

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**TUESDAY, 5 JULY 1881**

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# QUEENSLAND PARLIAMENTARY DEBATES.

## LEGISLATIVE ASSEMBLY.

### FOURTH SESSION OF THE EIGHTH PARLIAMENT,

#### APPOINTED TO MEET

AT BRISBANE, ON THE FIFTH DAY OF JULY, IN THE FORTY-FIFTH YEAR OF THE REIGN OF HER  
MAJESTY QUEEN VICTORIA, IN THE YEAR OF OUR LORD 1881.

### LEGISLATIVE ASSEMBLY.

Tuesday, 5 July, 1881.

Vacancies during Recess.—Members Sworn.—Royal Commission Report.—Elections and Qualifications Committee.—Bill *pro forma*.—Ministerial Statement.—The Opening Speech.—Address in Reply.

THE House met at 12 o'clock, a few minutes after which hour a message was conveyed by the Usher of the Black Rod, that His Excellency the Governor requested the attendance of Mr. Speaker and hon. members of the Legislative Assembly in the Council Chamber.

THE SPEAKER, accompanied by hon. members of the Assembly, accordingly proceeded to the Legislative Council, and, having heard the Address of His Excellency, returned to their own Chamber.

The House resumed at half-past 3 o'clock.

#### VACANCIES DURING RECESS.

THE SPEAKER announced that since the termination of the last Session the following vacancies had occurred in the House, viz. :—

1. By the resignation of the Hon. John Douglas, one of the Members for the Electoral District of Maryborough.
2. By the death of the Hon. Henry Rogers Beor, Esq., Member for the Electoral District of Bowen.
3. By the death of George Henry Davenport, Esq., one of the Members for the Electoral District of Drayton and Toowoomba.
4. By the death of Francis Tyssen Amhurst, Esq., Member for the Electoral District of Mackay.

That, upon the occurrence of each of the said vacancies he had issued his writ for the election of a member to fill the same, and that such writs had been duly returned to him with certificates respectively endorsed thereon of the election of the following gentlemen, viz. :—

1. Henry Palmer, Esq., as a Member for the Electoral District of Maryborough.
2. The Hon. Pope Alexander Cooper, Esq., as Member for the Electoral District of Bowen.
3. Robert Aland, Esq., as a Member for the Electoral District of Drayton and Toowoomba.
4. Maurice Hume Black, Esq., as Member for the Electoral District of Mackay.

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He had further to report the occurrence during the recess of another vacancy in the House, by the resignation of the Hon. Boyd Dunlop Morehead, Esq., Member for the Electoral District of Mitchell. That he duly issued his writ for the election of a member to fill the said vacancy, making the said writ returnable on the 24th day of February last. That the writ was returned with a certificate endorsed thereon of the election of Oscar de Satgé, Esq., as member for the electoral district in question; but not having been received until the 25th day of February, he caused His Excellency the Governor to be so informed, and a proclamation giving validity to the election, notwithstanding the delay in the return of the writ, was issued in the *Government Gazette* of date the 5th day of March last.

#### MEMBERS SWORN.

The following members having been presented and sworn, subscribed the roll :—

Henry Palmer, Esq., Maryborough; the Hon. Pope Alexander Cooper, Esq., Bowen; Robert Aland, Esq., Drayton and Toowoomba; Maurice Hume Black, Esq., Mackay; Oscar De Satgé, Esq., Mitchell.

#### ROYAL COMMISSION REPORT.

THE COLONIAL SECRETARY (Sir A. H. Palmer) said he held in his hand a report of considerable importance, which he was desirous of getting into *Hansard*, and he should move that the report be read by the Clerk, at the table, unless the House chose to consider it as read. The papers would be laid on the table that afternoon and distributed amongst members, but he thought it was of considerable importance that every possible publicity should be given to a report of this description. He moved that the report be read by the Clerk.

Question put and passed.

THE CLERK then read the Report of the Commission, as follows :—

#### “REPORT OF THE QUEENSLAND ROYAL COMMISSION.

“To His Excellency Sir Arthur Edward Kennedy, K.C.M.G., C.B., Governor of the Colony of Queensland, &c., &c., &c.

“May it please Your Excellency,—

“We, the Commissioners appointed under a Royal Commission, sealed with the seal of Her

Majesty's Colony of Queensland, on the 1st day of December, 1880, to further inquire into the several allegations contained in the Petition of Mr. William Hemmant to the Honourable Legislative Assembly, presented on the 6th day of July then past, and all matters connected therewith, and into the general management of the office of the Agent-General for Queensland in London, and to take down the examination of the several witnesses that might appear before us, and reduce the same into writing; and such evidence, together with a full and faithful Report upon the several matters above referred to as we, or either of us, should think fit to make, transmit to the office of the Honourable the Colonial Secretary of the said colony: beg to transmit in manner directed the evidence taken by us relative to the several allegations contained in the said Petition, and all matters connected therewith, together with a Report made by us thereon to Your Excellency, in discharge of the first part of the duty entrusted to us. We have thought it right to transmit the results of this part of our inquiry as soon as possible upon its completion, without waiting for the completion of our inquiry into the general management of the office of the Agent-General for Queensland in London, the results of which we propose to transmit at a later date in manner directed.

"Your Excellency appointed the Commission in accordance with a Resolution of the Legislative Assembly of the 17th November, 1880, which was in these words:—

"That a Royal Commission be appointed to take further evidence in England, and to report on the allegations contained in Mr. Hemmant's Petition, and all matters connected therewith, in accordance with the recommendations of the Select Committee appointed on the 15th day of July, 1880, in their Report to this House, dated the 30th day of October, 1880.

"That such Commission consist of Mr. George King and a gentleman to be nominated by the Right Honourable the Secretary of State for the Colonies, and appointed by this Government."

"On referring to the Report of the Select Committee, we find special reference made to certain matters in the 17th and 22nd paragraphs of that Report. The paragraphs are as follows:—

"17. Mr. Hamilton in his evidence has made distinct charges against the Agent-General and Mr. Ashwell of favouring the firm of McIlwraith, McEacharn, and Co.; and gives a specific instance in which that firm received, without having tendered, 3s. 6d. per ton more for carrying rails from Glasgow to Rockhampton than the firm of Messrs. Law and Co. had received only a short time previously. The particular instance is admitted by Mr. McEacharn, who gives the necessity for quick despatch as the reason why the freight was raised (which statement is confirmed by the evidence of the Secretary for Public Works, and supported by Appendix NN); but he denies that Messrs. McIlwraith, McEacharn, and Co. have had a too large or even that fair share of the Queensland Government business which their position as one of the leading firms in the Queensland trade entitles them to. This is clearly a matter on which your Committee cannot give an opinion upon the evidence now before them, but the impartiality of the Agent-General in conducting the Government business is a matter of such vital importance that they recommend your Honourable House to take such steps for further investigation as to it may seem fit.

"22. That, in the opinion of your Committee, there are many matters in connection with the inquiry, so far as the rails and the freight con-

tracts are concerned, which have not been satisfactorily explained; and they recommend your Honourable House to take such steps for further investigating these matters as may to it seem best."

"Further, on the 1st of December, 1880, the Honourable A. H. Palmer, Colonial Secretary of Queensland, in a letter addressed to Mr. King, gave the following instructions for the guidance of the Commissioners:—

"You will observe from the 17th and 22nd clauses of the Report of the Select Committee referred to in the first Resolution, that there are certain matters to which special reference is made by the Committee; but as it is not intended by the Government that the scope of the inquiry should be limited to these matters, the Commissions, as you will observe, have been so prepared as to admit of the fullest investigation being made into the charges, direct and implied, made by Mr. Hemmant, and reiterated with much greater force and distinctness by Mr. Griffith in his closing remarks at the end of the session, after the Select Committee's Report had been adopted, as well as into the general management of the office of the Agent-General in London."

"The remarks to which Mr. Palmer refers as made by Mr. Griffith would appear to be contained in the following sentence of Mr. Griffith's speech in the Legislative Assembly delivered on the 17th of November, 1880:—

"He said now that, as he stated in the protest to which he had attached his name, there was a preconcerted arrangement, and that he believed the colony had been most shamefully plundered by a ring of speculators in the London office, and he would now say more, and would say it with a full sense of the responsibility of his position, that he considered, upon the evidence, that the Premier connived at it \* \* \* he would repeat that the evidence showed that the Premier had connived at it."

"2. Before proceeding to report upon these several matters, we beg to call the attention of Your Excellency to the steps taken with a view to the due constitution of the Commission.

"Mr. King having received his own Commission and another in blank, both signed by Your Excellency, set out for England, and in a letter of the 11th of February, 1881, addressed to the Earl of Kimberley, Her Majesty's Secretary of State for the Colonies, reported his arrival in London, and transmitted a copy of the Commission under which he held his appointment, and a copy of the Commission signed in blank, and requested his Lordship to fill in the name of the gentleman he might be pleased to nominate.

"On the 4th of March, Mr. R. G. W. Herbert, Under Secretary of State for the Colonies, wrote to Mr. King, acquainting him that his Lordship nominated as the Commissioner to be associated with him Mr. Frederick Waymouth Gibbs, C.B., Q.C. The letter then continued:—

"I am at the same time to inform you that Lord Kimberley felt it his duty, before selecting a commissioner, to consult the Law Officers of the Crown as to the legal effect in this country of the Commission proposed to be issued to him, and as to the propriety of Her Majesty's Secretary of State taking any steps which might seem to give official recognition in this country to a document purporting to be a Commission in the Queen's name, but issued not by Her Majesty but by the Governor of a colony.

"His Lordship has been advised in reply that he may properly nominate a commissioner as requested; but His Lordship directs me to intimate to you that, although the Commission does not, on the face of it, show that any power under it is to be exercised out of the colony, yet that

His Lordship desires it to be distinctly understood that by complying with the request to nominate a commissioner he does not thereby recognise any right in a Colonial Government to confer by a Royal Commission powers to be exercised outside of the colony; and that the inquiry, therefore, can only be effective so far as any person whose evidence or participation in it may be desired consents to appear before the Commissioners.'

"3. The Commission being duly constituted, we lost no time in making the necessary preparations, and held our first meeting on the 14th of March, 1881. We opened the proceedings by expressing our view that the truth could best be elicited by adopting the form of a judicial inquiry so far as the case admitted; but we pointed out that there was one difference between the inquiry and a trial—that there was no one whose special duty it was to conduct it before us. Under these circumstances we arranged that Mr. Hemmant, as the petitioner, should begin by bringing forward evidence in support of his petition. We have also had the assistance of Mr. Griffith, who, though declining to act as an accuser or *actor*, on the ground that he knew no more than was in the printed papers, and had come for the purpose of trying to find out more, and that the inquiry directed was an inquiry at large, took the leading part in examining the witnesses. We have to acknowledge the value of his assistance, because it helped us to confine our inquiry to the important issues, and because his professional and political position affords a guarantee that every point which it was desired should be inquired into has been brought forward. At the close of the evidence he declined to offer any remarks to us upon it, considering such a course inconsistent with his position as a member of the Legislative Assembly.

"Sir Hardinge Giffard, Q.C., and Mr. Edward Clarke, Q.C., appeared before us as counsel for the Premier.

"4. Our inquiry, from the nature of the case, began without any definite charge against anyone being formulated before us, except so far as charges could be deduced as inferences from the allegations of fact in Mr. Hemmant's petition, or were brought before us by the paragraphs of the Report of the Select Committee set out above, and by Mr. Palmer's letter. We have thus had in many cases to gather, from the questions asked by Mr. Griffith and Mr. Hemmant, the conclusions they sought to establish. We have been obliged, also, to watch carefully the drift of those questions, so as to be able, as a matter of justice, to offer full opportunity to everyone who might consider himself wronged by the course which the investigation took, to come in and address remarks to us in his own defence.

"5. We have held seventeen meetings and had before us twenty-nine witnesses, and have communicated with two gentlemen who did not appear in person. We have exhausted the list of the parties connected either with the rails purchased for the colony, or with the freight contract for the conveyance of those rails, or with the other subjects of our inquiry, and at the close of it it was agreed that no further witnesses could be suggested. We have thus obtained all the information available, and putting together the further evidence taken by us with the evidence given at the London inquiry of April, 1880, and with the evidence before the Select Committee, we have in our view everything material for definite and final conclusions upon the several matters upon which we have been directed to report.

"6. We shall put those conclusions in the clearest form, and best exhibit the relation of the evidence taken before us to that previously taken by giving a connected account of these matters from the beginning.

"7. On the 15th of September, 1879, the Government Loan Act, 1879, was passed, which enabled the Governor in Council to raise funds by debentures to an amount not exceeding £3,053,000, for the several purposes expressed in the Act. Among those purposes were the railways for which the rails which form one of the subjects of investigation under our Commission were required.

"8. By an Executive Minute, dated the 2nd of October, 1879, the Hon. Thomas McIlwraith, Premier and Colonial Treasurer, was empowered during the recess to visit America and the United Kingdom, and to devote his particular attention to the floating of the loan, and was also 'fully authorised to make contracts for railway material.'

"9. On the 3rd of October the Premier left Brisbane for the objects above mentioned. He reached Cork on the 21st of December, and landed at Liverpool on the 22nd. On the same day he went to Scotland for the Christmas holidays, and thence came to London and met Mr. Macalister, the Agent-General for Queensland, at the Queensland office, in the first week of January, 1880.

#### CONTRACT FOR STEEL RAILS.

"10. On the 7th of October, 1879, a Memorandum of Agreement was entered into in Brisbane, between Ibbotson Brothers and Company, Limited, represented by their agent, Ebbe Salvinus Thomassen, and the Secretary of Public Works, Mr. Macrossan, for the supply of 42,000 tons of rails and fastenings; such agreement being subject to ratification in England within three months from the date thereof by Messrs. Ibbotson.

The prices agreed upon were as follows:—

	£	s.	d.
Rails delivered at Brisbane at...	6	9	0
Rails delivered at Rockhampton and Townsville	7	9	10
Bolts, nuts, dog-spikes, Bris- bane	13	15	0
Bolts, Rockhampton and Towns- ville	13	18	0

all to be delivered free on board at the ports mentioned.

"11. We concur in the opinion of the Select Committee that it was an error of judgment in the Secretary for Works to enter into this agreement. (1) Because he did so without consulting Mr. Stanley, Chief Engineer of Railways. (2) Because this agreement differed, unfavourably for the colony, from the specification usually adopted for the Queensland Government railways, inasmuch as it left with the contractors the determination of certain material conditions, while the usual Queensland specification expressly provided for such conditions, or reserved them, when not provided for, for the determination of the engineer appointed on behalf of the Government, and further stipulated for the inspection of the rails during every stage of their manufacture by the engineer or his inspector—a condition not inserted in this agreement. In pointing out the existence of these differences it is just to Mr. Macrossan to add that there is no evidence that he was aware of them, but they show the impolicy of his dealing with a technical matter without the proper professional advice. (3) Because he was advised, in a letter of the 4th of October, by Mr. Little, the Crown Solicitor, to whom the documents which Mr. Thomassen produced as his authority were submitted, that Mr. Thomassen had no authority from his principals to bind them in any contract of the kind contemplated. (4) Because, even supposing Mr. Thomassen had such authority (which, however, we think he had not), his refusal to exercise it cast a doubt on the

probability of its ratification in England in a rising market; and Mr. Macrossan had notice that the market was rising.

"12. With regard to the last sentence of paragraph 4 of the Report of the Select Committee, which is in these words, 'As one object of the Premier's visit to England was the purchasing of railway material, the Government would not have been justified, had there been no contract with Ibbotson Brothers, in taking steps to purchase rails before his arrival in England,' we beg respectfully to express our dissent therefrom on the ground that the responsibility of the Government of the colony could not be suspended during the period which elapsed before the arrival of the Premier in England, and before he could exercise the authority vested in him by the Executive Minute. Whether the Government would have been justified in purchasing rails in this interval under the circumstances, had the facts been placed before them, is a question which it is not within our province to determine; but, while we fully recognise the difficulty of the question, we beg to point out that this agreement took away from the Government liberty of action, and prevented the question from being considered.

"13. Before this agreement between Mr. Thomassen and the Secretary for Works was made, Mr. McEacharn—a member of the firm of McIlwraith, McEacharn, and Company, shipbrokers in London, the senior partner of which, Mr. Andrew McIlwraith, is a brother of the Premier—being in Brisbane, tendered on the 16th of September to the Government for 40,000 tons of rails; but his price was much higher than that at which Mr. Thomassen offered to supply rails. The tender of the former was therefore declined. At the same time he endeavoured to enter into a conditional arrangement with Mr. Thomassen for the conveyance of the rails to the colony, if Mr. Thomassen's offer was accepted; and on being informed by him on the 26th of September that it was accepted, he telegraphed to his partner in London that Ibbotson's tender was accepted, and that he had secured freight room for 17,000 tons; but when afterwards Mr. Thomassen would not sign the agreement for freight, he telegraphed again on the 29th of September that he could not arrange with Thomassen, and asked if his partner could make a firm offer for 43,000 tons. Mr. McEacharn said, in his evidence given in the colony, that he did so, wishing to be in a position if Mr. Thomassen's transaction fell through to make a new tender. These telegrams were sent in cypher, and Mr. A. McIlwraith, in his evidence given before us, stated that he did not understand them—that they led him to suppose that negotiations were going on between his partner and Mr. Thomassen, though he could not tell what position his partner was in; and that they gave him the impression that his partner had quoted to the Government; and he added that under this impression, to secure himself in case his partner had taken a contract, as the metal market was rising, he bought 30,000 tons of rails. Mr. Hemmant has attempted in his concluding remarks to us to discredit this statement, but the statement is fully borne out by Mr. A. McIlwraith's correspondence with Messrs. Ibbotson at the end of October and beginning of November, 1879, on the subject. This correspondence was produced to us, and shows on the face of it that it was conducted under that impression, and corroborates his letters of the 31st of October and the 25th of November to Mr. McEacharn, produced in the colony, as well as the letter of Mr. McEacharn's brother, the head clerk of the firm, of the 31st of October, quoted by Mr. McEacharn in the colony:—'It is a most serious affair for us if you have entered into an arrangement with Ibbotsons, as it is im-

possible to secure the quantity mentioned; but we have secured 30,000 tons, which may help us out: if you have not secured us, don't show your face in London again.'

"It is clear, upon the evidence, that from the 26th of September until the 24th of November—when, as will presently be noticed, Mr. A. McIlwraith received a letter from Mr. McEacharn, explaining the true state of things—Mr. A. McIlwraith was in a position of uncertainty as to the extent to which his partner might have committed him. Under the circumstances there was but one course open to him to avert the contingency of a possible loss of perhaps upwards of £100,000: he was compelled, as a sound man of business, before a further rise took place, at once to buy rails to cover himself. If Mr. McEacharn had taken the contract for rails, that loss would thus be averted. If he had not done so, the transaction was a safe one in a rising market.

"14. Mr. A. McIlwraith accordingly entered into negotiations for the purchase of rails, and on the 8th of October, through the intervention of Mr. Leonard Cooper, an ironmaster and member of the Aireside Hæmatite Company, of Leeds (whose partner was a member of the Moss Bay Company), contracted for 10,000 tons of steel rails from the Moss Bay Company at £6 0s. 6d. per ton, stipulated to be of a 40-lb. section, and a first-class specification. On the same day he also contracted with Mr. Smith, the manager of the Barrow Hæmatite Steel Company, Barrow-in-Furness, for another parcel of 10,000 tons, stipulated to be equal to Queensland specification, not less than 40-lb section, at £6 per ton. In the case of both contracts he was obliged to close on that day, in consequence of the pressure of the vendors. He also made a further purchase of 10,000 tons from a Belgian firm, to which, however, we need not refer, as nothing turns upon it.

"15. The telegrams of the 26th and 29th of September, together with another cypher telegram from Mr. McEacharn to Mr. A. McIlwraith, of the 18th of October, which ran—'Have arranged with Thomassen'—gave rise to a mistake upon the inquiry in the colony, which has been cleared up before us. In consequence of some confusion in Mr. McEacharn's evidence, and of the fact that Appendix R, in which the telegrams are set out, appended to the Minutes of Evidence before the Select Committee, is not correctly drawn up, a doubt arose whether the words 'Ibbotson' and 'Thomassen' were telegraphed separately as proper names, or included respectively under cypher words.

"The questions of Mr. Griffith to Mr. A. McIlwraith on the subject proceeded on the latter supposition; and in his opening remarks to us Mr. Hemmant adopted it, and contended upon it that what he called a 'combination' had been previously entered into between Mr. McEacharn and Mr. Thomassen, if not between the firm of McIlwraith, McEacharn, and Company, and the firm of Ibbotson, to secure the contract for rails with the Government. Mr. A. McIlwraith informed us that there was no code word including either 'Ibbotson' or 'Thomassen,' and that he always telegraphed their names; and in the telegrams of the 26th of September and of the 10th October, which were produced at our request, the words Ibbotson and Thomassen respectively appeared. Consequently, the hypothesis of a preconcerted arrangement between the two firms, based on the supposed system of code signals, falls to the ground, and Mr. Hemmant, in his final address, withdrew the remarks he had made on this point.

"16. On the 24th of November Mr. A. McIlwraith received a letter from Mr. McEacharn, from which he learned that the contract with

Mr. Thomassen was not a contract for rails, but for the conveyance of rails to the colony.

"17. Immediately on the receipt of this letter Mr. A. McIlwraith took steps for disposing of the rails he had purchased, and sold the 20,000 tons bought of the Barrow and Moss Bay Companies in two parcels of 10,000 tons each—one on the 10th and the other on the 17th of December, 1879—to the Haslam Foundry and Engineering Company. He sold them, he said, at a fixed price, and in this he is confirmed by Mr. Haslam, the manager of the company, who bought them with this stipulation—that they were to be 'steel rails not less than 40-lb. per yard in section, to be made to a first-class specification, and to be approved rails.'

"18. This evidence refutes the erroneous assumption on which paragraph 23 of the Protest is based, that the rails were bought on the Queensland specification, and that the speculation was hazardous unless the speculators could be assured that a purchaser would be forthcoming for the purchase of these rails. None of these contracts were made upon the Queensland specification, but were made in the usual and regular mode adopted in such purchases, and allowed the buyer a latitude as to the specification he might call upon the seller to carry out. This speculation, therefore, on the part of the Haslam Company was not hazardous, because the evidence shows that there were at this time many other buyers in the market to whose requirements these rails under those contracts could be adapted. It follows, therefore, that the Haslam Company were not, as is insinuated in that paragraph, dependent upon the Queensland Government being purchasers.

"19. The Haslam Foundry and Engineering Company is a limited company, established in 1876, with a nominal capital of £100,000, of which only £19,840 have been called up, the company having command of capital in consequence of certain of the shareholders being very wealthy men. Hence, as the managing director, Mr. Haslam, explained, they kept their share capital low, and, by taking up money when necessary, saved themselves from being overburdened with paid-up capital, of which part might be lying unproductive. They are not manufacturers of rails, but have had many contracts in rails—among others, with the Russian Government. They have done work for the Great Indian Peninsula Railway, and have at this moment several contracts in hand for the War Office. They are also contractors for the Crown Agents of the Colonies, and for the Admiralty.

"20. Upon the formation of the company, Mr. Ashwell, the Executive Engineer of the Queensland Government in London, took a few shares. He was not then on the permanent staff of the office of the Agent-General. On the 10th of January, 1880, he transferred those shares to Mr. A. McIlwraith. For some time before he had been desirous of parting with them, and had put them in the hands of Mr. Haslam for sale. Mr. A. McIlwraith bought them because he was engaged in an experiment for the conveyance of meat from Australia, and wished to get an interest in some engineering works to enable him to carry out his own ideas.

"21. The first contract between the Queensland Government and the Haslam Company was entered into in January, 1879, for pins and rollers for the Fitzroy Bridge; and although this contract has, strictly speaking, not been referred to us, yet as questions bearing upon it were in the early part of this inquiry raised by Mr. Hemmant, and papers connected therewith called for by him, and at his request produced from the office of the Agent-General, we could not exclude it from our consideration, especially as Mr. Hem-

mant brought a grave charge in regard to it against Mr. Ashwell, and said 'that he should be satisfied that the matter of the Haslam Company should rest upon that contract.'

"His charge was made in these words:—

"'The principal charge against Mr. Ashwell is that he took advantage of his position as Engineer to the Government to procure a contract for the Haslam Company, and the evidence which has been adduced shows that on a particular day an indent was received from the colony for pins and rollers for the Rockhampton bridge, and the Engineer of the colony requested that Messrs. Ibbotson Brothers should be employed.'

"This is an incorrect statement. The letter of instructions from the Under Secretary for Works, dated Brisbane, the 8th of October, 1878, is in these words:—'The engineer suggests that tenders be invited from Messrs. Ibbotson Brothers, Sheffield, as well as other firms.'

"It is clear that this suggestion leaves the responsibility of selecting the proper persons to supply these pins and rollers with the Agent-General, or rather with the Executive Engineer, his responsible adviser in such matters. In deference, however, to the suggestion from the colony, Messrs. Ibbotson Brothers were invited with other firms to tender, but, for satisfactory reasons given by Mr. Ashwell, their tender was not accepted.

"This transaction has been treated as open to suspicion, and therefore requires further notice by us. The firms invited to tender were Messrs. D. Adamson and Company, Messrs. Greenwood and Batley, Messrs. Ibbotson Brothers, the Haslam Company, and Messrs. Hick, Hargreaves, and Company.

"All these firms tendered, and on the 4th of January, 1879, the Secretary to the Agent-General wrote to Messrs. D. Adamson and Company that their tender had been accepted, and returned it to them with the specification, requesting them to sign each sheet, and send same back to the office. On the 6th of January, Messrs. D. Adamson and Company wrote that they had made an error in their tender, and sent back the same tender with the amounts altered, which they did by erasing the original figures and putting in £1,061 f.o.b. London, and £1,031 f.o.b. Liverpool and Glasgow. This amendment in their tender made it higher than that of the Haslam Company, and to avoid any mistake on the part of the latter they were asked by the Agent-General if they wished to amend their tender. They did amend, and instead of re-writing the whole tender altered the amounts by pasting over the original sums a piece of paper with the amended figures thereon—namely, £985 15s. London and Liverpool, £997 10s. Glasgow. These amended figures were a reduction on the prices previously named by them.

"The questions asked in the course of the examination appeared to insinuate that these alterations of figures must have been made in the Agent-General's Office, at the instigation of some one desirous of favouring the Haslam Company, whose tender, being the lowest, had been accepted. The evidence negatives any such insinuation.

"22. To return to the order of events. The Premier, on arriving in Liverpool on the 22nd of December, 1879, was informed by Messrs. Ibbotson that they had been unable to ratify the contract entered into by Mr. Thomassen with the Minister for Works on the 7th of October, and was offered by them 5,000 tons of steel rails free on board Wales, at £8 5s. per ton for delivery in April, May, and March, 1880. He referred the offer to the Agent-General, who, on the 23rd of December, after consultation with Mr. Ashwell, telegraphed to him that it was impossible to say whether Ibbotson's offer was advantageous or

otherwise without testing the market, and on the same day wrote drawing attention to the fact that Messrs. Ibbotson were not themselves makers of rails, and were acting for the Ebbw Vale Company—a company who did not possess any ores of their own, but imported Spanish and other inferior classes of ores, and were thus placed at a great disadvantage as to quality of material.

"23. Immediately upon his arrival in London, the Premier saw the Agent-General, and after discussing with him, Mr. Hamilton, then Secretary, and Mr. Ashwell, the state of the market, in the exercise of the powers given him by the Executive Minute, directed the Agent-General to obtain a contract in the ordinary course of business for 15,000 tons of rails. He reduced the proposed purchase to that amount, considering that that would meet the requirements of the colony for about eighteen months. The following letter, written by him to the Agent-General on the 22nd of January, 1880, shows that he gave the subject careful consideration: 'I don't at all like the price it seems we will have to give for rails. My position is this: I must have 12,000 to 15,000 tons in the next eighteen months. Before accepting any tenders, thoroughly satisfy yourself that rails are not likely to fall. If they were, I could do with a much smaller quantity, say 5,000 tons for six months. Meantime I will make full inquiries in the city myself, and will let you know if result is against your opinion.' No attempt has been made before us to impugn the Premier's estimate that such were the requirements of the colony. As to the prospects of the market, the evidence leaves no doubt that the majority of merchants, judging from the facts then before them, believed that prices would remain at the then level, and indeed advance higher. A remarkable instance of the prevalence of this anticipation is afforded by the fact that two of the firms presently to be mentioned as invited to tender for these rails—Messrs. Brown, Bayley, and Dixon, and the Mersey Steel and Iron Company—are now involved in difficulties in consequence of having entered into engagements about this time upon the ground of this expectation. It is hardly necessary to say that it would be unjust to judge of these past transactions by the light of experience gained from the subsequent fall of prices. With his knowledge of the requirements of the colony, and the information he then possessed as to the prospects of the rail market, the Premier could not have done otherwise than make the purchase he did at that date.

"24. The Premier also discussed with the Agent-General, Mr. Hamilton, and Mr. Ashwell the list of firms to be invited to tender; but he took no part in the selection, having, as he explained, no knowledge of the position of the different firms, and considering that the responsibility lay entirely with the office. The principal thing he wished was to see that a sufficient number of respectable firms were asked to tender. In our view, the principal responsibility must be held to rest with Mr. Ashwell, because the selection depended upon considerations requiring the special knowledge of an engineer; among others, the quality of the rails required the best ore to be used for ensuring that quality, and the ores actually used by the different manufacturers of rails. All these considerations have an important bearing upon this transaction, and it is desirable at once to state Mr. Ashwell's judgment upon them. He said, in answer to a question of Mr. Griffith, 'Our rail is so light that there is no room for anything in the way of inferior material in it. In a 72-lb rail you have a wider margin, but in this rail every atom of steel has its work to do.' Under these circumstances he considered that these particular rails ought to be made from Cumberland hematite ore, and he objected to

their being made with Spanish ore, because Cumberland hematite ore is of first-rate and certain quality, while Spanish ores are, as a rule, of inferior quality and uncertain, containing in varying degrees admixtures of sulphur and phosphorus detrimental to the rail. In this estimate of these respective ores he is supported by every competent witness. Accordingly, to ensure the use of Cumberland hematite, while adopting the usual specification of the Queensland Government railways, he inserted in the condition relating to the pig to be used, the words 'made from best selected Cumberland ores'—words, which, in the questions asked of him by Mr. Griffith, were inaccurately treated as an alteration, whereas Mr. Ashwell pointed out that they were a definition of what ores would meet with his approval under the condition. The condition with the words inserted is as follows:—

"'If the Bessemer process is adopted, the ingots are to be made of the most approved mixture of hematite pig made from the best selected Cumberland ores, with a proportion of at least 10 per cent. of charcoal pig-iron, all to be melted in the air furnaces before being subjected to the Bessemer process. The ingot is to be reheated and hammered into a sound compact bloom, to be afterwards heated and rolled into a rail.'

"His explanation of the matter is so lucid that we put it out in full:—

"'4740. I want to know what facts there were in this case which required you to say they should only use best Cumberland ores? Now you are coming to another circumstance. I say they are to be of the most approved mixture of hematite pig. It is perfectly optional with me what pig they take. In this case, so that there shall be no question, I define what pig they are to take.

"'4741. Why did you define it in this case? Now you have got at it. If you put the question so that I can explain, I will explain in a moment. I am not going to be driven to answer your questions so that they may read wrongly.

"'4742. Make any explanation you like as to why it is necessary in this case? At the date of January, 1880, we had a totally different state of things to what we had been having a year or two before. A great demand had sprung up for steel of all kinds. Ores were being drafted to America in very large quantities. Purchasers of ore in England who had not covered themselves could not, from the circumstance that American buyers were taking ore largely, get a pig of sufficiently good Spanish ore to satisfy me, and for that reason, and knowing that Cumberland ore is reliable, without any qualification, I specified clearly what I wanted and what I meant having. Spanish ore is variable, and to such an extent as to greatly depreciate the rail, and for that reason I laid it down clearly what I meant having.

"'4743. You considered it an important matter to mention in the specification? Clearly.

"'4744. You still do not call it an alteration? No; it is only a definition of what I meant having.'

"Acting on these principles, Mr. Ashwell did not recommend the invitation of the Welsh firms, because they use Spanish ore. He also omitted two firms which use Cumberland hematite—the Barrow Steel Company and the Moss Bay Company—on the ground of their being full at the time; and that they were full, and would not have been justified in tendering, if invited, has been stated to us by Mr. Smith and Mr. Leonard Cooper, the latter adding as a proof that the Moss Bay Company had not yet delivered all the rails to the Haslam Company.

"25. Before leaving the subject of the specification mentioned in the foregoing para-

graph, it is desirable to add that we have had a good deal of evidence brought forward before us upon the relative merits and expense of hammering and a process which appears to be now frequently substituted for it, calculated to produce the same results at a somewhat cheaper rate, called cogging: some of these rails have been hammered and some coggled. The evidence shows that there is a difference of opinion among experts as to which is the best process: and we consider that Mr. Ashwell had a right to exercise his own judgment as to the adoption of one process or the other, and that there is nothing before us to show that he has, as appears to have been suggested by the questions asked, multiplied restrictions with the view of enhancing cost.

"26. After the discussions above-mentioned, invitations to tender were issued from the office on the 12th of January, 1880, to the following firms:—Cammell and Company; Brown and Company; Brown, Bayley, and Dixon; the Haslam Company; the Mersey Steel and Iron Company; Landore Siemens Steel Company; and the Steel Company of Scotland. All these firms had previously been invited to tender for rails except the Mersey Steel and Iron Company and the Haslam Company. The Haslam Company were on this occasion invited to tender in consequence of the following letter from the Company to Mr. Ashwell, of the 19th of December, 1879:—

"The Haslam Foundry and Engineering Co.,  
Limited,

"Derby, 19th December, 1879.

"Sir—Should you at any time be in the market for rails of any section, we shall be very glad to quote you, or any of your friends. The working arrangements we have are such that we can execute orders on a very large scale at reasonable prices; the quality is first-class. Kindly bear us in mind, when the matter shall have our best attention.

"Yours faithfully,

"The Haslam F. and E. Company,  
Limited,

"A. Seale Haslam,

"Managing Director."

"W. H. Ashwell, Esq.,  
Executive Engineer, Queensland Govern-  
ment, Charing Cross."

"These firms, selected on the principles explained in the foregoing paragraph, fully represent the firms which use Cumberland hæmatite ore.

"Messrs. Ibbotson, though not invited, also tendered.

"27. The tenders were opened on the 24th of January, and that of the Haslam Company being the lowest, £9 18s. 6d. per ton, was provisionally accepted on that day. It was lower than the next lowest by £1 7s. 6d., and lower than the highest by £2 11s. 6d. per ton. In their offer they stated that the rails were to be made at the works of the Moss Bay Steel Company, or other approved maker. In a letter of the 26th of January they wrote that it was possible that they might arrange with the Barrow Steel Company to roll some portions, and presumed there would be no objection; and this was agreed to by the Agent-General in the final letter of acceptance of the 28th of January, 1880.

"28. We are of opinion that regard being had to the quality of the rails, the evidence shows the contract to have been favourable to the Government. On this point we think the evidence of Mr. Smith is of great value, because having been manager of the Barrow Steel Works for twenty years, he must possess more than ordinary means of knowledge of the state of the

steel trade, and his position as manager of a company of the highest standing entitles his evidence to full reliance, especially as he occupies an independent position in this matter, his company not having been invited to tender. His evidence is as follows:—

"Had we been invited to tender to supply the 15,000 tons of rails in January, 1880, we must have declined to tender, as we had sufficient orders for light rails, but sold some of a similar section at the early part of the month at £11, at Liverpool, to a London merchant, and therefore it appears to me from what we have heard, that the Government had a bargain with which they might be well satisfied; and I have no hesitation in saying that no works could have quoted at such a price, as the state of the market was tending upwards, and a further considerable rise in steel rails expected, and contracts were placed for raw material at such prices in January, 1880, for delivery over six to twelve months, as required the full advance in rails to cover the increased cost of manufacture."

"29. The Haslam Company, as already stated, though engineers and merchants in the steel trade, are not themselves manufacturers of rails, and the fact of an invitation to tender having been issued to them has been treated as a ground for suspecting irregularity, and therefore as raising a presumption of collusion with Mr. Ashwell. We agree, as an abstract proposition, that it is safer to deal with manufacturers than with middlemen, because intermediate profit is thereby saved; but we see no reason why other persons besides manufacturers should not be invited to tender, because an invitation to tender does not carry with it acceptance of the tender, and it is for the interest of the colony to take advantage of every opportunity in the market, subject to due provision for the two important conditions—the approval of the manufacturer by the Agent-General and the inspection of the workmanship on behalf of the Government. In this case these conditions have been provided for, and the Haslam Company have been able, from having made their contracts at an earlier date, to supply rails manufactured by the best firms—the very firms whom the Agent-General has been censured for not having invited—upon terms at which, Mr. Smith says, they could not otherwise have been quoted at the date of the invitation. There was no irregularity, and consequently there is no ground for presuming collusion.

"30. Mr. Hemmant, in his concluding address has contended that there are many matters connected with the transaction which render it improbable that the several contracts above mentioned were definite contracts. He sought to support his contention on the ground that Mr. A. McIlwraith, Mr. Leonard Cooper, and Mr. Haslam declined to afford certain information asked of them by Mr. Griffith and himself, and that Mr. Smith handed to us a memorandum and declined to be examined, and that Mr. Valentine, the Managing Director of the Moss Bay Company, wrote us a letter instead of coming as a witness. Mr. Smith's memorandum and Mr. Valentine's letter are explicit as to their respective parts in the transaction, and there is no reason for distrusting the statements they contain. And upon a careful review of the evidence of Mr. A. McIlwraith, Mr. Leonard Cooper, and Mr. Haslam, we consider that no material information has been withheld. The question most pressed upon Mr. A. McIlwraith and Mr. Haslam, which they declined to answer, was as to the price paid by the latter to the former in the contracts of December; Mr. Haslam assigning as his reason for declining that he did not

think it fair that a man's profit or loss should be made public. At the same time he offered to place the sale notes confidentially before us. We refused, however, to see them, as we considered every document shown to us must be made public. We think the objection of Mr. A. McIlwraith and Mr. Haslam to give this information reasonable. The exact price paid by Mr. Haslam, and the exact profit made by Mr. A. McIlwraith, do not affect the question whether the contracts were definite, and on this point the evidence is conclusive that they were definite. Not only does Mr. A. McIlwraith assert it distinctly, but he is confirmed as to the Moss Bay contract by Mr. Leonard Cooper and Mr. Valentine, and as to the Barrow contract by Mr. Smith, who entered into these respective contracts in the way of business, and have no interest in the matter except in the capacity of men of business, and whose respective positions place their statements above suspicion. In the case of the contract with the Haslam Company, it is impossible to doubt the reiterated assertions of Mr. A. McIlwraith and Mr. Haslam, supported as they are by the offer of Mr. Haslam to show us the documents in confirmation.

"31. Before leaving this part of the transaction, while we beg to express our concurrence in the opinion of the Select Committee—that no one holding shares in any company contracting with the Government ought to hold the appointment of Consulting Engineer—we beg to report that there is no evidence either in the case of the contract for the pins and rollers for the Fitzroy Bridge, entered into while he was a shareholder in the Haslam Company, or in the case of the contract for rails entered into after he had ceased to be a shareholder in the company, that Mr. Ashwell manifested any favouritism towards the Haslam Company; and that, on the contrary, the evidence shows that he duly exercised his judgment to secure the paramount interest of the colony in these matters—namely, the acquisition of articles of the best quality.

#### FREIGHT OF RAILS.

"32. The contract for the purchase having been concluded, the Premier instructed the Agent-General to invite tenders for the carriage of the 15,000 tons of rails, and left the arrangements to be made by the Agent-General. Accordingly, the Agent-General sent out an invitation by a letter of the third of February, 1880, for their conveyance in regular shipments of from 900 to 1,100 tons each, addressed to all the principal firms of shipbrokers engaged in the Queensland trade—Messrs. Taylor, Bethell, and Roberts; F. Green and Company; McIlwraith, McEacharn, and Company; Houlder Brothers and Company; Anderson, Anderson and Company, of London; and Thomas Law and Company, of Glasgow. This letter was followed by another of the 9th of February, notifying that no tenders would be considered except for full-cargo ships. This condition was disapproved of by all the brokers, who, from their point of view, as carriers, wished to make use of the rails as dead-weight, and, as will be explained presently, the condition has been to some extent relaxed upon their application; but looked at from the point of view of the colony—whose chief interest is the safe conveyance of the rails—the condition was judicious, and on this point we beg to differ from the opinion of the Select Committee, expressed in paragraph 15 of their report, that it was a mistake. Full-cargo ships are loaded at the places of manufacture, or close thereto, and rails loaded there are stowed on board once for all; while rails carried by berth-ships have to be conveyed from the places of manufacture to London or Glasgow, the ports of departure for berth-ships, and then transhipped to those vessels, and by

this transhipment are exposed to risk of damage. The evidence of Sir Arthur Blyth, the Agent-General for South Australia, who has adopted the plan of chartering vessels to obviate this risk, is so much to the point that we give it in his own words:—

"It is just this question which has settled the matter of chartering vessels. I can afford to pay for a full cargo at Barrow a good deal more per ton with the other incidental advantages of having the rails stowed under my own supervision, and not transhipped. You knock rails about between Barrow and London by putting them into barges, and so on, and transhipping them; but if I ship them at Barrow, I get them stowed under my own supervision without any injury at all."

"33. The evidence before us has placed the whole of this transaction in so different a light from that in which it could be viewed upon the evidence given before the Select Committee, that it is necessary to explain it at length. About two or three years ago the shipbrokers engaged in the Queensland trade, finding that they were involved in a ruinous competition, made an arrangement among themselves as to the general working of their trade with the view of protecting themselves. Their main object was to raise and regulate freights, but their arrangement brought with it greater regularity in the despatch of vessels as well as steadier rates of freight than had previously been the case; and on these grounds, according to the evidence of the shipbrokers before us, was advantageous to and not disapproved of by merchants. From that time they have acted together, and Mr. Bethell, of the firm of Taylor, Bethell, and Roberts, appears to take the leading part in conducting their arrangements. He has stated in his evidence that Mr. Hamilton knew of their combination, and that they did act in concert as to rates of freight and contracts; and his statement is confirmed by Mr. A. McIlwraith. This contract lay outside the ordinary trade, and when it was offered to them they consulted together with a view to common action. The London brokers agreed that while they all tendered, each without knowing the exact rate of tender of the others, McIlwraith, McEacharn, and Company should make the lowest tender, and that if their firm, or any other firm, got the contract, it was to be on the joint account of all the parties to the agreement. Messrs. Law and Company, of Glasgow, whose interest as Glasgow shipbrokers was not identical with that of the London shipbrokers, did not concur in this agreement, but sent in a tender without reference to the others; and we notice this tender, because both the tender itself and the schedule of tenders in which it was inserted have been the subject of a great number of questions in the colony, tending to impute to the Agent-General and Mr. Ashwell that they disregarded this tender with the view of favouring McIlwraith, McEacharn, and Company. This tender, dated the 10th of February, 1880, did not follow the terms of invitation, but was an offer to convey from Barrow to Rockhampton at 42s. 6d., to Townsville at 43s. 6d., and to Brisbane at 34s.; to which was added another offer to carry by such ships as they might have from time to time on the berth, 2,500 to 3,000 tons at 28s. 6d., from any of the ports named to Brisbane, *via* Glasgow, and if any lower rates were tendered to take them on the same terms. Strictly speaking, this was a tender which should have been excluded from the schedule, but Messrs. Law's name was inaccurately inserted by Mr. Hamilton as tenderers from all ports at the first-mentioned rates, and no note was made on the schedule of the latter offer. The circumstances were such that Mr.

Hamilton was in duty bound to the Queensland Government to have addressed a special report thereon to the Agent-General, if from the want of harmony which then existed between them he was unwilling to communicate by word of mouth with his superior officer.

"34. The tender of Messrs. McIlwraith, McEacharn, and Company, at 38s. 6d. per ton to all ports, was the lowest, and was accepted on the 13th of February. We have had a good deal of evidence given before us relative to a comparison attempted to be made at the London inquiry between this rate and the average rate of freight of rails paid by the Queensland Government for the preceding five years. We regard this attempted comparison as misleading, because it is a matter of general knowledge that during part of those years freights were exceptionally low generally, and that they rose considerably at the end of the period; and as to the particular trade of Queensland, Mr. Forrest, of the firm of Parbury, Lamb, and Company, stated before the Select Committee that the rate for dead-weight from London to Brisbane had nearly doubled in the last two or three years, and the rate for general merchandise had risen from 32s. 6d. to 40s., or even 45s., per ton measurement. It follows, therefore, that the average rate calculated upon those five years is not a guide for the rate in February, 1880. We consider, having regard to this general rise of freights, to the evidence of the shipbrokers before us, and to the peculiar conditions of Queensland, under which vessels find it difficult to obtain return cargoes, that the rate of 38s. 6d. per ton was reasonable.

"35. Soon afterwards Mr. Bethell and Mr. A. McIlwraith, on behalf of themselves and of other brokers, and Mr. Law, on his own account, applied at the office of the Agent-General for a relaxation of the condition requiring full-cargo ships, in order to be allowed to carry some as dead-weight. This concession was granted, and about 1,500 tons have been thus carried upon their application without a corresponding reduction in the rate of freight, and the colony has lost to that extent. This loss is traceable to the want of harmony between the Agent-General and Mr. Hamilton. The evidence is contradictory as to the exact circumstances of the concession, the Agent-General attributing it to Mr. Hamilton, while Mr. Hamilton denies it to have been his doing. Without attempting to reconcile these contradictions, and judging from the statement each has given of his own acts, we have arrived at the conclusion that neither of them displayed due regard for the interests of the colony.

"36. In closing our report on this portion of our inquiry, we have to point out that the further evidence obtained in this country proves conclusively that no favouritism was shown to McIlwraith, McEacharn, and Company, either in regard to the contract for freight or in regard to the relaxation of the condition as to full-cargo ships, and that Mr. Ashwell did not interfere, as alleged by Mr. Hamilton.

"37. We now proceed to examine certain other charges made by Mr. Hamilton against the Agent-General and Mr. Ashwell, of favouring the firm of McIlwraith, McEacharn, and Company.

"First, the charge specially referred to in paragraph 17 of the Report of the Select Committee, that that firm received, without having tendered, 8s. 6d. per ton more for carrying rails from Glasgow to Rockhampton than the firm of Messrs. Law and Company had received only a short time previously. The facts are these:—In November, 1878, the Agent-General arranged with Messrs. Law for the conveyance of certain rails, which were being manufactured at Glasgow by the Steel Company of Scotland, to Rockhampton at 34s. per ton. About a week afterwards a

vessel, the 'Glencoe,' then at Queenstown, was selected by Messrs. Law to carry the rails. Owing to circumstances, for which Messrs. Law must bear the responsibility, she did not go to Glasgow at all, but went first to Hull, and thence to Leith, where the rails were shipped. She did not sail from Leith till the 22nd of March, 1879. The Agent-General had, in the meantime, received a letter from the colony asking for quick despatch, and being dissatisfied with Messrs. Law's management of the affair, made a contract for the carriage of the remaining part of the rails with McIlwraith, McEacharn, and Company, on the 22nd of January, 1879, at 37s. 6d. per ton, by a letter signed by Mr. Hamilton. The Agent-General was undoubtedly justified in withdrawing from the arrangement with Messrs. Law, who had misled him. The contract with McIlwraith, McEacharn, and Company was three months later than the arrangement with Messrs. Law, and therefore the freight for the latter contract cannot be governed by the freight for the former arrangement, and not having been objected to by Mr. Hamilton, to whose department the subject belonged, and who signed the above-mentioned letter, must be presumed to have been the proper rate at that time.

"Secondly.—Mr. Hamilton, in his evidence before the Select Committee, stated that the Agent-General had instructed him to give a contract for the conveyance of 2,400 tons of rails from Glasgow to Brisbane to McIlwraith, McEacharn, and Company, at 24s. per ton, Messrs. Taylor, Bethell, and Roberts having previously offered to take them at 22s.

"Mr. Bethell denied having made any offer about that time at 22s., and produced a copy of a letter from his firm to the Agent-General, of the 7th of October, 1878, offering to take 3,000 tons from Glasgow to Brisbane, at 23s. 6d., and the reply of Mr. Hamilton, of the 11th of October, 1878, declining the offer; and this offer he said must have given rise to the mistake.

"The contract was placed with McIlwraith, McEacharn, and Company, by a letter from Mr. Hamilton to them of the 22nd of January, 1879, at 24s. per ton.

"But the circumstances were different from what would naturally be inferred from Mr. Hamilton's statement. Though nominally taken by McIlwraith, McEacharn, and Company, the contract was shared by all the associated firms, as is shown in the following schedule, handed to us by Mr. A. McIlwraith:—

	Tons	cwt.	qrs.	lbs.
Taylor, Bethell, and Roberts carried	528	9	2	22
F. Green and Company	342	17	3	12
Houlder Brothers	148	16	2	27
Thomas Law and Company	653	15	0	9
Anderson, Anderson, and Company carried	375	3	3	10
In all, Tons	2,472	4	3	17

"Mr. A. McIlwraith added that these respective firms were paid the full freight direct by the Queensland Government, and the accuracy of the Schedule and of his statement has not been disputed.

"38. The recommendation for further investigation in paragraph 17 of the Report of the Select Committee is made on the ground that the impartiality of the office of the Agent-General in conducting the Government business is of vital importance. The specific charges of alleged partiality brought under our attention have, as we have already shown, broken down. Impartiality is susceptible of proof only by evidence of a negative character. And in this view, in respect of the period under investigation, we consider that the answer of Mr.

Bethell to a question asked of him on this subject may be accepted as decisive—both because, from the position he occupies among the associated brokers, he speaks with authority, and because he did formerly feel jealousy, as he told us, of the firm of McIlwraith, McEacharn, and Company, having been continually informed by Mr. Hamilton that they had undue influence with the Queensland Office. He wrote in this sense to Messrs. Law on the 9th of February, 1880, when the brokers were discussing among themselves the condition of full-cargo ships, before sending in their tenders, saying, 'McIlwraith is putting all his influence to work to get only direct ships entertained.' This statement, he expressly told us, was merely supposition founded upon conversations with Mr. Hamilton, and he had no knowledge whatever beyond that. With regard to this condition, the evidence of the Agent-General and of Mr. A. McIlwraith, and the subsequent conduct of Mr. A. McIlwraith in applying for its relaxation, are at variance with the representations then made to Mr. Bethell by Mr. Hamilton. Mr. Bethell's answer, therefore, given before us to the following question, represents his mature opinion, arrived at upon full knowledge of the facts:—

"3895. So far as your experience and observation are concerned, have the business matters of the Government always been fairly conducted with the persons contracting with them? I have nothing to say to the contrary."

"39. We find, as our conclusion, that the charges brought by Mr. Hamilton against the Agent-General and Mr. Ashwell, of favouring the firm of McIlwraith, McEacharn, and Company, are proved by the evidence to be unfounded.

"40. The next charge is that to which our attention has been directed by paragraph 21 of the Report of the Select Committee, and has reference to the visit of the Premier with Mr. Ashwell to the works of the Barrow Hæmatite Company. The charge implied in Mr. Hamilton's evidence, given before the committee, is that their visit to those works took place after the inquiry into the working of the London Office had begun, and after the attention of the Premier had been called to certain invoices for rails, charging them at £6 per ton, which had been sent by the Barrow Hæmatite Company to the office of the Agent-General by mistake; and that their visit was made either for the purpose of inquiry or to prevent any inquiry disclosing facts damaging to the Premier or his friends.

"The inquiry into the working of the London Office commenced on the 2nd of April, in consequence of Mr. Hamilton's letter to the Agent-General of the 31st of March, which gave him the first information about these invoices, and upon the receipt of which he communicated with the Premier. Mr. Smith has stated that the Premier and Mr. Ashwell visited the works on the 24th of March, their names being entered that day in the visitors' book; that nothing was said relating to the contract in any way, nor was he aware that any question had arisen thereon; and that the Premier's visit was simply one of inspection to see the works and the manner in which the rails were made. He added that the statements made by Mr. Hamilton, in his evidence in the colony, as to what took place upon Mr. Hamilton's visit to the works at a subsequent time, were quite untrue, more especially his statement that Mr. Smith informed him that the Premier and Mr. Ashwell had been at the works before him on the subject of the mistake as to the invoices. The dates place beyond doubt the accuracy of Mr. Smith's statement, as on the 24th of March the Premier had not had the invoices brought to his notice. We find, there-

fore, the charge implied by Mr. Hamilton's evidence to be untrue.

"41. Lastly, we come to the charge against the Premier contained in the remarks to which we have been instructed to direct our attention by Mr. Palmer's letter, mentioned in the first paragraph of our Report. As we have already gone into all the circumstances of the contracts for rails and freight in detail, it becomes unnecessary for us to do more than record our finding on this charge. We beg to report that, having carefully considered all the evidence taken before us, we find that there was no preconcerted arrangement in the matter, as alleged in the remarks aforesaid; that the colony has not been shamefully plundered by a ring of speculators in the London Office; and that there was no such ring of speculators; and that the charge of connivance brought against the Premier is without foundation.

"42. In conclusion, in presenting to Your Excellency the results of this part of the inquiry, we venture respectfully to express our hope that we have discharged the duty entrusted to us, and made a full and faithful report upon the matters referred to us.

"We have the honour to be,

"Your Excellency's most obedient Servants,

"GEORGE KING.

"F. W. GIBBS.

"London, May 10th, 1881."

The COLONIAL SECRETARY then laid the Report of the Royal Commission, together with the evidence taken, on the table of the House, and moved that they be printed.

Question put and passed.

#### ELECTIONS AND QUALIFICATIONS COMMITTEE.

The SPEAKER, in accordance with the Legislative Assembly Act, laid on the table his warrant appointing the Committee of Elections and Qualifications for the present session.

#### BILL PRO FORMA.

The PREMIER (Mr. McIlwraith) presented a Bill to provide for the Support of Imprisoned Debtors by the Imprisoning Creditors, and moved that it be read a first time.

Question put and passed.

#### MINISTERIAL STATEMENT.

The PREMIER said before they proceeded to the regular business of the House, he might be permitted to make a few remarks, which he hoped would have the effect of expediting the business of the House. A report had that day been laid on the table, together with the evidence, which, from the management of the business of the House last session, would evidently be a matter of very considerable importance now; and, as they had numbers of measures, some of extreme importance, which demanded their undivided attention, he was satisfied that the House would agree with him in saying that the report ought to be dealt with as well, as fairly, and as fully as possible before they proceeded to the business of the session. He did not care himself, except with the object of furthering the business, how the debate on the subject was taken. He was willing either to adjourn the debate on the motion of the Address, in order to give time to hon. members to study the report of the evidence, or he was quite prepared to appoint the nearest Government day, before they proceeded to other business, for the consideration of that subject. His hon. colleague suggested that, as there

was no private business for Thursday, they might make that a Government day, but he found that this suggestion would not suit; so that if they adjourned the business, it would have to be until Tuesday night, when he thought hon. members would have had time to consider the subject. Either suggestion would give a full opportunity of discussing the matter before they proceeded to the real business. He proposed that the Address be moved and seconded, and, if it was the wish of the House, to adjourn the debate, and take the Report of the Commission in the debate on the motion for the adoption of the Address in Reply.

THE HON. S. W. GRIFFITH said he had intended, in view of the importance which had been attached to the matter to which the Premier had alluded, to make a similar proposition, and he was very glad indeed that the suggestion had come from the Government. What he had proposed to do after consultation with his friends, was, on the motion for the appointment of a Select Committee to consider the Address, which he supposed would be made that day, to have spoken and asked for the adjournment of the debate for the adoption of the Address till that day week. He thought it would be desirable that that matter should be disposed of as speedily as possible, and, he hoped, disposed of once for all. He had also considered with his friends whether it would be desirable to proceed with the matter by way of an amendment to the Address or by way of a substantive motion. He would say at once that it would be his duty to submit to the House a resolution dealing with the subject treated by the Royal Commission, and inviting that House to express its opinion both as to the character of the transactions disclosed, and as to the conduct of the head of the Government. As the matter of this report was referred to in the Speech of His Excellency, it appeared that the proper time to deal with it was on the motion for the adoption of the Address. This view was confirmed by the fact that the resolution he would have to submit was of such a character that, if carried, it would affect the position of at least one member of the Government, if not of all. It would therefore, he thought, be better to adjourn after the appointment of the Committee, or to adjourn when the Address in Reply had been moved and seconded. It seemed to him to be inconsistent to deal with the Address in Reply when there was matter in the Speech which must be dealt with on the earliest possible day, in connection with an unfavourable motion affecting the position of the Government. He thought altogether that it would be better and the more constitutional mode to pursue that he should be given an opportunity of making his motion on the motion for the adoption of the Address in Reply.

#### THE OPENING SPEECH.

THE SPEAKER reported that the House had, in the earlier part of the day, attended the Governor in the Legislative Council Chamber, where His Excellency delivered an Opening Speech to both Houses of Parliament, of which, for greater accuracy, he had obtained a copy, which he then read to the House:—

“HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL, AND GENTLEMEN OF THE LEGISLATIVE ASSEMBLY,—

“After an interval of two years, necessitated by my visit to Europe during last session, I have much pleasure in again meeting Parliament to ask your assistance and advice.

“In the earlier months of the present year I visited the most important districts in the northern

portion of the colony. It gave me great pleasure to observe the unmistakable signs of advancement and prosperity among the people, and witness the feelings of loyalty which were everywhere manifested towards our Most Gracious Sovereign.

“After the severe trials which the colony has for three successive years undergone, it is pleasing to me to be able to congratulate you on the numerous evidences which present themselves of its being once again on the flood of prosperous times. Our agricultural and pastoral interests have recovered from the effects of the late disastrous droughts, while our mining industries everywhere show such signs of vitality as warrant me in expecting a continued and enlarged influx of both capital and population to the colony.

“A Conference of Representatives of the various Australasian Colonies was held in Sydney in January last, at which the Honourable the Colonial Secretary and the Honourable the Postmaster-General took part on behalf of Queensland. The several matters agreed on will, during the session, be submitted by my Ministers for your consideration.

“The British-India Steam Navigation Company commenced the new Mail Service in February last. By the terms of their contract the company were allowed to tranship mails and cargo at Colombo during the first twelve months. Of this privilege, however, they did not avail themselves, but ran through-steamers from the start. The means of direct trade between the different portions of the colony and the mother-country thus afforded has already made itself felt, and when the arrangements now being made by my Government are completed I have every reason to believe that not only will the Mail Service prove the quickest and best adapted to the colony generally, but that the direct and expeditious means of trading thereby afforded will reduce the cost of our imports, increase the value of our exports, and greatly extend our opportunities of developing the varied resources of the country.

“I am happy to be able to inform you that the increased prosperity of the times, and the consequent demand for labour, have justified my Ministers in taking steps to promote immigration on a larger scale. For this purpose, the facilities offered by the mail steamers will be made available at once.

“A preliminary agreement has been made between my Government and a company to construct on the principle of land grants a railway connecting Point Parker with the railway systems on the eastern seaboard. My Ministers hope that arrangements will be so far matured as to enable them to pass a Bill on the subject through Parliament this session. Negotiations have been opened with other gentlemen for the construction on the same principle of a line connecting an extension of the Western Railway with the New South Wales border and the eastern border of South Australia. No time will be lost in making definite arrangements, which will be duly submitted to you.

"The Commission appointed to take evidence in England, and to report on the allegations contained in Mr. Hemmant's Petition, and all matters connected therewith, have taken evidence and forwarded it with their report to me. These will be laid before you without delay.

"The various Public Works of the colony are being pushed on with vigour. It is satisfactory to find that, in spite of the large demand for labour caused by the improved position of most colonial industries, the cost of our railways is being kept within the amount anticipated.

"The demand for land is increasing throughout the colony. In almost every district settlement is advancing. The exchanged lands on the Darling Downs have been largely selected by *bonâ fide* cultivators at prices which will amply repay the country for the cession of the lands which have been given in exchange.

"In the Northern districts a large area has been selected for sugar cultivation. A considerable proportion of this area, my advisers consider, has been acquired by the selectors at an upset price which encourages undue speculation and with the object of disposing of the land to others rather than of working it themselves. This condition of things has induced the Government to withdraw from selection all the lands in the districts north of Rockhampton, in order that they may be classified, re-valued, and again made available for selection at a price which, while calculated to check the speculator, will be no obstacle to the actual settler.

"GENTLEMEN OF THE LEGISLATIVE ASSEMBLY,—

"The Estimates of the present financial year will be soon laid before you. They have been framed with a view to the strictest economy consistent with the efficiency of the various services.

"I am gratified to find that while the expenditure of the last year has not exceeded the anticipations of my advisers, the revenue has shown unmistakable signs of improvement, and the balance in the Consolidated Revenue Account has returned to the right side without increasing the burdens of the people.

"HONOURABLE GENTLEMEN OF THE LEGISLATIVE COUNCIL AND GENTLEMEN OF THE LEGISLATIVE ASSEMBLY,—

"The credit of the colony in the Home money market has during the year gradually but materially improved. Our debentures sold in March, last year, at £90 10s. 11d., and are quoted now on the Stock Exchange at £103. Much of this improvement is due to the plethora of money seeking investment in the world, and to the increasing faith in the nature and value of colonial securities generally; but it is a further subject of congratulation that Queensland credit to-day stands higher relatively to other colonies than it has ever stood before. To this fact my Ministers have given due consideration, and find in it a sure proof that English investors fully recognise the determination of the colony to prosecute their large railway undertakings by other means than by a direct appeal to the loan market.

"The transfer of the bulk of the carrying trade between the colony and foreign countries, from sailing ships to steamers, which is now inevitable, demands your earnest consideration; and proposals will be submitted to you for adequate provision in our Harbours, and works connected therewith, to meet this altered state of things.

"Amongst other matters of importance, the following Bills will be laid before you:—

"To Regulate the Pearl-Shell and Béche-de-mer Fisheries.

"To Consolidate and Amend the Law relating to Shipping.

"To Consolidate and Amend the Laws relating to the Distillation of Spirits and Brewing of Beer.

"To Provide for the Construction, Maintenance, and Management of Works for the Storage and Distribution of Water.

"To Provide for the Regulation and Inspection of Mines and Collieries.

"To Consolidate and Amend the Law relating to the Water Police.

"To Provide against the Influx of Foreign and other Criminals.

"To Amend the Mercantile Act of 1867, in relation to Warehouse Keepers' Certificates.

"To Consolidate and Amend the Laws relating to the Sale of Fermented and Spirituous Liquors by Retail.

"To Amend and Consolidate the Laws relating to the Insane.

"To Provide for the Destruction of Marsupials.

"To Provide for the Execution in Queensland of Warrants issued in other Colonies.

"To Provide for an Australasian Court of Appeal.

"To Increase the Remedies of Creditors against persons in other Australasian Colonies, and to enable judgments of the Courts of those Colonies being enforced in Queensland.

"A Bill will also be introduced at an early date to Provide for the Reconstruction of the Upper House upon an Elective Basis.

"These will all, I have no doubt, receive your most earnest attention; and I trust that, under Divine Providence, your labours during the coming session will conduce to the good government and material prosperity of the colony."

#### ADDRESS IN REPLY.

Mr. BLACK moved—

That a Select Committee be appointed to prepare an Address in Reply to the Speech delivered by His Excellency the Governor in opening this the fourth session of the Eighth Parliament of Queensland, and that such Committee consist of Mr. McIlwraith, Sir Arthur H. Palmer, Mr. F. Cooper, Mr. G. M. Simpson, and the Mover.

The question being put,

Mr. GRIFFITH asked how the Government proposed to proceed? At what stage did they propose to adjourn—before the bringing up of the Address in Reply, or after it had been moved and seconded and before it was discussed?

The PREMIER replied, that he proposed that they should bring up a Reply to the Address, and that its adoption should be proposed and seconded, and that then the House should adjourn until

Tuesday next. The Government did not propose to adjourn at once, as they thought it only right to afford hon. members who appeared in the House for the first time an opportunity of speaking to the question.

Mr. H. PALMER (Maryborough) seconded the motion.

Question put and passed.

The Committee retired, and, having returned, brought up the following Address, which was read by the Clerk:—

“To His Excellency Sir ARTHUR EDWARD KENNEDY, Knight Grand Cross of the Most Distinguished Order of St. Michael and St. George, Companion of the Most Honourable Order of the Bath, Governor and Commander-in-Chief of the Colony of Queensland and its Dependencies.

“MAY IT PLEASE YOUR EXCELLENCY,—

“We, Her Majesty’s loyal and dutiful subjects, the Members of the Legislative Assembly, in Parliament assembled, desire to assure your Excellency of our continued loyalty and affection towards the Person and Government of our Most Gracious Sovereign, and we thank Your Excellency for the Speech with which you have opened the session.

“We congratulate Your Excellency on your having returned to the colony in renewed health and strength.

“We shall give our careful and serious consideration to the various measures submitted by Your Excellency; and we trust that our labours may result in promoting the advancement and prosperity of the colony.”

Mr. BLACK moved that the Address in Reply to the Speech of His Excellency the Governor be now adopted by the House. He said he had much pleasure in doing so, as he considered that both the Speech and what was contained therein were of such an important character that if the proposals were carried out they would tend materially to the advantage and prosperity, and to the increase of the resources of the colony. One of the most important matters referred to in the Speech was the fact that the finances of the colony were in a satisfactory condition. This result, he thought, would be especially satisfactory to the taxpayers of the colony, for he took it to mean that additional taxation would be unnecessary. The fact also of their financial position being such as to leave a considerable credit balance to the Treasurer would, he was sure, give confidence to the investors in this country, and also at home. He believed he could safely say that this satisfactory state of affairs had not been arrived at by any parsimony on the part of the Government, but that the work of the various departments of the public service had been provided for in a liberal manner. He was glad to find that the proposal to construct a transcontinental railway would be laid before the House on the principle of payment by land grants. He felt that the time had arrived for the extension of their railway system, and that this could not be done in any other way than that proposed without adding severely to the taxation of the population of the country and at the same time destroying the confidence of capitalists, who could not but see that any increase of taxation would be outstripping the ability of such a small population as that of Queensland to pay it. At the same time, it seemed to him that the extension of their railway

system should keep pace with that of the other colonies, and the advantages to be derived from such an extension were so great that he trusted that any measure submitted to the House in connection with it would be received and treated in a liberal spirit by all parties. The fact of any firm being willing to construct a work of such magnitude in our midst on the principle proposed, proved to him what unbounded confidence it must have in the future of the colony.

Mr. GROOM: South Australia has rejected it.

Mr. BLACK said that the importance to be derived from the opening up of the land by railway communication could not be over-estimated, and if this land line would be the means of settling a large producing population, the benefit would be very great to the trade and commerce of the country. He was very glad to find that His Excellency had given such a prominent place to his reference to the success of tropical agriculture in Northern Queensland. It took the leading place in the Address, and he was glad to think that His Excellency and Ministers had been able during the recess to personally visit that portion of the colony and judge for themselves whether the representations were true or not of the progress of this industry in Northern Queensland. Agriculture to be a benefit to the country must be successfully carried out by those who undertook it, and he would venture to say that tropical agriculture would, in the future, be one of the mainstays of Queensland. They heard a great deal of proposals to settle the vast western lands of the colony with an agricultural population. He would not say at present whether this was a feasible scheme or not, but he would ask whether such magnificent tropical lands as those on the coast would not naturally be sought to be developed by population rather than that settlers should go away into the interior where the thing was at present problematical. He thought that the action of the Government in withdrawing the lands from sale north of Rockhampton was a judicious one. Lands had recently been selected, not so much with a view to cultivation as to speculation. He had seen in his own district large tracts of land which immediately they had been thrown open were taken up by selectors who had not the least intention of cultivating them, and who, without evading the terms under which they were offered by the Government, intended to re-offer them in the market. He considered the time had arrived when the colony saw what was the value of their lands, and they should certainly insist on getting a fair value—not an excessive value, but a fair value. He might say that the planters in the North, who were now amongst the most successful in Queensland, were men who originally took up their land under the old sugar and coffee regulations, at more than double the price at which land had been recently taken up. It was a matter of which the colonists of Queensland should be proud that they had three such magnificent producing industries as the grazing, the mining, and the agricultural. As an old squatter he should always consider that the grazing industry had been and was still the backbone of the country, and any reasonable concessions that could be given to the graziers he certainly thought they were entitled to; at the same time, such was the march of improvement in the present day that they must inevitably give way as population advanced, but until that took place he trusted they would always receive that consideration from the Government—no matter what party happened to be in power—to which they were fairly entitled. Another magnificent industry, which he was proud to see rapidly developing in the northern part of the colony, was that of

mining, to which too much importance could not be given. The third industry to which he had referred, and of which he was a representative, was the agricultural industry of the North.

Mr. GROOM: Why not the South?

Mr. BLACK said he spoke of the agricultural industry of the North because he knew more about it than that of the South; at the same time he should be most happy to do anything in his power to further the interests of the agricultural industry, whether North or South. In speaking of tropical productions he referred particularly to the sugar industry, which he considered but in its infancy, because, whereas now it was worth half-a-million per annum, the time was not far distant when they would be compelled, in consequence of the progress of the industry, to export their produce to the markets of the world, and mainly to the markets of England. He was proud to say that the progress made in the development of this industry was such that they were not afraid to compete with any market in the world. In connection with this matter, he looked on the British-India Mail Service as likely to be of material benefit to the producers of the North; and, so far from there being any probability of a deficiency of freight for these vessels, he believed that, long before the contract expired, it would be absolutely necessary to have a fortnightly service, instead of a monthly service as at present. In his opinion, the mail service had so far been a success, and he was glad of it. There might be differences of opinion on this subject, and people whose interests had always been in the South might look with a jealous eye on the development of the resources of the North; but that this mail service would be of incalculable service to the colony he was firmly convinced, and he considered that the company deserved every credit for the fine description of vessels they put on the line. He noticed in the Speech it was stated that the steamers would be made use of for the purpose of immigration, and he considered that a step in the right direction, and one which would tend to make immigration to Queensland more popular than ever it was, for people would be much more ready to come to the colony when they saw a fine fleet of steamers ready to convey them than if they had to be brought by vessels taking on an average 120 days. One matter of interest he anticipated to have seen some reference to in the Speech, but which was omitted, was the construction of branch railways. He was not sufficiently in the confidence of the Government to know their intentions in the matter, but there were many districts in the colony entitled to some sort of branch railways. But at the same time he knew that once let the idea get abroad that the Government intended to construct branch lines, no doubt the demand for lines would be far in excess of what the Government had the ability to grant. From his experience of the working of the Divisional Boards Act—which he considered one of the finest Acts ever passed by the Parliament of Queensland—he believed the principle of that Act could be applied to some extent to the construction of branch lines. At present the divisional boards had the power of borrowing large sums of money, and if they liked they could devote this money to the construction of railways. Of course they would have to raise a special rate in the shape, perhaps, of a railway tax, for the payment of the interest and capital within twenty-one years. When the boards struck a rate they got an endowment of two to one from the Government for the first five years, but if they raised a loan they received no endowment from the Government. He saw no reason why the principle should not be extended to the construction of branch railways—but only

in those districts which chose to avail themselves of the privilege—that was, if a district raised a sum of money by loan from the Government, and struck a special railway rate to pay the interest into a sinking fund, they should also receive an endowment the same as for the construction of roads. If the system was good in making roads, why not in making branch railways? And the Government had this security in adopting the course he proposed—they might be quite sure that no district would ask for a branch line unless prepared to contribute some portion of the money necessary for the cost of construction. Another matter referred to in the Speech was the steel rail question, upon which a very elaborate report had been read by the Clerk; but, as it was intended to defer the discussion for a week, he should say nothing except that he was glad to find the impression he had always held confirmed. Reference was also made in the Speech to another matter of importance—the inspection of mines and collieries. He would suggest that the inspection of steam boilers on land be made compulsory. He would conclude by moving the adoption of the Address in Reply.

Mr. H. PALMER (Maryborough) said he rose with considerable diffidence to address the House for the first time, and he would appeal to both sides of the House for their kind indulgence in listening to the few remarks he had to make. He believed this motion was looked on as a formal business; nevertheless, he felt a large amount of responsibility devolving on him, and should have preferred a little more experience of debate and of the forms of the House before standing up to address the Chair; but as it appeared that the younger members were called upon on occasions of this kind he saw no way of getting out of it. Allusion had been made to a remark of his hon. friend (Mr. Black) in speaking of the prosperity of the colony as the prosperity of the North; but he (Mr. Palmer) would embrace both North and South, for he hoped and believed that the prosperity alluded to in the Speech prevailed in the South as well as in the North. His experience tended to show that there was a considerable amount of prosperity in the Central districts also, and he trusted that prosperity would continue. No doubt the legislation proposed in the Speech would tend in some way to stimulate the industries now looked on as prosperous, especially the agricultural. He would next allude to the mail service now in existence. Although twelve months ago he thought the service would not give satisfaction to the colony, from the experience of the last few months he was willing to retract that opinion, because from the working of the service he could see that it would be an incalculably good service for the northern parts of the colony, as well as for the city of Brisbane. Although the service was not quite so quick for mail communication as the Sydney or Melbourne services, it would ultimately prove as quick: and the time was not far distant when that would be accomplished. He could not see, even now, that it was very deficient in delivery at the Northern ports, compared with the old service; and the fact of its bringing freight out so quickly and delivering it in those ports was a most satisfactory circumstance. He was glad, therefore, to give his mite of praise in support of the mail service, for it had disappointed him most agreeably. He might allude to the proposed immigration in connection with the service, which he believed would be of very great advantage to the whole colony, although he doubted whether that would be so successful as the other part of the service. It would be unwise to give up sailing vessels altogether for the proposed steam service in bringing out immigrants. The system would have to be tried,

and would, no doubt, prove its success or otherwise. The immigration proposed was said to be on a larger scale than formerly, but he questioned whether they required immigrants on a very large scale unless railways and public works were to be continued. Whether there was a field for any larger system of immigration or not, he knew for a fact that from one-fourth to one-third of those who were brought out up to the present had to resort to public works. He saw no allusion in the Speech to branch lines, and if railways and other public works did not go on he could not see an outlet for any large number of immigrants. He should be very glad indeed to see that there was such an outlet, but it was a mistake to bring immigrants out without some scope for them to find employment. With regard to public works, he hoped that branch lines would not be discontinued, but, where traffic was to be had, means would be found for carrying out such lines: although he should not be prepared to advocate the borrowing of money for the extension of lines generally. The next subject in the Speech appeared to him to be the most important of all. He referred to the proposed transcontinental railway, a project of such gigantic proportions that he was almost afraid to allude to it, and he felt thoroughly incompetent to go into the details of the matter. He, however, strongly endorsed the principle. If the great main lines of railway were to be continued, some scheme for carrying them out on the land-grant system must be introduced. Were he, however, to express an opinion that the country would be benefited by the construction of a transcontinental line of railway to Point Parker, or to South Australia, or to New South Wales, he should be saying what he did not believe in. It did not appear to him to be advisable to carry a railway to the extreme end of the colony, and to such a port as Point Parker, from what was generally known of it, appeared to be. It would not be beneficial to the sea-board trade, at this early stage of the development of the colony, to make such a connection with New South Wales or South Australia; and if such connections were made, a very great portion of the western trade of the colony would soon be lost. He, however, heartily endorsed the principle of the land-grant system, if it could be carried out under proper safeguards for the protection of the colony in these matters. This was the initiation of an immense undertaking, and it was hard to say whether it would prove successful. It had not yet appeared exactly what the Government had in view; but he could state that he was in favour of the principle, though he was not in favour of a line being carried out to the present proposed terminus, or in such a direction as to connect with the other colonies. He should prefer to give the advantage of such lines to the pastoral districts, which were of such great importance to the colony. A line might be carried to the Barcoo and Mitchell districts as a central point, and the experiment might be tried of carrying out such a railway by means of liberal grants of land; and if the plan were found to answer the lines might be extended north, south, east, and west, wherever they were found to answer best. The hon. member for Mackay had referred at length to the reservation of lands to the north of Rockhampton. In his (Mr. Palmer's) opinion, the Government had not been a bit too soon in taking these lands under their special care, and withdrawing them from the speculations which had been going on there, with a view, as soon as possible, to submit them another way and bring them into public use. Those lands were excellently adapted for sugar cultivation; and he should prefer to see them put up to auction and sold at the highest price they would bring.

Any man going in for sugar cultivation would prefer to purchase his land outright, and if that plan were adopted, instead of the lands being held by men who had acquired a right to them by payment of a trifling nominal sum to hold them for purposes of speculation, they would be properly utilised, and realise a fair price. A considerable number of Bills were mentioned, but with one or two exceptions he did not regard them as being of any vital importance to the country, and in some cases no injustice would result if they were strangled in birth. At the same time he recognised the fact that one or two of them could be placed on the statute-book with advantage to the colony. He was glad to have heard the report on that troublesome question about steel rails which had been read; and, so far as it was in his power, he congratulated the Government upon it very willingly indeed. As far as he could judge, the report was an evidence of the acquittal of the Government on the charges which had been brought against them, and it was a very great satisfaction to him to be able to congratulate them on that. He had previously had some doubts in his mind, but now, until anything should occur to reverse his opinion, he held that the Government had gained a complete victory. With all his heart and mind he believed that the Ministry had gained a victory, and he was highly delighted to have the opportunity at this early period of the session of alluding to the matter. In addition to the measures referred to, he should very much like to have seen some allusion to the Agent-General's office in London. No matter how well the Government might come out in respect to the charges which had been made, it was very necessary that the London office should be remodelled; and he was disappointed that no reference had been made to the subject. He hoped, however, that the matter would receive attention before the House had been long in session, as he could never give the Government his thorough support until he knew that some steps had been taken to redress what required redressing in that office. Matters had not gone on right in that office for a long time previously to the steel rail business, and he believed they never would go on right while the office was under its present head. He was a man who should never have been sent home to occupy that position, as had been conceded long ago by both sides of the House; and now that he was old and infirm it would be to his own benefit, and to the benefit of the colony, that he should be recalled, and that the office should be thoroughly remodelled. This was a grievance to be redressed, and until it was redressed he could not give the Government that thorough support which he should wish to give them. With regard to branch railways, also, he hoped that the subject would be brought before the House, and that encouragement to settlement would be given by the construction of branch railways where they were found to be most required. In that way facilities for settling on the land would be given to the people whom it was proposed to introduce by the extended system of immigration, and means would at the same time be provided for carrying their produce to market. With these remarks he had great pleasure in seconding the Address in Reply.

Mr. RUTLEDGE moved the adjournment of the debate.

Mr. DE SATGE said he desired to offer only a few words to the House, chiefly on behalf of an important section of the community, with reference to the proposed lengthened adjournment. The session, from causes over which the country had very little control, was prolonged from day to day, and week to week, and representatives from

distant parts of the colony were put to considerable disadvantage in being compelled to spend so much of their time in Brisbane. He was therefore of opinion that the proposed adjournment might be curtailed with advantage to the country at large. With regard to the subject-matter of the recent discussion, hon. members had heard the report read, and would hardly wish to read it again, as the minds of most were pretty well made up. The larger portion of the country did not attach to the steel rail question the importance which jealousies and political strifes had given to it here.

The PREMIER said that his object in suggesting an adjournment of the debate was not to delay business, but to expedite it; and he believed that result would best be attained by every hon. member making himself fully acquainted with the contents of the report. The hon. member who had just spoken had not the same experience as most other hon. members had of what passed in the House during the last session, or he would probably agree that the quickest way to settle the matter would be to become acquainted with all the facts of the case, and then have the discussion and get the thing ended. He had therefore agreed to adjourn the debate till next week. In one respect he disagreed with the hon. member: he considered this was a matter of very great importance. The character of public men was a matter of vital importance, and until that was set at rest the House would be perfectly unable to go on with the business of the country.

Mr. GRIFFITH said he agreed with nearly all that had fallen from the hon. gentleman at the head of the Government, and he joined with him in expressing an earnest hope that before this day week every hon. member would take the trouble to make himself acquainted with all the facts disclosed. Every hon. member should do so, and he hoped and believed that every one would. He ought also to say that the resolution which he proposed to move—though he would not then give the precise terms—would be condemnatory of the transactions which had been the subject of investigation, and condemnatory of the conduct of the Premier in relation to them throughout.

Question put and passed.

The PREMIER moved the adjournment of the House.

On the motion of the COLONIAL SECRETARY, the words "till Tuesday next" were added.

Question put and passed; and the House adjourned at twelve minutes to 6 o'clock.