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THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA.

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REPORT

OF THE

ROYAL COMMISSIONER

APPOINTED

TO INQUIRE INTO CERTAIN CHARGES

AGAINST

MR. HENRY CHINN.

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THE PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN

REPORT

ROYAL COMMISSIONERS

TO INQUIRE INTO CERTAIN CHARGES

MR. HENRY HINDS

Judges' Chambers,  
Melbourne, February 3rd, 1913.

*To the Right Honorable THOMAS, BARON DENMAN, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Commander of the Royal Victorian Order, Governor-General and Commander-in-Chief of the Commonwealth of Australia.*

I, Your Excellency's Commissioner, whose hand and seal are hereunto set having been appointed by Your Excellency to inquire into and report upon certain charges made against Mr. Henry Chinn by the Honorable James Mackinnon Fowler in speeches delivered by him in his place in Parliament on the 17th day of December, 1912, and reported in the Official Parliamentary Debates for that day, copy whereof was attached to Your Excellency's Commission, on pages 7281 to 7290 inclusive, do humbly submit to Your Excellency this my Report.

From an examination of the said pages 7281-7290 inclusive, it appears that the said the Honorable James Mackinnon Fowler made six independent charges against the said Mr. Henry Chinn. These will be most conveniently dealt with in the order in which they appear in the said speech.

1. The first charge related to a testimonial supplied by the said Mr. Chinn as to his character and ability. The document is in the words following :—

“ Collins-street West, Melbourne,  
14th August, 1898.

Dear Sir,

At your request we have much pleasure in committing to paper our appreciation of the valuable services rendered by you as our engineer in connection with various contracts carried out by us under the Public Works and Railway Departments and Melbourne Harbour Trust.

The construction of the new entrance to the Gippsland Lakes was a work that necessitated more than the ordinary amount of foresight and skill, and we are confident the successful issue was only brought about by the untiring energy and exceptional ability displayed by you.

So much were we impressed with you on the above works that we determined to engage you on all future contracts, and in every instance for a period of about eleven years your professional knowledge on all classes of work proved invaluable to us. It would be hard to single out any particular branch of engineering to eulogise you on, for you are equally familiar with harbour and river works, sewerage and railway construction, and as the sewerage works of Melbourne were some of the most difficult ever carried out in Australia, the successful issue you brought our contracts to demands the highest praise from us.

We trust your career will be a prosperous one, and feel confident, if the opportunities only present themselves, you will do full justice to your office, and continue to earn further distinction in your profession.

Faithfully yours,

(Signed) GARNSWORTHY & SMITH,  
Contractors.”

H. CHINN, Esq., C.E.

It is suggested rather than asserted by the said Honorable Mr. Fowler—

(X) That there is no genuine original of this document : and

(Y) That it contains untrue and misleading statements.

(1X) After a careful consideration of the evidence I am unable to say that I believe that a genuine original of this testimonial ever existed, and, on the other hand, I cannot say that I am convinced that a genuine original never did exist, and I am constrained to put my conclusion on this part of the Inquiry in the somewhat unsatisfactory form that it has not been proved to my satisfaction that there never was a genuine original of this testimonial and that this part of the charge against Mr. Chinn, that no genuine original ever existed has, in my opinion, failed for want of sufficient evidence.

The doubt and difficulty arise in this way—

- (a) No alleged original has been produced and it is stated that such original has been lost or destroyed.
- (b) There is no person living except Mr. Chinn who ever saw the original so far as your Commissioner has been able to ascertain.
- (c) Mr. Chinn's evidence as to how and when he got the original is unsatisfactory, as also his evidence as to how and when it was disposed of, lost, or destroyed.
- (d) Mr. Garnsworthy, the person who must have signed such document, if it existed, is dead.
- (e) The document being lost or destroyed, I have been unable to compare the handwriting in the document with that in documents written or signed by Mr. Garnsworthy.
- (f) Some of the statements in the said testimonial are not in accord with the facts. See below.

(1Y) As to the second branch of the charge on this document it appears to me that the document is misleading in the following respects :—

- (a) From the testimonial being dated the 14th August, 1898, and from the testimonial referring to "the construction of the new Entrance to the Gippsland Lakes," it would be inferred that the writer was speaking of the work done at the Entrance, and of the work done there up to that date, or done at or about that date. Now, the work done there by Messrs. Garnsworthy and Smith was done in or about the year 1884, 1885, and the total amount of this contract was £13,079 ; whereas in August, 1898, the amount expended on the Gippsland Lakes Entrance was over £100,000. (See exhibits "O" and "P," and Mr. Catani's evidence at pages 12 and 13), and, further, notwithstanding Mr. Chinn's statement to the contrary, Mr. W. P. Smith's evidence and the books of the firm of Garnsworthy and Smith, to which he referred, satisfy me that Mr. Chinn was not engaged on the construction of the new Entrance to the Gippsland Lakes, but was employed by that firm for the purpose of surveying land in that neighbourhood, so that the whole reference in the aforesaid testimonial to the Gippsland Lakes is, in my opinion, untrue and misleading.

But, if the testimonial were a genuine one, I don't know that any useful end would be attained by my expressing an opinion on the extent of Mr. Chinn's moral culpability in not criticising the accuracy or truthfulness of the testimonial which he was using; as he does not put forward the document as his statement, but as containing some one's opinion concerning him.

2. The second charge by the said Honorable James Fowler is in connexion with the testimonial purporting to be signed by J. Falkingham, railway contractor. The document is in the words and figures following :—

" 'Warleigh,' Brighton,  
Victoria,  
23rd April, 1903.

Mr. Henry Chinn, Civil Engineer, has been employed by me during a great number of years as Engineer-in-Charge of Construction, &c., on almost all the large contracts I have engaged in and I can, without the slightest hesitation speak of him in the very highest terms as a professional gentleman.

I have carried out some of the largest contracts in New South Wales, Victoria, and Tasmania, under both the Governments and Harbour Boards of these States, also many of the underground contracts in connexion with the sewerage scheme of Melbourne, and I owe a deal of my success to the untiring energy and marked ability displayed by Mr. Chinn as my engineer in all these works.

To hear of his further success will give not only me great pleasure, but the great body of contractors with whom he is deservedly popular, and it is due to him to state he is an engineer of exceptional ability and that no more competent and popular gentleman in his profession is known to me.

(Signed) J. FALKINGHAM,  
Railway Contractor."

With regard to this testimonial the Honorable J. M. Fowler founded his charge on the following letter: which is set out in the official Parliamentary Debates for the 17th December, 1912, at page 7283, and is as follows:—

“Nixon-street, Shepparton  
28th November, 1912.

SIR,

With reference to your inquiries about the testimonials on behalf of Mr. Chinn, and signed J. Falkingham, appearing on page 1427 of the Parliamentary Debates, I beg to state it is not correct that Mr. Chinn was employed by my father as Engineer-in-Charge of Construction on almost all the contracts my father carried out. Mr. Chinn was employed only on two contracts, one a railway contract in New South Wales for about six the other a sewerage contract in Pickles-street, South Melbourne for about three months. He was not in charge of either of these contracts, but was engaged in a subordinate capacity without any responsibility. My brother Joseph and myself were on all my father's contracts as managers and partners and I deny that Mr. Chinn had anything to do with our or my father's success. On the contrary, we had a good deal of trouble with Mr. Chinn, and he was finally dismissed by my father from the sewerage contract in South Melbourne, because he could not carry out his work in a satisfactory way. Mr. Chinn gave the wrong lines in a drive which put my father to great expense. I am positive that my father never wrote this testimonial and it is most unlikely that he ever put his name to anything so incorrect and misleading. I wish also to point out as proof that this testimonial was not given by my father that at the date it bears, 23rd April, 1903, my father was not living at address stated upon it, namely, “Warleigh,” Brighton. He had left there three years previously and at the date given on the testimonial was living at 95 Riversdale-road, Glenferrie. I have no prejudice whatever against Mr. Chinn, but in the interests of truth and of my father's good name I consider it my duty to supply you with the above information.

I am, Sir,

Yours faithfully,

(Signed) WILLIAM FALKINGHAM.”

This last letter alleges in effect:—

(X.) That there is no genuine original for the testimonial signed “J. Falkingham.”

(Y.) That it contains untrue or misleading statements.

(2X.) With regard to this testimonial also, I am unable to say that I believe that there ever existed a genuine original of it, and I am also unable to say that I am convinced that no such original ever existed and **am** therefore driven to a conclusion with regard to this testimonial similar to that arrived at with regard to the previous testimonial, namely, that it has not been proved to my satisfaction that there never was a genuine original of this testimonial and that the charge against Mr. Chinn that there is no genuine original of this document has in my opinion failed for want of sufficient evidence. The doubt and difficulty are occasioned by considerations similar to those mentioned in regard to the previous testimonial, that is to say:—

(a) No alleged original has been produced, and it is stated that it has been lost or destroyed.

(b) There is no living person except Mr. Chinn who ever saw the original so far as your Commissioner has been able to ascertain.

(c) Mr. Chinn's evidence as to how and when he got the original is unsatisfactory, as also his evidence as to how and when it was disposed of, lost, or destroyed.

(d) Mr. Falkingham, the person who must have signed such a document, if it existed, is dead.

(e) The document being lost or destroyed, I have been unable to compare the handwriting in the document with that in documents written or signed by Mr. J. Falkingham.

(f) Some of the statements in the said testimonial are not in accord with the facts. (See below.)

(g) With regard to this testimonial there is also this further difficulty that “Warleigh” had not been the residence of J. Falkingham for some two years before April, 1893, and he did not use paper with “Warleigh” marked on it except by ordinary writing.

(2Y) I find that the only work done by Mr. H. Chinn for J. Falkingham was in 1885, the preparation of some tracings for the Derwent Valley Railway contracts—work that would be done by any youth in an architect's, surveyor's or engineer's office. In 1895 Mr. Chinn acted as engineer in charge of construction of an underground sewer at Pickles-street, South Melbourne. After so acting between two and three months, he was dismissed, but in 1896 he was again employed by the said J. Falkingham for about six months as engineer in charge of construction of the railway line from Bogangate to Condobolin, in New South Wales. Any other work done by Mr. Chinn was of a trifling character, and consequently the statements made in the two first paragraphs of the letter of the said J. Falkingham are gross exaggerations, and utterly misleading.

As to the moral obloquy of using such a testimonial—assuming a genuine original existed—I desire to repeat the last observation made with regard to the previous testimonial.

3. The next charge made by the said Honorable J. M. Fowler against Mr. Chinn will be found at page 7284 of the said Parliamentary Debates and it is in these words:—"In connexion with the appointment of Mr. Chinn allusion was made by that gentleman in his application to a certain patent he alleged he possessed for the welding of rails, and the use of which he said was going to be of great benefit in carrying out the work of the Transcontinental Railway. In regard to this I desire to read the following letter:—

" Australian Thermit Company Limited,  
Engineers and Contractors,  
387 Kent street, Sydney.  
7th December, 1912.

DEAR SIR,

In reply to your inquiry regarding our experience with Mr. H. Chinn, we beg to say that when Mr. Chinn was acting for a short time in 1909 as Engineer for Messrs. Smith and Timms, during the construction of the Adelaide Electric Tramline, he became acquainted with the Goldschmidt Aluminio Thermic System for welding metals. Evidently Chinn must then have studied the Australian patents granted to Dr. Goldschmidt, and finding that a certain patent did not apply to South Australia he, in company with another Adelaide gentleman, manufactured by the well-known Thermic formula a welding compound, which he called "Kalipsite", and for which he applied for a Commonwealth patent. Dr. Goldschmidt, the inventor of the Thermit Welding System opposed Chinn's patent application. The latter then offered to sell his invention for £20,000, reducing his figure shortly after to £1,000, but was told that the inventor of Thermit, as well as the Australian Thermit Co. Ltd., refused to have any dealings whatsoever with Chinn and Company. Chinn then endeavoured to sell his imitated Kalipsite to the Adelaide and Sydney Tramway Departments, whereupon Dr. Goldschmidt brought an action against Chinn for infringing his patent rights, and obtained from the Supreme Court of New South Wales an injunction with order of costs against Chinn, restraining Chinn from infringing the Goldschmidt's Thermit patent rights. The taxed costs against Chinn amounted to £980 18s. 9d., of which Chinn has so far not paid one penny. An execution against Chinn in Western Australia proved fruitless as Chinn could prove that he had nothing more than the clothes he was wearing.

Yours faithfully,  
Australian Thermit Co. Ltd.,  
(Sgd.) O. GRANOWSKI, C.E.,  
Managing Director."

The reference in Mr. Fowler's speech "to a certain patent Mr. Chinn possessed for the welding of rails" is to Mr. Chinn's letter Exhibit "G," in which he says: "It might not be out of place here to make reference to the negotiations that have been recently conducted between your Government and myself regarding rail welding operations on the above railway," &c. This letter is dated June 20th, 1911, and the patent referred to in the above letter of Mr. Granowski had not then been registered either in South Australia or Western Australia, and consequently there would have been nothing unlawful in Mr. Chinn at that date using there any methods of welding rails, even though those methods might have been patented in Victoria and New South Wales and Dr. Granowski's letter is only foundation for a charge that he was using some one or more of the Thermit patents in New South Wales and had a judgment recorded against him, with the amount of costs specified in the letter which costs have not been paid, and is no ground that he could not use his "invention" on the Transcontinental Railway, Port Augusta to Kalgoorlie, so that, in my opinion, there is no substance in this third charge.

4. The fourth charge made by the Honorable J. M. Fowler will be found at pages 7289-7390 of the said Parliamentary Debates, and may be shortly stated in this way—That Mr. Chinn, by the representation that he was co-trustee with another gentleman, and that they had money to lend, induced proposing borrowers to pay him money to inspect their properties so that they might obtain loans from Mr. Chinn and his co-trustee. The only evidence I have been able to obtain on this subject is that of the Honorable George Graham, who alleges that Mr. Chinn said—“The securities are all right, but I must consult my brother-in-law living in Melbourne, who is my co-trustee.” Assuming this to have been said by Mr. Chinn at the time and place alleged by Mr. Graham, it would not prove the charge made against him, inasmuch as, several days before the alleged statements the inspection fees had been paid and the inspection had that day been made but Mr. Chinn denies ever having said that he was co-trustee and although I do not doubt the honesty of the Honorable George Graham, or his desire to say only that which is true, yet I am convinced that his memory is at fault, and that he is mixing up what Mr. Chinn told him with what other people told him, and narrating as coming from Mr. Chinn what came from others, and I think that the untrustworthiness of Mr. Graham's memory is shown by this : that he was very positive that he was not applying for a loan on his own property at that time, and that there could be no mistake about it, and that Mr. Chinn did not on that occasion inspect his property, and yet it is clear from applications for loans passing from his agents, Wilson and Hunt to Mr. W. R. Church, and press copy letters thereupon written from W. R. Church to Chinn that the Honorable Mr. Graham was at that time applying for a loan of £3,000 on his property, and that Mr. Church was instructing Mr. Chinn to inspect it, and I am convinced that Mr. Chinn at that time inspected that property pursuant to those instructions. So far as this charge is concerned, there is, in my opinion, no case whatever.

5. The fifth charge is contained on page 7290 of the said Parliamentary Debates, and it is that—“When there was much anxiety regarding gold stealing Mr. Henry Chinn was trying to dispose of a parcel of gold in Perth, not to the Mint, but to a private buyer, if he could find one at £2 an ounce, about half its value.”

The sole evidence in support of this charge is that of Mr. William Noah Hedges, M.H.R. His evidence may be stated as follows—That in the year 1906 he had an office in Moir's Buildings, Perth ; that Mr. Chinn came to him and proposed to sell to him eight thousand ounces of gold at £2 an ounce ; that Mr. Chinn had not the gold with him ; that he told Mr. Chinn that he did not deal in that sort of thing ; that it might only be gilded like a gold brick, whereupon Mr. Chinn said that they did not want the money at present, but wanted one thousand pounds within a week and the other money as it could be paid ; but Mr. Hedges told him that he would not have anything to do with it. Mr. Hedges further says that as soon as Mr. Chinn left his office, he went to Parliament House, the Cabinet were called together and were informed of the proposed transaction, and he was told that the matter was put into the hands of the detectives, that on the next day Chinn came to him again in his office and produced from his pocket six or seven bars of gold four or five inches long, and between one and a half and two inches broad, and that he, Mr. Hedges, believed that Chinn had other bars with him ; that Chinn said that these bars were a sample of the gold and should prove it was good, and that he, Mr. Hedges, absolutely declined to buy, and again went and saw the Ministry and told them of this further interview.

Mr. Chinn emphatically contradicts all this, but gives an account of his having had smelted gold in his possession and showing it to Mr. Hedges, the date of this being about 15th September, 1906; this date would fit in with Mr. Hedges' evidence, but Mr. Chinn says “Once, and once only in my life have I seen smelted gold. I was doing work for Messrs. Harney and Harney in their offices in Perth. Those offices were in the same building as the office of Mr. Hedges. The two offices were opposite one another, separated only by a four-foot passage. That while I was engaged for Messrs. Harney and Harney I was brought in contact in business with a Mr. Ellis, who asked me if I had ever seen smelted gold. I told Mr. Ellis I had not, and Mr. Ellis told me that he would show me some and next day he came into my office between 11 and 12 in the morning and put down a little handbag, and said, ‘Here it is, I'm going upstairs. I shall be back in a few minutes.’ I opened the bag, saw two small pieces of gold, my door was open, I heard Mr. Hedges, and called him and showed him the two specimens in small ingots. Mr. Hedges went to his office, and Mr. Ellis returned in less than ten minutes and took away the gold and that was the end of it.”

Mr. Ellis was called and corroborated the story so far as it referred to him, but in my opinion Mr. Hedges' evidence if trustworthy could not refer to these two small ingots, and further, all proposals of sale and all mention of eight thousand ounces are emphatically denied by Mr. Chinn and I have to consider how far a conviction against Mr. Chinn on this charge could be justified on Mr. Hedges' evidence.

If Mr. Hedges' evidence be accepted as true and accurate, Mr. Chinn had either stolen gold or received gold knowing it to be stolen. On Mr. Hedges' evidence Mr. Chinn is manifestly either a thief or a receiver of stolen property knowing it to be stolen and he made a bold, barefaced attempt to get Mr. Hedges into a position similar to his own as a receiver of stolen gold. There was no preliminary feeling of his way with Mr. Hedges, no preliminary inquiries, no preliminary suggestions, no testing his ground as to how far he might go, but at once, according to Mr. Hedges Mr. Chinn says—"I have eight thousand ounces of gold. Will you buy it at £2 an ounce?" That is in effect saying—"I am a felon. Will you join in this big felony where there may be a big risk but where there is a big profit?" Now whatever may be the failings of Mr. Chinn, he is not a fool, and none but a fool would have proceeded in so rash and foolhardy a fashion, but would have made some preliminary suggestions; specially was it foolhardy on Mr. Chinn's part after Mr. Hedges had peremptorily declared that he would have nothing to do with it to have returned next day with some of the gold and placed himself at the mercy of Mr. Hedges, who might have retained the gold and called the police. This story of Mr. Hedges is, in my opinion, not a probable one, but there is a consideration that influences me more powerfully than that improbability.

After Mr. Chinn's first visit to Mr. Hedges Mr. Hedges immediately reported in person to the whole Cabinet of Western Australia, and the day after the Cabinet had been so informed Mr. Chinn came to Mr. Hedges' office in Perth with his pockets stuffed with bars of gold and Mr. Hedges again straightway informed the Ministry. Now bearing in mind that there was a certain amount of excitement in Western Australia at that very time about gold stealing, and that a Commission was then sitting to inquire into the subject, and that the Government were in possession of information of this amazing theft of gold and had full control of all the constabulary and all the detective force of the State and that every detective would have been eager to earn the reputation that would come from making a seizure and securing a conviction in such an extraordinary case, yet no conviction of any kind was obtained, and Mr. Chinn was free. I have asked myself this question—"If at the time of the alleged transaction when Mr. Chinn was walking about with the gold in his pocket, and the Government had all the information Mr. Hedges could give them, with the whole of the detective force of the State at their command if at that time and under those circumstances the Government did not, or could not secure the conviction of Mr. Chinn, would it be right at this date to found a conviction on the uncorroborated evidence of Mr. Hedges?" and I can conceive of no answer but an emphatic negative.

6. The sixth charge will be found at page 7290 of the said Parliamentary Debates. It is stated in these terms:—"One of Mr. Chinn's first acts after being appointed to his present position, was to get into communication with a firm which has a certain patent process from which it naturally desires to get some advantage. He informed the Melbourne manager of the firm of his appointment and said that in all probability he would be able to throw some big business in his way, but that there would be a commission on it. The words he used in connexion with this suggestion of a commission were that the manager would have to talk to him not in hundreds but, in thousands of pounds."

The manager, John Rose Gorton was called and absolutely denied that any such conversation ever took place, and so this last charge wholly fell through.

Accompanying this report I send copy of the shorthand-writer's notes of evidence, copy of all exhibits except four plans and three bank pass-books which three bank pass-books will be found herewith, all which I submit for Your Excellency's consideration.

HENRY HODGES. (SEAL)