtain a complete command of the blocks on either side.

He was perfectly certain that it was desirable that the blocks should be of large size, as in cases where the country was badly watered it would be necessary to expend a great deal of money in making dams for the storage of water.

Mr. REA said that no person ever dreamt of giving such large frontages as it was now proposed to give. Supposing 80,000 acres to be the quantity allowed in one block, the people who settled down on the adjoining or Government block would have to go all round that large block of 80,000 acres to get to some township; and after ten years they would be completely blocked up, unless it was provided that these large blocks were to be taken from the back country and not from the frontage.

Mr. DOUGLAS said his objection was that the Committee did not really understand what they were doing, and had not formed any estimate of the probable effects of such a proposition being carried. In America, he believed that no larger block had ever been offered to companies than one square mile, and each block was taken alternately with one reserved by the Government. In no one case was a larger block than 640 acres given; and yet it was proposed in this colony to give away blocks of 80,000 acres. The consequences of such action might not appear dangerous at present, but in twenty years' time a different aspect might come over the whole country. The country where these large blocks were to be given might now only be fit for pastoral or the rudest form of settlement, but they should consider what the future might be. They were going to enter upon what was a most important undertaking to the colony, and it ought to be satisfactorily proved to them that these large grants would lead to the settlement of the country. The Premier used to talk to hon. members about the close settlement in the western districts that would follow the construction of railways; and yet, now, the hon. member agreed to immense blocks of land being alienated to one individual. He confessed he did not like the clause.

The PREMIER said the hon. gentleman was really alarming himself without any reason for so doing, as the clause merely proposed a limit—a maximum. There was no doubt that the land grants in America were all made on the one system, which was that of alternate blocks of one square mile each. As to this clause putting an immense power into the hands of the Government, it was a power which had been exercised already, even by the late Government, in making exchanges of land. As soon as one block was handed over to the contractors it would be within the power of the Government to make an exchange with them without consulting Parliament at all, so that the clause would not give the Government any more power than they actually possessed at present. As he had already said, the clause merely fixed the maximum size of blocks. At the same time, he would mention that the creation of large estates hitherto had been caused by alienating the land in small blocks, and through those small blocks being bought up by one man.

Mr. DOUGLAS said that no doubt many hon. members remembered the objection that was raised in the colony of Victoria when the large-block system was carried out there. At one time 20,000-acre blocks were granted, and it was not thought that any evil would result from such a system, but as population increased it came to be considered a great enormity in administration. Those large blocks were now possessed by millionaires in Victoria, and some people thought that they had stood very much in the way of the progress of that colony. Yet, in

the face of that, some hon. members of this Committee were playing at a very much higher game. What would people think who had had Queensland pointed out to them as the paradise of Australia when they heard of the Government assenting to blocks of 80,000 acres being granted to one individual without imposing on the persons taking up those blocks the conditions which were in force elsewhere of bringing out immigrants to settle upon them? He thought they would be committing a mistake in passing the clause as it was proposed to be amended.

The PREMIER said there was only one instance of 20,000 acres having been sold in one block in Victoria. Estates in that colony had become large through buying up small lots. He was under a misapprehension when he admitted that, in America, the system had been universally to have alternate blocks of 640 acres each, as he now remembered a case which had come within his own knowledge where as much as 500,000 acres had been granted in one block.

Mr. KING pointed out that under the Bill the frontage could not be more than one-half, and therefore he did not see what advantage the public would derive from the blocks granted to the company being cut up into small blocks. The only thing to be considered was this, that by making the blocks too narrow neither the company nor the public at large would be able to utilise them.

Mr. KATES said that if the country in the interior was as rich as had been represented, 16,000 acres would be quite sufficient for a small squatter—in fact, far better than 80,000 acres.

Mr. McLEAN said the object of the Bill appeared to him to be to make a good bargain for the contractors independently of the public. The hon. member for Maryborough (Mr. King) had urged as a reason why the blocks should be very large, that it might be necessary otherwise to spend a great deal of money for the storage of water; but the hon. member for Burke had told the Committee that water could be got almost anywhere by sinking wells twelve or fifteen feet deep. He thought that a block of 80,000 acres was too large, and that they should remember that they were legislating not for the country as it might be at present, but for what the country would become if the railway was made, as the land must then become very valuable. To give a company blocks of land of 80,000 acres each was giving them more than they were entitled to expect.

Mr. SHEAFFE said he was rather astonished to hear from the hon. member for the Logan that the country through which the proposed railway would probably go was so well watered. What he (Mr. Sheaffe) had said, and what no doubt the hon. member referred to, applied to country not within fifty miles of any portion through which this line was going. He would point out that if the country was to be divided so as to make it most profitable for pastoral purposes it must be in large square blocks, as narrow blocks would entail a large expense in fencing, owing to one block belonging to the company and the next or alternate block belonging to the Government. On many of the blocks there would no doubt be water, whilst on others there would be none but what could be procured at very large expense. Therefore, before the blocks could be used for pastoral purposes a large outlay on them would be required.

Mr. MILES said he should like to find out whether the whole system had not been planned with the view of building up large estates. Supposing the scheme was carried out, if hon. members supposed there would be any contractors they were labouring under a great mistake:

the whole scheme would be to create large estates—that was the sole object from beginning to end. He should not have much to say about the Bill if the Premier would give a pledge that he would eliminate the 31st clause. With that clause staring him in the face he looked upon the whole Bill with suspicion.

The PREMIER said he had already stated that he had an amendment to propose on clause 31, the object of which would be that any arrangement made between a company and the Government would be simply preliminary until it was confirmed by Parliament.

Mr. O'SULLIVAN said that it would appear from his remarks that the hon. member for Burke could not regard the country in any other light than as grazing land; but his (Mr. O'Sullivan's) idea was that along the proposed line of railway there should be settlement. There was nothing that applied to fencing-in large blocks that did not apply equally to small blocks, as the blocks being small would not, according to what had been said by the Premier that evening, prevent the creation of large estates. If they started with small estates it might be possible to make large estates eventually, but if they commenced by making large estates it was very unlikely they would ever be able to cut them up into small estates. He considered that alongside the railway facilities should be given to the people to obtain small quantities of fair land, but away from the line it did not matter much how large the estates were.

Mr. GARRICK said he had not heard any good reason assigned for the Premier giving up his own clause, and he should like to hear some reason given by the hon. gentleman. He believed that the first subsection, as it originally stood, was far better than it was in its amended form, or would be if the amendment now proposed by the hon. member (Mr. King) was carried. He considered that 16,000 acres was a very fair thing as compared with the proposition of the hon. member for Maryborough (Mr. King). They had been told that if there were 16,000-acre blocks it would provide for some sort of close settlement. As he had stated last night, he could not help feeling some uneasiness about this matter; he could not help feeling that they were going in the direction of converting leaseholds into freeholds for the benefit of the pastoral lessees, nor could he help thinking that the amendment now before the Committee was a step in that direction. It was not possible in the Bill, as the clause originally stood, when each block was to consist of not more than 16,000 acres, that that state of things would come about; but now it was proposed that 80,000 acres should be the maximum, and, feeling the uneasiness he did on the subject, he could only hope that the Committee would go back to the subsection as originally proposed by the Premier.

Mr. KING said that the hon. member for Maryborough (Mr. Douglas) had referred to the system in America where alternative blocks of 640 acres each were given to companies; but in the case of the Illinois Central Railway Company these sections extended six miles back from the line, and were all numbered. The railway got the even numbers and the State got the odd numbers, and he presumed they tossed up for the first choice. At any rate, it seemed to him that something of the same kind should be adopted here—that the lands on each side of the railway should be surveyed into blocks of a suitable area, and numbered, and one party should have the choice of selecting either the odd or the even numbers.

Mr. GRIFFITH thought that a mean between 16,000 and 80,000 acres might be adopted as the

size of the blocks. They had a rule in some of their land laws that the frontage of a block was not to be more than half its depth.

Mr. GARRICK said that perhaps the Premier would tell the Committee why he had changed his mind from having blocks of 16,000 acres in favour of blocks of 80,000 acres each. In some parts of this country it might be that the area should be larger than in others, but surely this area of 80,000 acres was too large.

The PREMIER said he had given a thousand different reasons for what he had done, but he would tell the hon. member that he had agreed to the 80,000-acre blocks as he did not think they were too much.

Mr. DOUGLAS said that the Committee were entitled to assume that the size of blocks had been arrived at after deliberate consideration on the part of the Government, but now, after five minutes' notice, the Committee were landed in this difficulty, that they were asked to commit themselves to the granting of blocks of 80,000 acres each instead of 16,000 acres each. He thought the Committee should have been acquainted with the indecision of the Government upon this point, as it was not an unessential detail, but was really a vital portion of the Bill. He did not approve of this indiscriminate dealing with Bills in committee, and he believed it would be far better if Governments would stick closer to their text. He was afraid that he had himself been guilty of the same departure, but it was brought about by what he might call an immoral tendency of committees to allow themselves to drift into matters of detail which were foreign to the Bills they had to consider.

Mr. ARCHER said that one reason why he conceived the Committee should approve of much larger blocks being allowed than was first proposed was, that it was possible that the land might become valuable, and the companies would lose less if they took it in large blocks than if it was cut up as proposed. There was no doubt that the company would go in to make money, and they would endeavour to ascertain in what way they could make the most money. It was well known that if pastoral property was cut up into narrow slips it became almost valueless, and, therefore, it was to the benefit of the company and to the country that the blocks should be as large as possible. They were not going to dictate to the company what they should do with their land, but they knew very well that the company could not sell it as well in narrow strips as they could if it was in large square blocks.

Mr. DICKSON said that, in rushing to the extreme suggested by the amendment of the hon. member for Maryborough, they would be admitting that they had but small inducements to offer to contractors, and would be underestimating their own purchasing powers. He much preferred the smaller area at first proposed by the Government; and where there was such an entire change of principle on the part of the Government, some strong ground should be given for the change of front. A five-mile frontage would give an area of 40,000 acres, and that would be quite sufficient for a maximum.

Mr. KING pointed out that his amendment would not necessarily involve the alienation of land in large blocks. It did not follow that in all instances the blocks would be surveyed with a ten-mile frontage. With regard to the contractors being satisfied with blocks surveyed with a five-mile frontage, he would point out that there was a provision in the correspondence to the effect that the contractors were to be satisfied with the result of their inspection. He was satisfied that if negotiations had proceeded so far as to warrant the contractors in sending out

a confidential agent to inspect the land, they would at once perceive that narrow strips of 16,000 acres would be practically useless to them.

Mr. MACFARLANE said the hon. member for Blackall appeared to be more concerned for the company of contractors than for the colony. It appeared to him that the larger they made the blocks the less they would get for them—that was to say, the value of the land would be less in proportion to the extent of the blocks surveyed. The smaller the blocks the more they were likely to obtain for the land. He thought the maximum area named in the amendment of the hon. member for Maryborough was too great. He would suggest that the land might be surveyed in blocks with one, two, three, four, or five mile frontages. In that way they would obtain a variety of sizes. The maximum might very well be made five miles instead of ten. If they had such a large maximum area there was a great danger of the land being monopolised by large proprietors.

Mr. REA said they must bear in mind the advantages which would accrue from settlement along the line of railway. He thought the Government should have an alternative in this matter, and that if large blocks were insisted upon they should be at liberty to survey them at a certain distance from the railway line.

Mr. GROOM said he had not yet spoken upon the Bill. He was free to confess that he had very little sympathy with the measure. In reading it over he found that one of the most important elements of the American system was omitted. When large grants were allowed to companies in America, it was part of the agreement that they should introduce a certain number of immigrants and settle them on the land. There was nothing of the kind in this Bill. In 1878 he had had occasion to quote an extract from the *New York Tribune*—an accepted authority. He found in a leader of that journal these remarkable words, which he thought would bear repetition:—

"The system of giving grants of land to railroad companies and other speculating corporations is recognised as a monstrous device of corruption and dishonesty. The grants already reached a total of 215,000,000 acres, but an attempt is being made to recover a large portion of this area. Nearly all the companies have failed in the conditions upon which the gifts were made. The grants to only five roads have been fully adjusted; the grants to only four of the remainder have been declared forfeit; and of the 215,000,000 acres conditionally appropriated to the subsidy roads only one-fifth part had been certified and patented to them, and that fifth was more than they earned. The Commissioner of the Lands Office has published a list of twenty companies whose grants and extension of grants have now expired—some of them ran out eleven or twelve years ago; more than half of them have never built a mile of road, although in some instances they have actually received patents for large amounts of the land to which they had no just title. It appears to have been popularly supposed that when these grants ran out the title to the land reverted to the Government without further process. A decision of the Supreme Court, however, established the important rule that the grants, notwithstanding the limitations contained in them, remain valid until the declaration of forfeiture is enforced by proper legislative or judicial proceedings. There are consequently defunct, or bankrupt, or unsuccessful, or fraudulent railway companies which still hold the title of millions of acres of subsidy lands that they have not earned and have no prospect or intention of earning. Mr. Joyce, of Vermont, has introduced in the House a joint resolution for the recovery of these forfeited lands (with due protection to *bona fide* purchasers), and their appropriation to the use of actual settlers, or to purposes of education."

Lines of railway had been constructed and wonderful changes had taken place, but in almost every instance the companies who undertook the construction of the lines failed to carry out their agreement. The only line successfully carried

out in accordance with the original idea was that from San Francisco to New York; and that success was owing to the fact that the line went from one large centre of population to another, in which a considerable population had been attracted by mining prospects. But in this colony they proposed to start from Roma, a very sparsely populated district in comparison with the great cities and towns of America, to a place which, it was no exaggeration to say, was at the present time uninhabitable. He had read with surprise the statement of the Minister for Works on the previous evening, that for two hundred miles inland from the Gulf the country did not rise more than a foot from the level of the sea, and that a large percentage of the population had been carried off by fever. Again, when the Premier in 1878 introduced a Bill for railway construction, one of his strongest arguments was, that it was a folly to sell land for the construction of railways. The hon. gentleman then thought they should continue to borrow, but now his policy was reversed. They were now told that it was not necessary to borrow, and that there was a limit to borrowing. Possibly there was; but it was another question whether they should give land away, as proposed in that Bill, without any condition or reservation whatever as to what should be done with it by the contractors. Some hon. members said they had no right to dictate to the contractors what they should do with the land, but that argument did not dispense with the desirableness of imposing conditions with a view to settlement. For his own part he thought the State should cling tenaciously to the public lands. If at the commencement they had resolved not to sell an inch, and had adopted a uniform policy of leaseholds, they would have been placed in possession of sufficient revenue to enable them to dispense with the Customs House, and to have all their ports free. Of two evils, however, he was prepared to choose the least; and looking at the matter in that light, he preferred the proposal of the Treasurer to the amendment of the hon. member for Maryborough. In England the aggregation of large estates had been found one of the greatest curses. What was the cause of the present agitation in Ireland, involving the Gladstone Government in troubles the end of which it was impossible for the most astute member of that Administration to foresee? The evils attendant upon the aggregation of large estates would be intensified if the Committee agreed to the amendment of the hon. member for Maryborough. They ought to think over this matter very seriously.

Mr. DICKSON said that, with a view to test the feeling of the Committee, he would move that the word "ten" in the amendment of the hon. member for Maryborough be omitted, with a view to the substitution of the word "five." The effect of this amendment would be to reduce the proposed area by one-half. He much preferred the original clause of the Government, and regretted that they had not adhered to it.

Mr. DOUGLAS thought there could be no objection to a portion of the land being taken as far as twenty miles away from the railway. The result of alienating to a company long narrow strips, which would not be very saleable as such, would be that they would have to be cut up in order to be sold. A strip of country two miles by twelve and a-half would be a very awkward size. He did not see why the land should not be taken as far as forty or fifty miles back from the railway, so long as it could be there surveyed in useful blocks. It seemed to him that if they went further back from the railway they would be able to grant more workable areas of country.

Amendment, as amended, put and passed.

Mr. MOREHEAD wished to know whether if the blocks surveyed for the contractors contained improvements the contractors were to pay for them?

Mr. KING : That is provided for in subsection 5.

Mr. MOREHEAD said it was not provided for, according to his lights. It was possible that one of the blocks of land might contain improvements which had cost £5,000 or £10,000. Was the contractor or the Government to pay for those improvements, or how was the matter to be worked? Subsection 5 did not meet the case.

The COLONIAL SECRETARY : Propose a subsection that does.

Mr. MOREHEAD said he could not. He wanted the Government to do so; it was their duty.

Mr. KING said subsection 5 provided that if the improvements were upon the contractor's land, the contractor must pay to the owner for the time being the value of the improvements.

Mr. MOREHEAD said the land must be surveyed before they could enter into any agreement or contract at home; and it was evident that if the contractors came out and found that to obtain the land, which was supposed to be given them for the construction of the railway, they had to pay £10,000 for improvements, the value of the land to them would be considerably diminished. Suppose, for instance, that one of the blocks was found to contain a woolshed—that would be of no use to the contractors, and yet they would have to pay for it.

Mr. MILES said the hon. member for Mitchell had raised a very important question. Who was to recoup the lessee, for instance, for the money he had expended upon water storage if the water came within the contractors' block? It must be admitted that many lessees, by providing water storage—in some cases at great expense—had made land available which was previously useless. In the Pastoral Leases Act of 1869 and other Acts they had provided that if the lessee were dispossessed of his improvements he should have compensation. But this Bill did not contain a word about compensation.

Mr. KING : Subsection 5.

Mr. LUMLEY HILL : That will not do.

Mr. MILES thought that all doubt should be removed. It was only reasonable that pastoral lessees should be compensated for their improvements.

The ATTORNEY-GENERAL : That will be done by subsection 5.

Mr. LUMLEY HILL said that subsection 5, according to his reading, did not provide nearly sufficient protection for lessees, who might have the whole of their stations and improvements taken from them in a very summary way. The Government, last night, dropped the only clause which, in his opinion, defended the interests of the pastoral tenants—he referred to clause 17. He thought the Government would have made a little better stand upon that matter, because there were, no doubt, isolated cases in which individuals would suffer very severely through the railway being taken through their land. No doubt, the few must suffer for the benefit of the many; but they should endeavour to mete out justice to all; and if a few persons suffered for the benefit of the many they ought to secure some compensation. He had refrained from speaking upon clause 17 on the previous evening, because it might be thought by some that he was personally interested. He at first thought that the projected line might go through his own leasehold; but upon inspecting the plans he discovered that he

would not be affected individually. Others, however, would be entirely ruined. Subsection 5 in no way protected the lessee, who might have so much of his improvements confiscated as would render the little land he had left to him entirely useless. Marsupial fences might be interfered with and cut asunder, rendering paddock upon paddock next to useless. There was evidently in the Bill an insufficiency of provision for damages in resuming land upon which improvements had been made. The question of damages suffered by the parties from whom the improvements were taken could not always be estimated by the actual value of the improvements. A lot of the land surrounding might be rendered useless by resumption of certain improvements. He could see how difficult it was to guard and provide against inferential damages of that nature, but he never for a moment believed in the 17th section as it stood, because he never believed in indefeasible leases, nor that they could be held good. Therefore he did not support the hon. member for Blackall when he introduced the motion and took a sort of preliminary canter with it. The only basis upon which any compensation could be made was a monetary one. The subsection under discussion did not fully provide for this. But after all, this was only a preliminary Bill, and the Committee had nothing definite or tangible to deal with.

Mr. REA said he was astonished that provision was not made for the injury done to runs through which the line would pass; and he had prepared the following amendment:—

Any Crown lessee who has part of his run taken away from him by the railway line, known as "the Transcontinental line," shall be fully reimbursed for the fair estimated loss he may have sustained through the lessened area of his said leasehold by reason of the railway requirements now contemplated in this Bill. Said reimbursement to be provided for by a special assessment on all runs within seventy-five miles on either side of said railway; said fund to be called, "The Compensation Assessment."

He had long thought that there should be a remedy like this, and, now the railway was going to deprive so many squatters of their entire holdings, or nearly so, it was only fair that those outside of their limits who would be benefited very materially by the railway should contribute something towards their brethren who were not so well off. One great advantage of this proposition would be that it would induce the squatters themselves to see that it was a fair appraisalment; the money would come out of their own pockets, and that would make them look sharp. This Bill, it would be noticed, looked forward to other railways branching off from the main lines, and this was another reason why those men who were likely to suffer great losses ought to be provided for: the amendment he had proposed would, he believed, meet the case.

Mr. GRIFFITH said one of the clauses of which he had given notice appeared to be necessary at this stage. It might be that amongst the blocks would be included lands that had been pre-empted; and there was no provision in the Bill to prevent the right of pre-emption being exercised. In cases of that kind there should be power for giving the contractor a corresponding area somewhere else. He moved, therefore, this addition to the clause—

Whenever any land comprised within the external boundaries of any blocks to which the contractors are entitled is not Crown lands, an equal area in lieu thereof shall be set apart for the contractors from the nearest Crown lands.

Question put and passed.

Mr. GRIFFITH said he had prepared an amendment to provide that a road of not less

than four chains in width should, in every case, be reserved between the adjoining blocks. If it was thought that this was not necessary he would not propose it.

The PREMIER said that in subsection 4 of the Bill ample provision was made for such a reservation under any circumstances. Thirty-two acres out of every square-mile block might be reserved, and an equal area of the nearest available Crown land granted to the contractors in lieu thereof.

Mr. MOREHEAD said that instead of thirty-two acres that might be taken by the Government for road purposes being recouped to the owners of the land by a grant of the nearest available Crown lands, it might be done as it was at the present time in other matters, and the area be included in the original grant. That had been the practice heretofore, and there was no reason to deviate from it now.

Mr. GRIFFITH said the power was to be exercised for ten years, and during that time the land might be sold to someone else.

Clause, as amended, put and passed.

On clause 22—"Interest on portion of capital may be guaranteed"—

The PREMIER said this and the three following clauses provided for what was one of the principles of the Bill, but he had explained to the House that it was introduced only for the purpose of making better terms for the Government. It was simply a matter of bargain between the Government and the contractors. If the Government could make a concession that would not be a loss to the country, but would at the same time be worth a good deal to the company, it was only right that they should do so. Companies were got up for the purpose of carrying out large public works for a certain amount of paid-up capital, and it was always their object to borrow as cheaply as they could on the security of the company. If the Government, without adding anything to their own liabilities, could improve the security on which the company could borrow, and the company considered it sufficient concession to allow them to take so many thousand acres per mile less for constructing the railway, it was an object to be considered. He found that a company would consider that a concession on the part of the Government to guarantee debentures on £1,500 per mile would be equivalent to about 2,000 acres, or one-fifth part of what they would take for the construction of the line. He believed in the clause himself, but had found no one in the House who believed in it as he did. At the same time, he must say that he did not consider it an essential of the Bill, but did consider it would have the effect of getting better terms for the Government. That being so, he would simply move the clause as it stood.

Mr. DICKSON said that when this Bill was passing its second reading the Premier said he was not wedded to these clauses; and seeing that the general opinion of the House was against them, it would be wise for him to eliminate them from the Bill. The great merit of the Bill was that it relieved the Treasurer from all financial operations. It disencumbered him from the ordinary loan operations of the Treasurer with respect to public works, and from any financial operations either as regarded raising money or providing an annual interest on money borrowed for constructing railways of this character. They ought, therefore, to construct their railways by means of the chief capital they possessed—namely, land, and that should be maintained inviolate throughout the Bill. Doubtless it might be an advantage to speculators and capi-

talists who were desirous of entering into these transactions with the Government to find that a proportion of their constructing capital should have interest provided under a Government guarantee. It would be an inducement to them; but it must be borne in mind that they had not dealt hard-and-fast with any limit of land during the passage of the Bill, and they were at liberty to deal with their own lands to whatever extent was necessary to induce the contractors to build lines under this scheme. They ought, therefore, to adhere strictly to the principle of these lines being built by the inducement offered by land capital, and it was desirable in this preliminary Bill to carry out that principle in its entirety. He hoped the Treasurer would see that the Bill was confined to what it pretended to be—an encouragement for the construction of railways on a system of land grants, and not encumber it with what he (Mr. Dickson) considered to be unnecessary Treasury operations.

Mr. THORN said the Bill would interfere considerably with the financial operations of the Treasury. In the first place, the rents of pastoral lessees would not flow as readily as they had done in the past, and any lands that went would be dealt with through a separate fund like the Railway Reserves Bill. The member for Enoggera was altogether astray if he supposed that the pastoral lessees would not be greatly injured. He (Mr. Thorn) was astonished that no pastoral lessees had stood up and protested against the Bill as being injurious to their interests. Men had embarked in large operations, and, in consequence of this line of railway, he had no doubt the banks would come down upon them. People had borrowed money on the strength of the lands, and now the Government were beginning to guarantee also. Did the Premier think that the House and the country would accept such a scheme as giving away the land and then the line in addition? He was astonished that the Committee were allowing the Bill to glide along so smoothly. He hoped these three clauses, at any rate, would be withdrawn, and he could assure his hon. friend, the member for Enoggera, that if this Bill was carried it would be a general Bill under which railways might be made everywhere, until perhaps the whole of the land was taken away. When all the land was taken away where would their credit be? Their debentures would be down to zero. Under the Bill there was no provision made for population. Altogether, he had come to the conclusion that the Bill was a farce and a sham, although there might not perhaps be great harm in it. If railways could be made, as the Minister for Works said they could be made, for £2,000 a-mile, why should not the colony make them? The Carpentaria line would be one of the best paying lines in the colony: he believed it would pay 10 per cent. right off, and he was astonished at the Premier wanting to part with land for it, and at the same time guarantee the interest on a portion of the company's debentures. He was astonished at the simplicity, both of hon. members and of people out of doors, with regard to the measure. He trusted the Premier would consent to the elimination of the guarantee clauses.

Mr. KING said he should like to see the clause retained, while, at the same time, he should prefer to see the railway constructed without the guarantee. If it were allowed to remain, it might be useful as an alternative proposal. Proposals might be sent in for so many miles of railway with and without a guarantee, and then they would see what the guarantee would save the colony. The estimated saving by the proposed guarantee was 2,000 acres per mile; but by the end of twenty-one years that land would be

worth a very large sum indeed. An idea seemed to prevail amongst hon. members that the colony had only to pick and choose from a number of people who were willing to accept almost any terms for making the railway. He was not so sure that that would be the case, and was by no means certain that even if the Bill was passed in its present shape they would succeed in getting the railway made. In the United States, where the system of constructing railways by land grants prevailed largely, the companies had been also assisted with large votes of money. From an article published lately in the *Victorian Review* he noticed that in addition to land grants amounting to 215,000,000 acres to the various railway companies, the Government had contributed in money no less than 144,213,078 dollars, and that the total cost had been 4,166,331,921 dollars. If such generous terms were necessary in a country like the United States, it was doubtful whether Queensland would, situated as she was at present, be able to get the work done at a much lower rate. As to the result of the railways when made, there could be no doubt that it would be as beneficial to this colony as it had been to America. If the guarantee were retained there would be no danger of financial loss to the Government, because the guarantee was not to commence until after the line was finished; and the line would be held by the Government as a security if it was called upon to pay the interest. £1,500 might be estimated at about a third the cost of the line all through, and they would simply be guaranteeing for twenty-one years the interest on that amount per mile at 4 per cent. They were not likely to get a railway so cheap on any other terms. He trusted the clauses would be allowed to stand as an alternative proposal, so that they might be able to see the difference in cost in offers to construct the line with and without a guarantee.

Mr. DICKSON said that if the land was to increase in value at the rate supposed by the hon. gentleman (Mr. King), it would surely be a wiser policy to construct the railway entirely from borrowed money, and hold back the lands until they had obtained the increased value which the hon. gentleman anticipated. The simpler they made the Bill the better, and, instead of burdening it with alternative schemes, let it state plainly what the colony intended to offer. The principle was that railways should be made out of their land capital, not that the Treasurer should have to provide a certain amount annually to cover the contractors' debentures. Estimating the length of the line at 1,000 miles, guaranteed interest at £60 a-mile would amount to an annual item of £60,000. That might or might not be retired by the contractors, but the Treasurer would have to provide that amount every year as soon as the line was completed. The wiser course would be to eliminate the clauses, as the Treasurer had intimated was desirable, and tell the contractors clearly and plainly what they were prepared to do in the matter—viz., to give land only in payment of the railway. There need be no alarm about a scarcity of contractors, for if sufficient inducement was offered in the shape of land they would be attracted without the necessity of a financial operation, which he should much regret to see.

Mr. THORN said that if the contractors became insolvent, or failed to carry out the work, the Government might certainly take possession of the line, but not absolutely, for they would have to pay for it at a fair valuation in accordance with the 27th and 28th clauses. If the contractors found that the line did not pay they might refuse to

work it; and the Government would all the time have to pay 4 per cent. interest on the guarantee, and the whole of the land would have gone away from them. They were intending to give 8,000,000 acres of the best land in Australia. At the eleventh hour he would ask hon. members to consider whether it would not be wiser for the colony to make the line itself, especially seeing that substantial lines could be made in the colony for £2,000 a-mile. If the line became the property of the Government on the failure of the contractors to carry out any portion of the work he should not mind it, but there was no provision of the kind in the Bill; they would have to pay for the line all the same, besides parting with their valuable land. The entire Bill was one-sided, and if it passed in its present shape he would embark everything he had in the world in the speculation. There could not be a finer speculation going, and they could find enough money in the colonies without going to England to set it afloat. The pastoral lessees themselves, if they were not fools, would take it up. They would secure all the runs along the line on far better terms than they had them on at present. He wondered why hon. members took the Bill so quietly. He had thought that pastoral lessees belonging to other parts of the colony would have been up in arms against it at once. He had often warned Ministers that if they persisted in their present policy the reprisals in store for them would be something frightful. What had taken place in Victoria would be nothing to what would take place here; and that was the opinion of all thinking people. He felt bound to become a Conservative in order to protect property holders—people who were anxious to make the colony their home. It would be a ruinous policy to bring speculators here who, after making all the money they could out of the colony, would clear out at once and never come back again. He did not want to see property taxed up to the eyes, which it would be if the present Ministry remained long in office. He was a friend of the present Ministry, though they did not know it; but they would find it out by-and-bye.

Mr. KATES said the clause under discussion was the most obnoxious clause in the Bill, and if they accepted it the system of railway making under contemplation would cease to be a land-grant system. He had been told that the colony possessed 220 millions of acres of land, of which only three millions had been alienated. They could well afford, therefore, to go in for large grants of land, but no guarantee should be given in the shape of interest. In case the contractors failed to redeem the interest on their debentures, the colony would be liable to pay £60 per annum per mile for twenty-one years, which at the end of that time would amount to the nice little sum of £1,200,000. He hoped the Premier would keep his word and eliminate the clause.

Mr. KING said he would remind the Committee of what happened some time ago from refusing a good offer in railway construction. In 1872 Mr. Vickery and some others offered to construct a line of railway from Bundaberg to Mount Perry on the land-grant system, the amount of the land required being 200,000 acres. The Government of the day were possessed with the idea that the district was an immensely valuable mining district, and that if Mr. Vickery and his partners were allowed to construct the line they would get possession of almost fabulous wealth. The company was discouraged and the proposal dropped. The same thing might possibly occur again, and they might find in ten years' time that they had refused good offers, and were willing to accept much worse

ones without being able to get them. This was a preliminary Bill, merely expressing the willingness of the colony to receive offers, and it was their interest to give as wide a field as possible, so that when tenders came in they would be able to select the best. They ought to do nothing which would discourage tenders from being sent in, for they were not obliged to accept any particular tender, and the matter ought to be left quite open. By that means they would ascertain the opinion of English capitalists as to the value of the lands of the colony and the possibility of their constructing railways into the interior.

The PREMIER said the hon. members for Darling Downs and Enoggera were both wrong in saying that he promised last week to eliminate the clauses. He on that occasion intimated what he considered the essential parts of the Bill, and said that he did not consider those clauses essential to the Bill. He considered that they were useful clauses, and one of the principal objections against them was that they were not understood. He did not mean to insist on the clauses being retained in the Bill, and would agree to negative them. He had come to that conclusion because even if they were negative the colony was not deprived of the advantage which they offered. He was satisfied that capitalists at home would come forward with offers for the construction of the line with and without the guarantee. They would give alternative offers—namely, so much with the guarantee, and so much without it; and if the guarantee was given they would offer to do it for much less than otherwise. He did not think they were losing the advantage of the clauses by eliminating them, for the reason he had stated. He would therefore agree that clauses 22, 23, and 24, should be negatived.

Mr. GROOM said the hon. member (Mr. King) took a very sanguine view of the land-grant system. He (Mr. Groom) remembered when that hon. gentleman, as Minister for Works, introduced the Railway Reserves Bill, and how sanguine he was that when the Bill became law, and land fifty miles on each side of the line was reserved, and the land sales were copiously advertised all over the colonies and India, people would rush forward to invest their capital. What was the result? The Premier had himself stated, when in opposition, that the town of Roma had been ruined by the Act, and hundreds of thousands of acres which ought to have been reserved for public purposes had been irrevocably alienated. On coming into office the Premier absolutely transferred the funds which those lands had realised to the Consolidated Revenue, ignoring the Act altogether. And yet the hon. member (Mr. King), forgetful of past experience, was equally sanguine in his support of a similar Bill, and one which would have a similar result. The hon. gentleman was perfectly consistent. He (Mr. Groom) was himself deceived by the Railway Reserves Bill, but he had since been cruelly undeceived, and found that instead of resulting in good it had resulted in nothing but injury. Where was the homestead settlement on the 180 miles between Dalby and Roma? The men who were employed to construct the line were so overcome with fever and ague that they were glad to escape as soon as they could and settle elsewhere. The present Bill was not likely to promote settlement; indeed, everything which would encourage settlement was carefully eliminated from it. In speaking of the system of railway-making in the United States, the hon. gentleman omitted an important essential, and that was that all the subsidised railway companies had to import a certain number of immigrants and settle them upon the land

through which the lines passed. Agents of those companies were travelling through Great Britain in order to collect emigrants for that purpose. The essential element of the present Bill was that they were to give land to foreign capitalists to construct a line which the colony itself could very well construct. He believed in the resources of the colony, and was exceedingly sorry the Premier had departed from the principles which he so ably enunciated when in Opposition—namely, that they should not part with the public estate in a reckless way, like that now proposed, to syndicates in England or elsewhere. If it would pay those men to make the railway it would pay the colony to make it; and the colony could secure the credit on even better terms than any syndicate could do. Why should not the colony keep possession of its lands and go on with the railway from Roma as already authorised? Why had that railway been stopped in order that the line might be carried on in accordance with this scheme? He had no sympathy whatever with the Bill, and he believed that the very members who were now passing it would eventually laugh it out, as the hon. the Premier had laughed out the Railway Reserves Bill when he took the money which had accrued for the construction of that line and put it to the Consolidated Revenue. He had only drawn attention to these facts in order to show that the hon. member (Mr. King) was excessively sanguine about this system of railway construction by land grants. The hon. member had quoted from authorities in America, the only country in which land grants had been applied for this purpose; but he defied the hon. member to prove that that system had not been an absolute and positive failure. Even now Congress was trying to decide upon the best means for recovering possession of the 215,000,000 acres of land granted to companies for the construction of railways. Out of all the companies that had been so formed only five had carried out the conditions, and it ill became an insignificant country like this to try to do what America, with a population of 45,000,000 and an inexhaustible wealth, had failed to do. The Committee was asked to absolutely part with the best of the territory of Queensland in order to form a line of railway which the country, if circumstances required it, could get made by means of funds obtained from the English capitalists on the security of those lands.

Mr. KING, in reply to the hon. member (Mr. Groom), said he did not recollect having made the remarks attributed to him by the hon. member. He was not prepared to admit that the Railway Reserves Act had been a failure. It had not been so successful as it might have been had it been properly worked. Two years elapsed after the passing of the Bill before any land was sold under its provisions, and when the sales did take place the depression which had lasted so long was already severely felt in Australia, and the great falling-off in the land sales in New South Wales had commenced. Had those sales been pushed on as he wished, within twelve months after the passing of the Bill, the colony might have obtained all the money that was required for the construction of the Roma line, and also have induced population from the other colonies. With regard to the land sales about the town of Roma, he might state that Roma was not nearly so much locked in as Toowoomba was, and the land which had been sold around Roma had realised three times the price obtained for that around Toowoomba. In that respect, therefore, a great improvement had taken place in the sale of land. With reference to the statement that the Act had proved a failure because the Treasurer had been

able to appropriate £200,000 or £300,000 of the proceeds of that Act in order to fill up a deficit, that fact appeared to him rather to show that the Act had been remarkably successful. The exigencies which had led to the necessity for the Premier finding a fund to make up a deficit were certainly not caused by the passing of the Railway Reserves Act, but it was certain that under the operation of that Act a fund had been formed by means of which the Treasurer had been able to make up a deficit.

Mr. GROOM said he was not responsible for the way in which the land had been monopolised around Toowoomba. It was one result of the bad system which was being perpetrated under this very Bill—namely, the right of pre-emption, which had been the curse of the Darling Downs, and would be the curse of every district until it was removed from the statute-book.

Question put and negatived.

Clauses 23 and 24 put and negatived.

Mr. GRIFFITH said he had given notice of the following new clauses:—

The contractors shall cause a train for the conveyance of passengers and mails to be run at least once every day, except Sundays, from each end of the line to the other end thereof, or so far towards the other end as the usual rate of speed of passenger trains upon the line will allow, and the time of departure of one such train in each day shall be fixed subject to the approval of the Minister.

The maximum and minimum rate of speed at which trains shall travel upon the line shall from time to time be determined by the Minister, but so that the maximum rate shall not exceed thirty-five miles nor the minimum rate be less than ten miles per hour, exclusive of stoppages.

He did not know whether they went too much into details. It was necessary, however, that some definition of the kind should be given, so that the contractors should know under what circumstances the line might be taken out of their hands by the Government. He was speaking now in view of what the Premier had stated—namely, that he intended to provide that if the contractors failed to work the line it would revert to the Government.

The PREMIER said his objection to the proposed clause was that it went too much into detail. A provision of a somewhat similar nature would be required in any special Bill that came before the House; but it was not reasonable to put a special condition as to the running of trains in a Bill which might apply to a line from Roma to the Gulf of Carpentaria, or to one only ten miles in length. With regard to the rate of speed, he could see some reason for fixing a minimum rate, but he could see no reason for fixing a maximum rate; it was not likely that anyone in the colony would object if the company chose to run their trains even at the rate of sixty miles an hour. Provisions so general as those contained in the clause would be useless.

Mr. GRIFFITH said he recognised the force of the hon. gentleman's criticism, but he was of opinion that contractors should be shown that it was an essential part of their bargain that they should run trains at stipulated times, and that in default the line would pass into the hands of the Government. He would therefore suggest that the following new clause, as being more suitable to a preliminary Bill, should be substituted:—

The contractors will be required to cause trains to be run at times, and at a minimum rate of speed, to be stipulated in the provisional agreement.

The contractors would then know the conditions under which the line could be taken from them.

The PREMIER said that would give the Government a power they did not desire to have.

The Government ought to have certain restrictive powers, but they should not be able to say that the company should be obliged to run their trains according to certain times to be stipulated by the Government. The following clause of the Bill provided that certain consequences should follow if after any such guarantee had been given by the Governor in Council it was proved to the satisfaction of the Minister that the contractors—

“Fail or refuse to work the traffic on the railway pursuant to the regulations in that behalf; or

“Are insolvent, or neglect or fail to meet their lawful obligations to the officers or servants employed upon the line, or to any other creditor of the said contractors.”

Mr. THORN said he agreed with the leader of the Opposition as to the necessity for making some provision of the kind, and he would suggest that a condition be also made with regard to the gauge of the line. It might be possible to make a substantial line with a 2-feet gauge. He would here mention that he had noticed that there were only to be three trains a week in future between the metropolis and the west. He wondered whether the Rockhampton people would be satisfied with such a service? When the Collier scheme was before Parliament the gauge was specially mentioned.

Mr. GRIFFITH said he did not wish to go too much into detail, but only to ensure that trains should be run at reasonable intervals. He would therefore move as a new clause that—

The contractors will be required to cause trains to be regularly run at such intervals and at such minimum rate of speed as shall be stipulated in the provisional agreement.

Question put and passed.

Mr. REA said the Committee would not be likely, he thought, to accuse him of a desire to place too much power in the hands of the Government. He thought it desirable, however, that the Government should have power to concede larger blocks if the company were prepared to take back blocks instead of those fronting the railway. To a small farmer five miles cartage was a matter of great importance, whereas twenty or thirty miles cartage mattered comparatively little to the large selector. He begged to move the following new clause:—

Should the contractor wish to select larger back blocks than the areas fronting the railway the Government of the day, with the consent of Parliament, may allow the contractors to take those larger areas in lieu of those smaller ones fronting the railway line.

The PREMIER said the proposed new clause should in any case have preceded the one last passed. He would point out, however, that, so far from giving the Government increased power, it limited the power they already possessed. According to the Bill the Government of the day could do what was suggested without the consent of Parliament.

Mr. REA said the advantage of putting the clause in the Bill would be that it would give information to the contractors. Four or five small areas might be lumped together and passed in exchange for a larger area further back.

Mr. DICKSON said it had already been decided that the largest area should be 40,000 acres. Did the hon. member mean that a larger area than that should be given in one block?

Mr. GRIFFITH said he did not quite understand what the hon. member desired to bring about. Did he mean that the area should be a more convenient shape, or did he mean that a larger area further from the line should be given in exchange for a smaller area fronting it?

Mr. REA said he meant that three or four small areas fronting the line might be passed in exchange for a back block equal to their combined area.

Mr. MILES said if that clause were agreed to there would be nothing to prevent the contractors going all over the country to pick out blocks.

Mr. REA said he would withdraw the clause. Clause, by permission, withdrawn.

Mr. REA proposed the following new clauses—

Any person who has part of his run taken away through the construction of the railway line, known as the transcontinental railway, shall be fully reimbursed for the fairly estimated loss sustained by him on account of the lessened area of said leasehold by reason of the railway now contemplated by this House.

Said reimbursement to be provided for by a special assessment on all runs within seventy-five miles on either side of the railway. Said fund to be called the "Compensating Assessment Fund."

The COLONIAL SECRETARY : The clause imposes a new tax, and cannot be put.

The CHAIRMAN said the clause appeared to impose a new tax, and he did not think it could be put.

Mr. GRIFFITH said it had been ruled only the other night that such a clause might be moved by an hon. member. The money to be raised would not go into Consolidated Revenue, but to a fund for the purpose of compensating certain individuals. Such a proposition might be made in the House of Lords.

The COLONIAL SECRETARY : Does the hon. gentleman mean to say that the House of Lords would compel squatters to compensate one another?

Mr. GRIFFITH : They could if there were any squatters in England.

The COLONIAL SECRETARY : I maintain it cannot be put.

Mr. THORN said, after the ruling given last week he thought it could be put. He was quite astonished that the pastoral lessees should object to this proposal to compensate them, and that the hon. member for Rockhampton, who was generally regarded as the enemy of the squatters, should be the only hon. member found to champion their cause. He was really astonished at the action now taken by the Colonial Secretary. When the Railway Reserves Bill was going through the House that hon. gentleman, then hon. member for Port Curtis, said he had never tried to destroy one interest to benefit another, and he also said that that measure was likely to bring ruin upon one class, because if it were passed it would so injure their tenure on the land that no bank would accept their leases as security. He (Mr. Thorn) maintained that that was exactly what was now being done by means of the Bill before the Committee, and he thought there must be something behind the scenes or the pastoralists would never submit so quietly. The hon. member (Mr. Palmer) said on the occasion referred to that Crown lessees would not be able to borrow money from the banks as formerly if the Railway Reserves Act was passed. How did the hon. gentleman reconcile those statements with the views he was advocating to-night? The squatters' tenure would be injured by this Bill, and they would not get a penny as compensation. The hon. gentleman was like a weather-cock—he had undergone a complete metamorphosis. When he represented Port Curtis he held one set of opinion, and now, as hon. member for North Brisbane, he held another set. He (Mr. Thorn) hoped the Government would allow some compensation to the pioneers who had gone into the interior and embarked their all; and who

would lose greatly under this Bill. The hon. member (Mr. Rea) made a reasonable proposition for benefiting them, and he was met with objections. Why were the hon. members for Warrego and Burke sitting so quietly?

The COLONIAL SECRETARY said he had changed his opinions on some subjects—not many. One opinion he had never changed—he considered the hon. member for Northern Downs to be the greatest concatenation of ignorance, impudence, and folly that had ever sat in this House.

Mr. REA said he must take exception to some of the remarks which had been made. He had done more to benefit the just interests of the squatters than any other member of the House. It was the run-gamblers against whom he spoke—they were the real enemies of the squatters, and the men who brought destruction upon the *bond fide* squatters of the colony.

The CHAIRMAN said he now remembered that this was a Bill which came down by message from the Governor, and therefore the clause as proposed could be put.

Mr. KING wished to give one reason why the proposition of the hon. member for Rockhampton was inadmissible. He took it that a good many squatters would be seriously injured by the railway taking one-half of their runs, and in cases where an injury was sustained he was quite sure that Parliament would always be willing to give compensation; but it must be remembered, on the other hand, that there would be many squatters twelve and a-half miles away from the line who would receive great benefit from it, and therefore it was only fair that the question of increase of rent should be considered at the same time as compensation.

Mr. REA said that the hon. gentleman's speech was a strong argument in favour of the new clause, as he admitted that the men outside were benefited by the construction of the railway, and that it was out of their pockets alone that the money should come for compensation. So far as related to the Government compensating pastoral lessees he held they should not do it, but that it ought to be done by an assessment to be raised from those persons who benefited by the construction of the line.

The MINISTER FOR WORKS said there was something more than the hon. member for Maryborough (Mr. King) seemed to think, as it would establish a principle that a railway should be constructed at the expense of those residing near it and who would be benefited by it. That principle might be applied all over the colony. There were at the present time two lines before the House, one from Oxley to Brisbane and one to Sandgate, and no one would deny that persons near those lines would be benefited, although those whose lands were interfered with by the railways might be injured; so that the principle, if established, must be carried to a conclusion. If such a clause was carried with reference to the Bill before the Committee, a similar clause must be applied to the cases he had mentioned.

Mr. REA said the hon. gentleman did not understand the matter. This trunk line was to be constructed out of land grants which would take up the whole of the run of a pastoral lessee, whilst on the other lines only small portions of property would be required.

Mr. DICKSON said it was unfortunate that the proposed clauses of the hon. member for Rockhampton were not in print, so that they might have received the consideration they deserved; but he would advise the hon. gentleman not to press them at the present time, if the

Government did not consent to them, as they might well rest till the next Bill was introduced, and in the meantime, hon. members might give their consideration to them. He was not prepared to say that they were not based on a principle worthy of consideration, but they required more time than could be given to them now, and therefore he would urge on the hon. member the desirability of not pressing them.

Mr. REA said that it was only in consequence of what the Premier had stated last evening that he had framed the proposed clause that day. His object was, that in passing this Bill they should not do an injustice to a large class of men.

Mr. GRIFFITH suggested that the question of compensation to pastoral tenants was altogether one for a different Bill. The Bill before them was simply a question between the Government and contractors. What became of the lessees was a matter to be arranged between them and the Government afterwards.

Question put and negatived.

On clause 25, as follows—

25. If after any such guarantee has been given by the Governor in Council, it is proved to the satisfaction of the Minister that the contractors—

1. Fail or refuse to work the traffic on the railway pursuant to the regulations in that behalf; or
2. Are insolvent, or neglect or fail to meet their lawful obligations to the officers or servants employed upon the line, or to any other creditor of the said contractors,

the Governor in Council may, after one month's notice of his intention, served upon the contractors at their principal office in the colony, and published in the *Gazette*, direct the Minister to forthwith enter upon and take and retain possession of such railway until he is directed by the Governor in Council to relinquish possession of the same. And the Minister shall thereupon assume the entire charge and control of the railway, and shall for the time being have and exercise all such privileges and powers, and incur the same liabilities and obligations, as are respectively exercised and incurred by the contractors under the provisions of this Act, or under any agreement or provisional order made in pursuance thereof, or under any Act giving statutory authority to such agreement in provisional order.

The PREMIER moved the omission of the words "after any such guarantee has been given by the Governor in Council," with the view of inserting the words "at any time after the completion of the whole or any prescribed section of the railway."

Question put and passed.

Mr. GRIFFITH said he had a further amendment to move—namely, after the word "refused" the words "for a period of one month." His object was to fix a limit to the refusal.

Question put and passed.

Mr. GRIFFITH moved a new subsection as follows:—

3. Fail, after traffic has been interdicted by the Minister by reason of the line being unsafe for traffic, to render it fit for traffic within a reasonable time in that behalf.

Clause as amended, agreed to.

The PREMIER said he thought that clause 25 would have been sufficient for what was wanted, but he saw that it did not give the power to the Government to take possession of a line if abandoned by the contractors. He would therefore move the following as a new clause:—

If at any time it is proved to the satisfaction of the Governor in Council that the contractors have abandoned the railway for a period of three months the railway shall from henceforth become the property of the Government.

Question put and passed.

Clause 26—"Penalty for refusing to give up possession of railway"—put and passed.

Clause 27—"Governor in Council may purchase railway"—amended, on the motion of Mr. GRIFFITH, by the substitution of the words "final completion of the railway" for "passing of this Act," and passed.

Mr. GRIFFITH said the clause just passed raised the question of the price to be paid for the line. An hon. member had proposed that the cost of construction should be the price, and he (Mr. Griffith) thought there should be some limit, as otherwise the contractors might make a fabulous valuation. Supposing, for instance, a line cost £3,000,000 to construct, they might estimate it as representing an income of £300,000 a year—at least, that was the valuation they might put on it, and of course they would get as much as they could. But, on the other hand, it should be borne in mind that practically the contractors had been recouped the cost of construction by the land granted to them, and it would be scarcely fair to expect the colony to pay for the line twice over. He had been thinking the matter over, and the scheme which he had worked out was to this effect—that, if any negotiation of the kind occurred, the contractors should be called upon to prove the actual cost of construction of the line, their income and expenditure during the time they had been running it, and the value of the land they still had unsold. Taking those things into consideration, they should receive a sum that would not be more than the net cost of construction, with such an amount as with their profits would make up 10 per cent. per annum on their capital from the time of their starting with the line. He did not say that those would be very good terms, but it would be very much less than the country would be asked by the contractors to pay; it would be the maximum and below what would probably be asked. In any negotiation the land they had received and had not sold would not be taken into consideration by the contractors unless it were so provided, whereas it should be because they had been already paid in land for the construction of the line. He did not know whether there was any better way of putting the matter. One hon. member said that they should confine themselves to the cost of the line without taking anything else into consideration; but he (Mr. Griffith) had, after some trouble, worked out the scheme he had stated, and which he thought was the best.

The PREMIER said the remarks of the hon. gentleman were founded altogether on a wrong view of the agreement to be made by the Government, as the land was merely a bonus given to the contractors for constructing the line. When they had constructed the line, it, and the land as well, became the property of the contractors. By the Bill provision was made that if the Government wanted to buy the line the value should be decided by arbitrators, and the Government would be bound by the decision of those three men. The proposition put forward by the hon. gentleman would have the effect of debarring any persons from coming forward as contractors, as there was no doubt that even now this scheme would be looked upon by capitalists in England as a very risky one, and they would certainly not be inclined to give up the line on completion for a consideration of 10 per cent., or less than 20 per cent. The stipulation they made was that they should have the land, and if the Government wanted to buy the line, then, of course, they would have to pay for it. It was quite a general thing with contractors that such matters should be referred to arbitration, as what was to be considered was not only whether the property was a paying one now, but also the prospective profits. Hon. mem-

bers had seen in the case of the Hobson's Bay railway line in Melbourne, which was taken over by the Victorian Government, how the value was arrived at. If it was the interest of the one party to buy and not the interest of the other to sell, the only way to arrive at a value was by arbitration. The hon. member must not run away with the idea that this land was to pay for the line, as it was only a bonus for constructing the line; and after the line was completed the land actually became the property of the company.

Mr. GRIFFITH was understood to say that he had brought forward the matter because it was desirable that arrangements should be made in the event of the Government wishing to buy the line.

Mr. KING said he must draw the attention of the Premier to the fact that the 19th section mentioned in this clause appeared to be an error. The section should be either 21 or 14.

Mr. THORN agreed with the hon. member for North Brisbane, that there should be some basis of agreement as to the price which should be paid for the railway. If a good port were discovered on the Gulf of Carpentaria there could be no doubt but that the line would pay handsomely. He thought it would be well to insert a provision to the effect that at the end of fourteen or twenty-one years the line should revert to the State. He hoped the Government would not be placed in the position of the Tasmanian Government with respect to a railway line in Tasmania. The Government were anxious to purchase the line, and found it very difficult to do so. All sorts of obstacles were thrown in the way. The profits of the line were calculated prospectively, and the Tasmanian Government were unable to come to terms. The line had not been well managed by the company, and would undoubtedly be better managed by the Government.

The PREMIER said he must again explain that the Government gave a certain amount of land to the contractors as a bonus for the construction of a line; when the line was constructed the land became the property of the contractors in fee-simple. While doing that the Government reserved to themselves the right to purchase the line for its actual value. If that clause were not inserted the effect would be that if they passed legislation afterwards to take possession of the line they would be obliged in all fairness to the contractors to allow consideration for a forced sale. But if that clause were inserted there would be no forced sale, inasmuch as it provided that the Government might, at any time after the expiration of five years, purchase the line at its actual value. The arbitrators would not only have to calculate the value of the line at the time of the sale, but prospectively. He would have no objection to go into the most minute details when a Bill for the purpose of constructing any particular railway by land-grants came before the House. He would then have no objection to provide as to how the value might be arrived at. But there was no necessity for inserting such a provision in this Bill; they only declared the fact that the Government reserved to themselves the right to buy, in order that at some future time contractors might not be put in the position of claiming consideration for a forced sale.

Mr. GRIFFITH said that the mode of arriving at the value must either remain an open question or else it must be provided for in this Bill. It was a most important matter, and it would be a great pity if an agreement should fall through from Parliament afterwards insisting upon an artificial mode of estimating the value.

The PREMIER moved that the word "nineteen" be omitted, with a view to the insertion in lieu thereof of the words "twenty-one."

Amendment put and passed.

Mr. DICKSON said it was a question whether they were not going to pay too much for railway construction by means of land grants. In the case of the projected line from Roma to the Gulf of Carpentaria he believed it was estimated that the construction would absorb about 10,000 acres per mile. Considering the total length of the line, therefore, they would be giving an enormous territory for the construction of the railway and for the maintenance of traffic. If they had to buy the line over from the company in addition to giving them this enormous tract of land they would have to pay a great deal more for the line than if it were constructed by money borrowed in the ordinary way. Considering the enormous area of land given to the contractors, it would be only just that at the end of a certain number of years the line should revert to the State. If that were not the case he could not see where the advantage of the scheme came in. Instead of being an advantage it would be an immense burden on the State. Sooner or later the State would undoubtedly require to be possessed of the line. A line of such magnitude—the backbone of communication throughout the colony—must ultimately become the property of the Government. The probability was that if the Government purchased the line five years hence they would have to purchase it at a cost of three or four times the amount of money absorbed in its construction. The clause, to his mind, was a most objectionable one. While he admitted the principle of building railways upon land grants, he would like to see it so carried out that the railways constructed on that principle should revert to the State at the end of a certain number of years.

The PREMIER said that the arguments of the hon. member for Enoggera were beside the question, when it was remembered that he (the Premier) had already stated that he had no objection to the alternative offer, to the effect that the tenderers might take more land on the understanding that they would hand over the railway to the Government at the end of a certain time. This was in reality a clause to save the Government, to give them the right of buying the line at a certain time. If the Government did not want the line they need not buy it. If they did want it, why in the name of justice should they not pay the full value? The hon. member for Enoggera also said that they were making a bad bargain for the country. But it was absurd to say that when they did not know the terms on the other side. They could not know how many thousand acres a-mile it would be necessary for them to give until the agreement came before the House. But the hon. member assumed that 10,000 acres a-mile was to be given as a bonus, and upon that assumption he said they were making a bad bargain.

Mr. MOREHEAD said he thought this was one of the best clauses in the Bill. The Government should undoubtedly reserve the power of buying the railway. The clause was nothing more nor less than a protective clause. The arguments of the hon. member for Enoggera would almost induce one to believe that he did not wish the Government to be possessed of a paying concern.

Mr. RUTLEDGE said he did not think anyone would object to a provision of that kind, provided some principle were introduced upon which the arbitrators might be required to act in estimating the value of the line when the matter was referred to them. That seemed

to him to be an important element wanting in the clause. Supposing, for the sake of argument, that in consequence of rich mineral treasures being found adjacent to the line in a contractor's block while the railway was in course of construction, and that the contractors received an average profit of £1,000 a-mile on the total outlay for the construction of the line—even after that profit, which would amount to a million of money, the Government were to buy up the railway as a going concern, it would put the contractors in possession of several millions more. In reality it meant stupendous fortunes for the contractors—it meant, in fact, all profit to the contractors and none to the colony.

Mr. MOREHEAD said the clause meant this—that if the Government of the day saw that the railway was a paying concern, and that it would be for the benefit of the country for them to take it over, they might enter into negotiations with the owners of the railway with that object. The clause was to protect the State, and was not for the benefit of the contractors—in fact, it was rather detrimental to the contractors, because if the line paid as some members suggested it might, the contractors would be only too glad to carry it on and avoid selling to the Government. The 28th and other clauses provided amply for arbitration, the appointment of umpires, and the like. The clause before the Committee was wholly for the benefit of the State. He did not understand the objection of the hon. member for Enoggera. Whatever body of men undertook the construction of the line he hoped they would make hundreds of thousands of pounds. Every thousand pounds they made would benefit the State as well as themselves. Capitalists were not coming to Queensland to construct railways simply for philanthropic purposes. They were coming there to make money, and he hoped they would; and when the time came for the State to take over any railway they might make they would be paid a fair and equitable value for it.

Mr. KATES said it was optional with the Government whether they purchased the railway. He would prefer to see the assent of both Houses provided for.

Mr. FRASER said the substance of the objections raised by the hon. member for Enoggera was that the colony would in effect be paying for the line twice over. He thoroughly understood the arguments of the Premier, but there still appeared to him to be a practical difficulty in the way.

Mr. KING asked how the arguments of the hon. member for Enoggera would apply to cases in which industries were established by bonus. Take, for instance, the Ipswich Woollen Factory. Did the hon. member expect the Factory to supply the Government with police cloth free of charge?

The MINISTER FOR WORKS said it had been argued on the other side of the House that a railway carried westward from Roma would not pay. Now that it was proposed to proceed with railway construction in that direction, they could not expect capitalists to come forward and undertake what hon. members said would not pay, unless they gave them a certain bonus for starting. If they looked at the experiences of other countries, it would be apparent that they would be making a good bargain if they secured the construction of their railways for bonuses of 8,000 or 10,000 acres per mile. America was placed in similar circumstances, and the bonus upon different lines there was larger than the bonus they expected to pay. The bonus on the transcontinental line was 12,600 acres per mile, the land being quite as good as the land in this colony. The line was made from one portion of the continent thickly populated to another which

was also thickly populated, whereas one end of the proposed line to the Gulf of Carpentaria was not populated at all. Then, in addition to the bonus of 12,600 acres per mile, the company received a bonus of 30,000 dollars a-mile from Congress, in addition to bonuses from different States and towns through which the line passed. Notwithstanding these bonuses, the line was the property of the company for ever. The same thing had happened in the construction of lines in the different States. On the continent of Europe, lines were made by companies who received bonuses from the different Governments in addition to guarantees of the whole of the interest on the cost of construction. In some of these cases the lines did not revert to the State; but even where they did, they did not revert within a less period than ninety-nine years. If they had their lines made for a bonus of 8,000 acres per mile, they would be doing a good thing; and if the time came when the lines paid at such a rate as to induce the Government to buy them over, they would be making another good bargain.

Mr. RUTLEDGE said the illustration of the hon. member for Maryborough in reference to the Ipswich Woollen Factory was a very taking one, but it was fallacious. In the one case the Government were providing the contractors with all the capital necessary to enable them to proceed with the construction of the line; but in the case of the Ipswich Woollen Factory the bonus of £1,000 was nothing as compared with the £40,000 or £50,000, or thereabouts, which he understood had been spent in starting the industry.

The PREMIER said that if hon. members would not pay attention to the actual meaning of the Bill they would never be able to come to an agreement as to what the measure should be. He was astonished to hear the hon. member for Enoggera say that the principle of the Bill was to give the contractors sufficient money to carry out a railway line. It was nothing of the sort. He had explained a dozen times that the bonus of land was to encourage contractors to undertake the line. In the case of the Ipswich Woollen Factory the bonus of £1,000 and 1,000 acres of land was given upon the consideration that the colony would derive an advantage from the establishment of the industry. The bonus was not given upon any such consideration as that the Government should receive cloth whenever they chose to demand it. The advantage received by the Government was an indirect advantage. So, also, the bonus to the railway contractors was to encourage them to make a railway which would remain the property of the contractors in just the same way that the Ipswich Woollen Factory belonged to those who had established it.

Mr. KING said he was glad to hear from the hon. member for Enoggera that the Ipswich Woollen Factory had a capital of £40,000 or £50,000. He was not previously aware of the fact. The Government had also offered a bonus for the manufacture of iron. If the argument of the hon. member for Enoggera held good, the Government should receive steel rails and pig iron for nothing from the manufacturers who claimed the bonus.

Mr. MACFARLANE said there was a great deal of difference between the bonus given to the Ipswich Woollen Company and the bonus which the Premier said was to be given to the contractors making the line. The amount of the bonus given to the woollen company was £1,000 in money and 1,000 acres of land, and the amount of capital was £14,000. The 27th clause of the Bill was not definite enough. The Government should have the power to purchase this line if it thought fit; but it must be a matter of mutual arrangement. Suppose some great syndicate had

the line, and the Ministry who wanted to purchase it were their friends, it was possible that the mutual arrangement might be very much to the advantage of the contractors and to the disadvantage of the country. A fair and reasonable value should be given for the line but nothing more, and in order to ensure that some basis should be laid down whereby the contractors should not obtain unfair advantages from any circumstances which might exist at the time when the sale was proposed.

Mr. ARCHER said he presumed that this matter like all others would have to be looked upon as a commercial transaction. The Government should offer the contractors a sufficient amount of land to encourage them to construct the railway; an arrangement should be made that it might be handed over to the Government if desired at a minimum price, which should be named. The contractors, of course, calculated upon making a certain amount of money out of the transaction. Either, therefore, give them land enough to pay for the whole, or tell them they must give it up at a given price at a given time. If the contractors were told that they would get the value at the time of taking it over they would no doubt be willing to accept less land, but hon. members might make sure of it that the country in some way or another would have to pay.

Mr. MOREHEAD said that hon. members must see that the Government would never interfere unless it was for the benefit of the State; in other words, this clause would be inoperative unless it was for the advantage of the country.

Mr. THORN said the public out of doors were under the impression that after this line was completed it would revert to the Crown without any compensation whatever. He himself did not care how long was the time fixed—let it be twenty, forty, or even ninety-nine years; but let there be a time definitely stated when the railway should pass to the State. The line would some day, taking its prospective value into consideration, cost the state £10,000 a-mile; and he agreed with those who insisted that a basis should now be laid down by which any future transfer of the line should be regulated.

Mr. MOREHEAD said the hon. member who had last spoken could not or would not see that this clause allowed the Government to do what he said they ought to do. If the hon. member would take the clause home with him, and study it for a few weeks, and get it driven into him by a steam hammer, by next session he would probably understand that the thing he was arguing about was already provided for.

Mr. THORN said he was quite aware of that; but he wished the line ultimately to become the property of the State without any money payment whatever.

Mr. MILES thought the great mistake was to introduce the Bill at all. It would have been much better if the Government had brought in a resolution asking the House to sanction their making arrangements with the contractors. The Premier, by his own account, had to come back to the House again to ratify the contract; so that all this discussion lasting over two or three nights had been nothing but a waste of time. If the Government had brought a resolution authorising them to negotiate with contractors to build the railway, they could afterwards have come down with the contract and the matter would soon have been settled. The Minister for Works said that hon. members on the Opposition side had objected to the extension of the railway from Roma. He (Mr. Miles) would add they not only objected to that but to the Central rail-

way extension, and they also insisted upon the condition that those who benefited by the railway should pay for it.

Mr. KINGSFORD said he could not see, that the Bill was a mistake altogether; the mistake, if any, was that it was not introduced long before. Comparisons had been drawn between this scheme and the bonus paid to the Ipswich Woollen Company; but there was no parallel whatever. A thousand pounds cash was actually given to the Ipswich company, and in the present case land would be given. The money raised by the contractors for the construction of the railway would amount to probably two or three millions sterling; that money would be circulated in the colony, which would receive in full the benefit of any value the contractors might get in land. So that, what with the advantage of the large circulation of money that did not come out of the coffers of the Treasury, settlement on the land, increase of population, the starting of new lines of traffic, the increase of general traffic, and the opening up of the resources of the colony, there would be more than compensation for any extra amount to be ultimately paid by any future Government taking the line over on behalf of the colony. It would be a great benefit to the State that all these advantages should accrue without any outlay.

Mr. GRIFFITH said he did not think there was any misunderstanding about the clause. It was a most important provision that the Government should be entitled to buy the line after a certain time. He believed a joint stock company carrying on business, and with an estate to the extent of something like six million acres of land, as this railway-constructing company would be, would have great political power; and he wished hon. members to look at it from a political point of view. Large corporations, as history showed, were always interfering with politics, and it would be most desirable for any colony to get out of the hands of such bodies as soon as possible. In 1874, when the Collier scheme was before the Government, he was not one of those who were pleased with the scheme, and, to a great extent, for the very reason that it would have made a power in the State which might have been most injurious. In America the proceedings of corporations of that kind had been of the most objectionable character. They had corrupted political life and done everything that was undesirable. It was therefore important that there should be a stipulation that this corporation should not be a permanent one, and that was why the matter of purchase was of so vital a nature. As to determining when the purchase should be effected, that was a matter of bargain to be made now. As the member for Blackall had pointed out, they might agree to give the full value when wanted; to give a price, stipulated now, in money; or to give a price, stipulated now, in land; and in his opinion one of the two latter modes should be adopted. If they left it vaguely to be paid for at the full value, that would leave the door open to enormous frauds. It was of no use pretending to be too virtuous, or to say that public men were all immaculate. They were not, and there was no occasion to suppose that their successors in twenty years' time would be more immaculate than others. Just imagine the purchasing of a line from a large company like this, the full value to be obtained by arbitrators! In the first place, pressure would be brought to bear to get an amiable arbitrator appointed. In Canada, with regard to a much smaller matter than this, a company did not think it beneath them to spend tens of thousands of pounds to obtain political influence. Suppose the con-

tractors got a million extra on the purchase of the line, would it not be worth while to spend £100,000 to get pressure brought to bear upon the Ministry of the day to appoint an amiable arbitrator, and would not influence be brought to bear upon members of the House to secure favourable votes? This was not merely a danger to be conjectured *a priori*, but a danger that had been actually seen in America and Canada. By all means, let there be the definite fixing of a maximum price. If they made an agreement to pay the full value that was a bargain, but it was desirable for Parliament now, in advance, to fix a maximum, and so prevent the danger of such influences. That might be avoided by a definite stipulation which should be binding when the time came for making the purchase.

The PREMIER said that all that the hon. gentleman stated went to prove that when the Bill granting the concession in land for the construction of the railway came before Parliament the principle upon which the valuation should be made on the Government taking over the line should be actually defined. He saw no reason why it should not be, but for the purposes of the Bill it was sufficient to say that the Government had the right of purchasing the line at a fair and reasonable value at any time after the expiration of five years from the date of completion. When the Bill granting the concession in land came before the House the principle upon which that value should be ascertained could easily be defined.

Mr. GRIFFITH said he could not see how it could go into that Bill unless it were provided for in the Bill before the Committee, or there was a reference to it. If they were to say in the clause that in the purchase of the railway the value should be estimated upon a basis to be stipulated in the provisional agreement it would meet the case.

The PREMIER: I have no objection to that.

Mr. GRIFFITH said that what he was anxious to see was that, at the beginning, this question should be provided for. He would move that the words "as mutually agreed upon between the contractors and the Minister," in the last two lines of the clause, should be omitted, with a view to the insertion of the words, "upon a basis of valuation to be stipulated in the provisional agreement."

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

Clause, as amended, passed.

Clause 28—"If value not agreed upon, arbitrators to be appointed"—passed, with verbal amendment.

Clause 29 and 30, passed as printed.

Mr. GRIFFITH said he thought this was the proper place to put in his alternative scheme.

[The hon. gentleman then read the clause in the form that he intended moving it.]

The PREMIER said he should like to see the amendment in print. It was very important, and as a great many of the clauses in the Bill had been altered, and the amendment referred to clauses which had been altered, he should like to see the effect that it would have. He did not see anything to object to in it, but it might involve a recommitment for the purpose of putting some of the clauses right. At all events, he hoped the hon. gentleman would accept his promise that the Bill would be re-committed for the purpose of reconsidering the clause, and go to the end of the Bill. He thought the amendment would more properly come in at the end of clause 34.

Mr. GRIFFITH: It must come in here or nowhere.

The PREMIER said he was quite willing to recommit the Bill for the purpose of considering the insertion of the clause at that part of the Bill which was now before the Committee.

On the motion of Mr. GRIFFITH, new clauses were inserted to follow clause 30, to the following effect:—"Contractor and Commissioner of Railways to have running powers on each other's lines;" "Terms to be settled by agreement or referees appointed by a judge of the Supreme Court;" "Penalty for not giving due facilities;" and "Contractors not to show partiality to any person or kind of traffic."

Clause 31—"Agreements laid before Legislative Assembly"—was passed on the motion of the PREMIER, with the omission of all the words after the word "Assembly" in the third line.

On clause 32—"Governor in Council may make provisional order"—

Mr. McLEAN said that if they wanted competition amongst contractors the Government ought to undertake the survey of the line. If contractors had to make the survey they would understand that the Government were making a sort of bargain with them. To prevent that it would be advisable for the Government to survey the line and lay the survey before the contractors, with a description of the country. They would then be bound in no way whatever to any party.

The clause was passed with the substitution of the word "made" for "ratified" in the first line.

Mr. REA said that, in order to let the contractors know the direction which it was intended the line should take, he would move the insertion of the following new clause:—

Any line of railway proceeding from the town of Mitchell towards the Gulf of Carpentaria shall only be provisionally contracted for on condition of said line being laid down and constructed in as direct a line as engineering economy will permit towards and touching the towns of Tambo and Blackall, and thence to the Alice River.

Clause 33 was passed with verbal amendment.

Mr. REA moved that the new clause he had read be inserted.

Question put, and the Committee divided:—

AYES, 7.

Messrs. McLean, Rutledge, Dickson, Miles, Grimes, Rea, and Kates.

NOES, 22.

Messrs. Palmer, Perkins, McIlwraith, King, Beor, Norton, Stevens, Morehead, Weld-Blundell, Lalor, Lumley Hill, H. W. Palmer, Sheaffe, Amhurst, Swanwick, Kingsford, Macrossan, Fraser, Hamilton, Horwitz, Archer, and Cooper.

Question, therefore, resolved in the negative.

Clause 34 was passed with verbal amendments.

Mr. GRIFFITH said he wished to insert at this stage the clause relating to the guarantee of the *bona fides* of the contractors, if they were a joint stock company, of which he had given notice. He had considerably altered the clause, and adopted the wording of the American ordinance.

The PREMIER said it would be better that the amendment as altered should be printed and circulated before the next meeting. He moved that the Chairman leave the chair.

The House resumed, and the Chairman reported progress.

The PREMIER moved the adjournment of the House.

Mr. GRIFFITH suggested that, as there were only two other clauses in the Bill remaining

unconsidered, the Bill should be printed as amended in time for the next sitting of the Committee.

The PREMIER said he would have the Bill printed, with all amendments made up to the present time, before bringing it again under the consideration of the Committee.

The House adjourned at half-past 10 o'clock.