Queensland

Parliamentary Debates
[Hansard]

Legislative Council

WEDNESDAY, 13 OCTOBER 1880

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LEGISLATIVE COUNCIL.

Wednesday, 13 *October*, 1880.

Select Committee.—Fassifern Railway.—Constitution Act Amendment Bill.—Rockhampton Racecourse Bill—second reading.—Local Works Loan Bill—second reading.—Railway and Tramways Extension Bill—third reading.—Gold Mines Appeals Bill.—third reading.—Life Insurance Bill—committee.

The PRESIDING CHAIRMAN took the chair at 4 o'clock.

SELECT COMMITTEE.

A message was read from the Legislative Assembly, requesting that leave be granted to the Hon. D. F. Roberts to attend before the Select Committee on the working of the Crown Solicitor's Office, for the purpose of giving evidence.

On the motion of the POSTMASTER-GENERAL, leave was granted accordingly.

FASSIFERN RAILWAY.

The POSTMASTER-GENERAL laid upon the table a progress report of the Select Committee appointed to inquire into and report upon the construction of the Fassifern Railway. He said that as the time allowed by the Standing Orders had expired, he begged to move that the Committee be authorised to further proceed with the inquiry.

Question put and passed.

CONSTITUTION ACT AMENDMENT BILL.

The POSTMASTER-GENERAL presented a Bill to amend the Constitution Act of 1867 and the Legislative Assembly Act of 1867, and moved that it be read a first time.

Question put and passed.

The POSTMASTER-GENERAL moved that the second reading of the Bill stand an Order of the Day for Tuesday next.

The HON. T. L. MURRAY-PRIOR asked whether it would not be better to postpone the second reading of the Bill until Wednesday week? The Postmaster-General said they were getting near the end of the session. That was very true, and he thought that to try and alter the Constitution Act at the end of the session was very inexpedient. Hon. members should certainly have full notice that the Constitution Act was to be altered, so as to be in their places and give their votes on the occasion. It would require two-thirds of the Council to carry the Bill. He for one was totally against tinkering with and altering the Constitution. It was the safeguard of the Council, and they should be very cautious before they did anything towards such a course. He hoped the Postmaster-General would consent to his suggestion.

The POSTMASTER-GENERAL said he would like to remind hon. members that the Bill was introduced to-day in pursuance of a report of the Standing Orders Committee. At the outset of the session the matter was referred to that Committee, who had had it under consideration, and about a week ago they brought up a report which had been adopted by the House. Following on that, he had to-day presented a Bill to carry out the object of the report. The Hon. Mr. Prior need be under no apprehension that the matter would be hurried, because even if the Bill passed this session it could not become law until it had been reserved for Her Majesty's assent; and if they postponed it until next session they could not make the desired alterations within eighteen months. He could hardly conceive that there was any objection to their considering the question next week.

The HON. W. H. WALSH said he must confess that since he had seen the Bill—which he saw now for the first time—he was inclined to think that the Hon. Mr. Prior was right, and that they ought not to rush into these changes. The Bill did not appear to him to be at all in conformity with the report of the select committee referred to by the Postmaster-General. A great deal of the Bill contained matter which was never referred to the committee—in fact, the Bill appeared to him to be in direct defiance to the report of the committee. It contained matter that they had no business to deal with—having reference to the other Chamber. There were things in it never agreed to by the committee, and never entrusted to them to consider at all. These were the instructions given to the committee:—

"1. The expediency or otherwise of so amending the 47th and 48th Standing Orders as to allow of Lapsed Questions being restored to the Business Paper without notice.

"2. The expediency, or otherwise, of enforcing Standing Orders 27, 28, and 29.

"3. The number of members required by the 26th section of the Constitution Act to form a Quorum of this House.

"4. The expediency, or otherwise, of amending the Constitution Act of 1867, in respect of the term of two successive Sessions during which a Legislative Councillor may, under the 23rd section of said Act, absent himself from the Legislative Council."

Here was the report—

"1. Your Committee recommend that Standing Orders Nos. 47 and 48 be rescinded, and that the following new Standing Order be adopted in place of them, viz.:—'Whenever the proceedings of the House, or of a Committee of the Whole, are interrupted by the House being counted out, the business under discussion, and any business not disposed of at the time of such interruption, shall be placed at the end of the Business Paper for the next day on which the House shall sit.'

"2. With reference to Standing Orders Nos. 27, 28, and 29, your Committee feel themselves unable to make any recommendation.

"3. Your Committee having considered sections 23 and 26 of the Constitution Act, 31 Vic., c. 38, are of opinion that too great facilities are afforded to members by section 23 to absent themselves from the House for a period beyond one session; and that the proportion of members required by section 26 to form a quorum

may be reduced without detriment to the security intended to be provided by that section.

"Your Committee, therefore, recommend that legislative action be taken by your Honourable House, at the earliest opportunity, to amend these sections."

That was all the committee recommended; that was all the duty that was entrusted to them; and here they found one of the most comprehensive Bills introduced at the end of the session for totally altering their constitution! The Bill did not confine itself to dealing with the Standing Orders, but it applied directly to the Legislative Assembly, which they were not entitled to deal with at all. It would be a gross piece of impertinence on their part to introduce a Bill to alter the constitution of the Legislative Assembly, and it would be resented by that Chamber. What right had they to interfere with the other House? By prescriptive right and ancient usage each House initiated proceedings for the alteration and management of its constitution; and here, under the guise of introducing a Bill in conformity with the report of that committee, what were they going to do? There was a schedule to the Bill that the committee had never heard or dreamed of. He thought that a Bill of seven or eight lines would be all that was necessary, and yet they found a provision to the effect that each House of Parliament was empowered to punish in a summary way, as for contempt, by fine or arrest, according to the Standing Orders of either House, any of the offences enumerated, when committed by a member or officer of the House—that was to say, refusing to explain or retract objectionable words, and so on. Was that the duty entrusted to the committee? It was a gross infringement of the orders of the House, and a breach of faith on the part of the Postmaster-General in bringing in this Bill, apparently in conformity with the report of that committee. Were they never to trust the Postmaster-General? Were they never to let him out of their sight for one moment? He (Mr. Walsh) was exceedingly thankful to the Hon. Mr. Prior for calling the attention of the House to this. He protested against the Bill being brought up under the guise of a report of the committee. It was totally beyond their duty, and was never contemplated nor entrusted to them. He had no hesitation in saying that it was an infraction of the privileges of the House to bring up such a Bill, and to garnish it as the hon. Postmaster-General did by saying that it was the result of the report of that select committee.

The HON. F. T. GREGORY said that to a certain extent he agreed with the remarks of the Hon. Mr. Prior and the Hon. Mr. Walsh; but seeing that the House was not in possession of the Bill, and as many members had not read it and knew very little of its import, he thought the Postmaster-General would do well to give the House time to look into it. Had it merely dealt with the two clauses referred to in the report of the Standing Orders Committee, he thought it would not have been out of place to fix an early day for discussing it; but it involved other matters, which, as had been very properly pointed out, the House should have time to consider. He did not go the length of the Hon. Mr. Walsh, and say that the Postmaster-General had no right to bring in the Bill; he had a right to bring in any Bill he liked. There might be some clauses in it which the House might unanimously reject, but there was nothing to prevent any Bill being presented to the House unless it in some way infringed the Standing Orders or Constitution Act, which, so far as the Bill before the House was concerned, he did not see. But as the Bill carried on the face of it the intention to deal with a wider subject than was originally contemplated by most hon. gentlemen, if the Hon. the Postmaster-General would allow them a little more time for consideration, they would be all ready at the second reading to give their opinions calmly and dispassionately, whether the Bill was a desirable one or not. Then, even though they might object to certain clauses, they could be dealt with in committee.

The HON. W. H. WALSH said he should strongly recommend the Postmaster-General to withdraw the Bill.

The HON. F. H. HART said he had only glanced at the Bill, but he also recommended the Postmaster-General to postpone the second reading. He might say, as a member of the standing order committee, that there appeared to him to be more in the Bill than was contemplated by that committee. He observed that by it they were laying down rules and regulations for the Legislative Assembly; but he understood they had nothing to do with the Assembly, who had to deal with their own standing orders. He spoke under correction, as he had only hurriedly glanced through the Bill; but he thought the Hon. Postmaster-General would do wisely if he gave more time for its consideration.

The HON. F. J. IVORY said he was sorry that he was not in the House when the discussion arose. As far as he could understand, the Bill embodied the recommendations of the committee, but to a certain extent it went further. He was informed that it simply gave power to the Legislative Assembly and to that House in exact conformity with their Standing Orders—that, in fact, it validated the Standing Orders, which he believed at the present moment were powerless if set at defiance. It was a Bill which must originate either in that House or the other, and if the Assembly objected to it originating in that House, the Council might equally well object to a Bill of the same kind originating in the Assembly. He could not see how they were to alter the Constitution Act, except through the medium of some such Bill as this. He had not seen the Bill and did not know what was in it, but that was what he believed it amounted to.

The POSTMASTER-GENERAL admitted that the Bill went, to a certain extent, beyond the recommendation of the Standing Orders Committee, but it simply introduced clauses for validating the Standing Orders of both Houses. It had transpired in the other House that their Standing Orders need not be observed—that any member who chose to set them at defiance was beyond their control; and it was obviously desirable when introducing a Bill to amend the Constitution Act in any particular that a clause should be inserted giving validity to their Standing Orders. It followed exactly the language of the Standing Orders, and there was no obscurity, as the Hon. Mr. Walsh would lead the House to suppose. It was as plain as the sun in the sky. If at the second reading he (Mr. Buzacott) failed to give the House a full explanation, or if further time for consideration was then required, he would be only too happy to give it. It was a simple measure that was very much required, and there was no breach of privilege or decorum, or anything else, in asking the House to allow him to move the second reading on Tuesday next. If it was objected to, of course it must be postponed, but, as he had already said, if it were not passed this session nearly two years must elapse before it could come into operation.

The HON. T. L. MURRAY-PRIOR said he had merely asked the Postmaster-General, as a matter of courtesy, to delay the second reading of the Bill for one week. It could, if the hon. gentleman thought fit, be brought in on Tuesday week, be put through committee on Wednesday, and passed through in a week. He could assure

him that it would pass, if it was to pass at all, much more easily than if hon. gentlemen came there feeling that they had not been courteously treated, and would do as much as they could to oppose the Bill. He did not deny that he was opposed to the Bill; but, at the same time, if he saw that a great majority of the House were opposed to him, he might allow his private judgment to give way in deference to theirs. He would not offer any factious opposition; but if the Bill was attempted to be rushed through, those who were opposed to it would do all they could against it. He hoped it would be postponed.

The HON. C. S. MEIN said there could be no doubt the Postmaster-General had a perfect right to introduce any Bill he pleased. The only question for him to consider was the expediency of bringing in this particular measure, and, in cases like the present, of pushing it forward with more than usual rapidity. It was entirely a question for the House whether the Bill should be accepted or not. They sat there as a body of independent gentlemen, and, speaking for himself, he was prepared to give every measure dispassionate and impartial consideration. At the same time, he quite agreed with those hon. members who urged that the consideration of the Bill should be deferred to a later date than Tuesday next. It was admitted that there was a defect in the Constitution Act that it was desirable to amend. If the Bill went only so far as the recommendations of the Standing Orders Committee, possibly the second reading might be taken to-morrow, and he could not help thinking that if the Postmaster-General was anxious, as he seemed to be, to amend the anomaly which appeared to exist in the Constitution Act, he had adopted a very unwise course in tacking clause 8 on to the amending clauses of the Bill. He was quite certain that the Assembly would be inclined to resent the Council attempting to legislate on their behalf, and pointing out to them what steps they should follow for the protection of their interests. They were capable of looking after themselves. In a Bill of this sort clause 8 was really an undesirable interpolation. The reason for introducing the Bill had been the difficulty the Council had felt in working satisfactorily, owing to the paucity of members who gave their attendance. The question was referred to a select committee, who recommended certain alterations in the Constitution Act, and had the Postmaster-General, at this late period of the session, been contented with attempting to remedy those defects, members would have been in accord with him, and would have assisted him; but in the Bill he had introduced a most important principle in the 8th clause, and he (Mr. Mein) should like to have time to consider it and see how far it was desirable to confer upon the Council the power of fining and imprisoning for breaches of its Standing Orders. He did not hold that the other branch of the Legislature had found that its Standing Orders could be set at defiance. He knew of no instance of that having been done, and even if it had been, it rested with the Assembly to take action, and certainly not with the Council, a non-representative body, to interfere on their behalf. Under these circumstances, unless the Postmaster-General was prepared to abandon clause 8, leaving it for consideration at a future time, he agreed with hon. members that it was expedient to postpone the second reading.

The POSTMASTER-GENERAL said he begged to alter his motion, so that the second reading should stand an Order of the Day for next Wednesday week.

Question put and passed.

ROCKHAMPTON RACECOURSE BILL—SECOND READING.

The HON. C. S. MEIN said that very few words were necessary to explain the object of the Bill, which he might mention was framed upon the forms adopted in all other instances where grants of land for similar trust purposes had been made by the Crown. It was to enable the trustees of the Rockhampton racecourse to mortgage or lease the same, and sell or exchange certain portions not required as a racecourse, in order to raise sufficient capital to use the land for the purpose for which it was originally granted. A similar measure had been found desirable in the case of the Brisbane racecourse, but the powers conferred upon the trustees in that case were more extensive than those asked for by this Bill. The measure simply recited the grants of land to the original trustees, and that it was desirable to extend the trustees' powers to enable them to sell certain portions not appropriated for the racecourse proper, and to apply the proceeds of the sale, subject in all instances to the approval of the Governor in Council, to the erection of improvements and buildings on the portion of the land used for the racecourse proper. Then there was power given, subject to the like approval, to exchange for other suitable lands or to give leases for any period not exceeding twenty-one years. The object of the leases was to enable the trustees to allow any turf club which might be established for the fostering of legitimate racing to have the occupancy of the ground for a definite term, in order that they might have the opportunity of improving it and making it reproductive to themselves. In addition, there was a general provision to enable the trustees to regulate the terms upon which the public should be admitted to the ground. He begged to move the second reading.

Question put and passed.

The consideration of the Bill in Committee was made an Order of the Day for to-morrow.

LOCAL WORKS LOAN BILL—SECOND READING.

The POSTMASTER-GENERAL said that although this measure might seem at first sight to be an unimportant one, he thought the House would perceive, on examination, that it was really of very considerable importance. It had reference to the advancement from time to time of moneys on loan to local bodies, and as at present the whole colony had been placed under local authorities, and as large sums would hereafter be placed at their disposal for the carrying out of permanent works of a reproductive character, it was particularly desirable that these sums should be advanced on terms and conditions which would not only afford security to the public creditor, but admit of easy repayment by the local bodies. On reference to the fourth page of the Bill it would be seen that already there had been a sum of £413,991 advanced to the various local authorities, or spent on works which were to be placed under their control. That sum had been advanced in three different ways—firstly, under the Municipalities Act of 1864; secondly, under the Local Government Act of 1878; and thirdly, by the Governor in Council undertaking the construction of waterworks which either had been or were to be placed under the control of the local authorities. The terms of the loans had varied in each case. Under the Act of 1864 the interest required to be paid was 6 per cent. per annum, and then there was to be a liquidation payment of 5 per cent., making altogether a total sum at the rate of 11 per cent. to be

paid annually by the municipalities. Any hon. member who had had experience of the working of loans of this sort would know that this rate was excessive. It was asking the municipalities to pay back annually a sum entirely beyond their means. Suppose any large permanent work was carried out, it could not be expected to return 5 per cent. per annum in addition to paying working expenses and interest on the capital spent upon construction. The result of these very hard terms had been most undesirable, having led municipalities to contemplate repudiation as the alternative of paying their way. It was felt, he had no doubt, when the Local Government Bill of 1878 was under consideration, that these terms were too hard, but the framers of that measure, he was afraid, went to the other extreme. They provided for the advancement of moneys without making any condition of repayment at all. They simply provided that interest should be paid annually at the rate of 5 per cent. Every hon. member would see that it was an essential condition of every loan that it should be repaid at some time or other, for if there was no repayment it was absurd to call the advance a loan. Whether it was intended that no provision should be made for repayment he was unable to say, but at any rate it was, in his opinion, a mistake which it was the duty of the Legislature to rectify as soon as practicable. The third description of loan was money spent by the Governor in Council for waterworks in various localities, with a view to handing over the works to the local authorities, subject to the payment of 5 per cent. interest. This had also worked in the most prejudicial manner. Whether the Government had displayed incapacity, or whether the local authority thought they could carry out the work more economically, he did not know, but in nearly every instance complaints had been made that too much money had been spent on the works, and that the Government ought not to expect the municipalities to pay interest on the whole amount expended. On the other hand, the Government contended that they had carried out the works at the local authority's request, and had taken all reasonable care: that if more money than was originally intended had been spent the Government could not be held responsible, and that those who derived advantage from the works must take the responsibility of the whole expenditure. Since the present Government had been in office they had not gone further in this direction. They had completed the works which they found in hand, but they had not undertaken any new works. In the case of Townsville, the municipality had been granted a portion of the waterworks loan on the written understanding that the corporation would pay 5 per cent. interest, and accept the loan subject to any terms and conditions which Parliament might hereafter see fit to impose. So that there was no difficulty on the score of Townsville, and he was inclined to think that the other municipalities for which waterworks had been provided would—when they found that the measure which was now introduced would have universal application and confer no favour upon anybody—come under its provisions, more particularly when they saw how advantageous the terms of payment were. With regard to the Brisbane Waterworks, hitherto interest only on £25,000 or £30,000 had been paid, the sum originally expended having never borne interest. Of course, all the local authorities in other parts of the colony thought this unfair. They thought that the Board of Waterworks ought to pay interest on the cost of construction as well as other local bodies, and on inquiry the Government found that the Brisbane Board of Waterworks were well able to come under the Bill—that their annual revenue was expected to be something like £12,000, and that not more than half of it would be needed to pay interest and redemption money as required under the Bill, leaving £6,000 at their disposal for the management and maintenance of their works, an amount which was more than sufficient. It had been the grievance of country municipalities that the people of Brisbane had been supplied with water free, but by the Bill this reproach would be wiped away. He believed that the Board of Waterworks were willing to accept the situation, acknowledging that now they were in such a position that they would have no difficulty in meeting the requirements of the Bill. He might add that, in addition to the £414,000 already lent, there was a sum of £200,000 now available for local loans. Turning to the provisions of the Bill, it would be seen that the definition "local authority" included any municipal council, divisional board, or water commission constituted under the laws in force for the time being for the constitution of municipalities, divisions, or water-areas. With regard to water-areas, they were defined in a Bill now before the House to provide for the storage and distribution of water. The term "Municipal Act" meant the Local Government Act of 1878, or the Divisional Boards Act of 1879. In the second clause it was provided that whenever in any Municipal Act the term "interest" was used, in respect of any loan advanced under the provisions thereof, such term should be taken to mean and include the half-yearly sum required by the Bill to be paid according to the second schedule as interest upon and in liquidation of such loan. Under this schedule there was no distinction made between interest and liquidation, but it was provided that a certain sum should be paid annually which would be sufficient to pay the interest and also liquidate the principal. The third clause made all debts at present owing by local authorities loans of the first class, and for a term not exceeding forty years—the longest limit provided by the schedule. This, of course, made the terms most advantageous, and he believed that in nearly every instance the local authorities, though asked to pay a smaller sum annually than they were at present, would be paying interest and wiping out the principal at the same time; so that there could be no possible complaint by any local authority that hard treatment had been meted out to them. The term of every such loan should be deemed to have begun on the 1st of July, 1880. The 5th clause provided that every loan which should be advanced to any local authority should, notwithstanding anything to the contrary contained in any municipal Act, be subject to the conditions prescribed in the Bill. The next clause divided all works into six different classes, and by a subsequent clause loans were to be advanced for works in each class, according to the estimated duration of such works. Of course, he did not contend that there was any exactness in the classification—it was simply a classification for the guidance of the municipal authorities in applying for loans, and also of the Governor in Council in making the advances. If, for example, the municipality of Brisbane desired to carry out an important permanent work on loan, they would turn to the 6th clause, and see what class that particular work would fall under; then they would turn to the second schedule, and ascertain exactly the amount they would have to pay annually in order to defray the interest and also reduce the capital. It would be seen by the proviso at the end of clause 6 that the classification would not be arbitrary, but that the Governor in Council would have the power to alter the classification of any specific

work if he thought there was reason to do so. For instance, supposing a work constructed of timber were built of so very durable materials and in so substantial a way as to warrant its treatment as belonging to a class of work in which stone or iron were used, the Governor in Council might then alter the classification, and give the local authority the extended terms which the substantial nature of the work warranted them in expecting. The 7th clause gave the longest terms to which the loans under each specific class might be advanced. The terms ranged from five years in the sixth class to forty years in the first class. The 8th clause provided that the payments should be made on the 1st days of January and of July in every year. This particular time was fixed because it would be easier for the local authorities to pay the half-yearly instalments at the period that they would be entitled to their endowments. The proviso to clause 8 said that the term of every loan should be deemed to begin on such date not more than five years after the authorisation of the loan as the Governor in Council prescribed. This provision was to allow works to be completed before interest became payable. It might be very inconvenient for the local authority carrying out a large work to have to begin the payments before enjoying the benefit or getting any return from the work. He might state that the proviso was essentially a recent Imperial one. The same principle in a rather different form was now the law in England, and it had been found to work most advantageously—in fact, the principle of the whole Bill was founded upon recent English legislation. The 9th clause gave direction as to the application of moneys received from the local bodies; and the 10th clause required that in the months of February and August in each year, the Treasurer should cause to be published in the *Gazette* a detailed statement of all loans at that time advanced to, and not repaid by, all local authorities. He believed that this provision would have a very wholesome effect. The whole of the local authorities would see their position by these half-yearly statements in the *Gazette*; and if any fell behind in payment, attention would of course be directed to the fact. Hon. members would see how advantageous it was to have a return whereby any local authority in default would be exposed. It would be an incentive to honesty and prompt payment, which was not to be secured in any other way. Then the following clause provided that, if after the publication of any statement any payment of moneys required by the Bill to be made by any local authority to the Treasurer should be overdue and in arrear, the Treasurer should forthwith publish in the *Gazette* and some local newspaper notice of his intention to enforce payment; and if after the expiration of sixty days from that time the money still remained unpaid, the Treasurer was authorised to exercise all or any of the powers conferred upon him by the Municipal Acts for the recovery of overdue moneys payable by a local authority to the Treasury. The next clause provided that if, through the default of any local authority, a special rate, or special loan rate, or other rate of sufficient amount to defray the half-yearly sums required by the Act to be paid by such local authority was not from time to time made and levied in the manner prescribed by the Municipalities Act, or if the proceeds were not paid to the Treasurer according to the law, he might forthwith levy a rate or additional rate of sufficient amount, and for that purpose should have all the power enjoyed and exercised by the local authority for the making, levying, and recovering of general special rates. He thought members would see that the Bill was a most valuable one, and, as it was intended to deal with local bodies whose success was dependent upon their prompt fulfilment of obligations, its passing into law would have a marked effect upon the well-being of these institutions. He might add that the satisfactory conduct of local government was not only a matter for the ratepayers themselves, but one in which the whole public was interested. If local works were carried out judiciously, and if the interest upon the expenditure was paid promptly, and the loans reduced gradually, under the terms provided by the Bill, there was no doubt that the tendency of the measure would be to confer upon the public not only important advantages which could not otherwise be obtained, but also to raise the standard of local government in the colony. He begged to move the second reading of the Bill.

The HON. F. T. GREGORY said he thought there was very little doubt that this was a measure which would meet with the almost universal approval of the House. The objections which might be raised to it would be very trivial, and the benefits which, it must be evident to all, would be derived from the measure were so great that they must counterbalance any trivial defects which it might contain. He must congratulate the Postmaster-General upon the character of the Bill, and the way in which it had reached the House. Everything was very fairly provided for, as far as the Legislature was prepared to go in for this special mode of dealing with finance. Their annual growing debts, both municipal and national, had been a matter of considerable interest to him for many years. Year by year they saw these debts increasing all around them without any effort being made to reduce them. Up to the present time, he was not aware that any considerable attempt to reduce either local or general debts had ever been made. Of course he was not referring to the paying-off of Treasury bills, or any temporary measure of relief of that sort; but this Bill he regarded as the commencement of a principle which, he hoped, would ere long be adopted, not only in dealing with the debts of local institutions, but the whole national debt of the colony. They were gradually adding to the national debt without having any prospect whatever of diminishing it. What was now required was what this Bill introduced, and he thought they might congratulate themselves that the experiment would be tried on what would be a small scale, but sufficiently large enough to prove the great utility of this mode of dealing with our liabilities. The gradual extinction of loans was not a new principle, but its introduction into this colony in a form in which it would not fall heavily on the ratepayer or general taxpayer was one which he approved of strongly and would highly recommend to the country. Municipalities which had borrowed large sums were not in a better position now, and he did not think they would be in a better position ten years hence, to commence paying off their liabilities than they had been in the past. This principle of paying off their liabilities by small annual payments would not be felt as a burden by them, and, further, it would increase the credit of the colony materially. A municipality which was gradually paying off its liabilities would, in the course of four or five years, be justified in going in for further loans, if it could show that the previous loans were being gradually liquidated. A reference to schedule 2 at once showed how very light the burden of the loans under the different terms would fall upon the ratepayers of municipalities. He would not go into the very short periods, but would take ten years. To pay off a loan of £100 and interest in ten years would require an annual payment of only £12 19s.; or

it came to this—that they would have to pay only £2 19s. in excess of the actual capital amount that they had to pay, including principal and interest. Going a step further, and taking forty years, as again illustrating the subject, they found that for £100 there was in reality only 16s. 8d. to be paid for the loan annually. Who would feel the weight of that? Where the £5 per annum must be paid, it was very little to add the 16s. 8d., especially when they felt that they were gradually extinguishing the liability. The principle of bringing all the different loans of the colony under one head was also a matter for congratulation. The Government had been able to borrow money in the market for a good many years past at 4 per cent., to which they must, of course, add the expense arising from depreciation of debentures. Taking this and other expenses into consideration, the loans of the colony cost about 4½ per cent., and they could very well afford to lend that money again at an advance of half per cent. It would not only ensure to the country that there would be no loss to the general Treasury by advancing money at 5 per cent., but at the same time it would give the various bodies borrowing money the advantage of obtaining it at a rate considerably lower than they could possibly obtain it if they went into the market themselves as local bodies. They had only to turn to the records of the neighbouring colonies to see that, in connection with harbour and city trusts, they were obliged to pay 6 per cent. for money; and in New Zealand they paid 6½ per cent. It was true their debentures very often realised in the market something over par; but he was quite safe in saying that the average for city and other trusts was as high as 6 per cent. Therefore it would not only be a great boon to local institutions, as he had already pointed out, but, at the same time, it would enable them to borrow money at a lower rate than they could possibly do under any other circumstances. He feared if it were not for the introduction of a measure of this sort many of the municipalities which were not in a prosperous state, and which from some cause or other might be on the decay instead of advancing, would be ultimaely compelled even to repudiate their debts. They had an instance in point already—in fact, more than one. There were debts outstanding incurred by municipalities at the present time in which cases there were no assets whatever. The municipality in one instance had become extinct, and, although the debt was not very large, there were no longer any funds with which to meet the liability. He had not gone very closely into the calculation in schedule 2, but as far as he had gone he saw that the amounts had been calculated by the very rigid principles adopted by actuaries in connection with terminable annuities, and upon that basis he thought they might be very well content to rest. As far as he had gone, it appeared to be the lowest calculation that could be made consistent with the debt being paid off by the institutions that had received the benefits of the loans, and on that point he thought there was no reason to take exception to the annual payments as proposed by the Bill. He sincerely trusted that the principles of the Bill would be applied to their national debt, and if in another session the Treasurer saw his way clearly to introduce a comprehensive measure to provide for the extinction of their national debt they should really have reason to congratulate themselves. The effect would be that the credit of the country would be materially increased. They would not be doing that which many objected to—bearing the whole heat and burden of the day themselves—but should be leaving quite sufficient for posterity to clear off, and would only bear a fair share themselves. In regard to the extinction of the national loan, the period might be extended, perhaps, to 60 or 70 years. In these days very long terms of loans were not much in use. When Great Britain was formerly engaged in the great wars, some of the loans extended up to one hundred years, but he thought that considering the progress that had been made up to the present day, sixty or seventy years would be a reasonable time. He hoped that a measure of that sort would be the natural sequence and result of the passing of this Bill, and he had much pleasure in supporting the second reading.

Question—That the Bill be now read a second time—put and passed.

The committal of the Bill was made an Order of the Day for to-morrow.

RAILWAY AND TRAMWAYS EXTENSION BILL—THIRD READING.

On the motion of the POSTMASTER-GENERAL, this Bill was read a third time, passed, and ordered to be returned to the Legislative Assembly with the usual message.

GOLD MINES APPEALS BILL—THIRD READING.

On the motion of the POSTMASTER-GENERAL, this Bill was read a third time, passed, and ordered to be returned to the Legislative Assembly with the usual message.

LIFE INSURANCE BILL—COMMITTEE.

On the motion of the HON. F. J. IVORY, the House went into Committee for the further consideration of this Bill.

On clause 4,

The HON. F. J. IVORY said that on the last occcasion when the Bill was before the Committee there was great objection to clause 4 of the Act at present in force having been omitted, and after having considered the matter, and believing that possibly it might be a convenience to those unfortunate people who were left in a state of poverty that such a clause should exist, he had no objection to move that it be inserted. He might mention that he intended to make an alteration in clause 4 of the Bill, in accordance with a new clause he now proposed to insert, which was as follows:—

It shall be lawful for any insurance company, if satisfied that no will was left by a deceased insured person, and if no letters of administration of the goods of such deceased shall be taken out within three months after the death of the insured, to pay any sum not exceeding £100, together with any sum which may have been added thereto by way of bonus or profit, to the widow or widower of such deceased, or to or amongst his or her child or children, without such letters being taken out.

New clause put and passed.

The HON. F. J. IVORY moved, as an amendment in clause 4 of the Bill, that the words—

"In the case of any insured person dying intestate, or where no letters of administration of the estate of any deceased insured person shall have been taken out within three months from the date of his death,"

be omitted, with a view of inserting—

"Whenever the circumstances mentioned in the last preceding clause shall arise."

The HON. J. S. TURNER said he was not quite sure that he understood the clause as read by the hon. gentleman in charge of the Bill; but it seemed to him that the omission of these words would, to a great extent, defeat the object in view, because it would only embrace a small portion of the business which the hon. gentleman desired to deal with. It occurred to him (Mr.

Turner) that a simple way of meeting the difficulty would be to prefix the word "otherwise" at the beginning of the clause; or perhaps some better term than "otherwise" might be adopted. At any rate, something of that kind was necessary, for the amendment as proposed would spoil the clause. He would point out that there might be a case of intestacy dealing with £5,000, whereas the preceding clause embraced only small sums.

The HON. F. J. IVORY said that, according to the clause as he proposed to amend it, it would stand that if the insurance company were satisfied, on the death of an assured person, that no will was left, they should give notice of that fact to the Curator of Intestate Estates. He knew that hon. gentlemen objected to the clause, but he (Mr. Ivory) could not see any ground for the objection.

The HON. W. D. BOX said the clause which had been inserted only dealt with sums under £100. Under the existing law if the insurance companies were satisfied that a man was dead they were enabled to pay his widow or children a sum not exceeding £100. It only had reference to small sums up to £100, but the clause the hon. gentleman proposed had reference to all policies of insurance which might involve very large sums of money.

The HON. C. S. MEIN said he did not see that any special advantage was to be derived by inserting the first portion of clause 4, which simply imposed a duty on insurance companies. It would be introducing a novelty in their legislation which was very undesirable. If this rule should apply to insurance companies, why should it not apply to banks and other similar institutions? The amount insured might be trifling compared with a fixed deposit in a bank; and if they were going to legislate in this direction, let their legislation be complete and provide that public companies having money to the credit of a deceased person, who died intestate, should give notice of the fact to the Curator of Intestate Estates within three months after the death of such person becomes known to them. But with the principle of the second part of the clause he entirely agreed—it would remedy a defect in the present Act which it was desirable to amend. The present Act simply said that where a man died after having insured his life, the amount payable under the policy should, except in certain cases, and then only to a limited extent, not be divisible amongst his creditors; but it did not say how it should be appropriated, and he thought it desirable to make a substantial provision to determine the manner in which such money should be appropriated. He therefore suggested to the Hon. Mr. Ivory to omit the first portion of the clause, and provide simply that the Curator of Intestate Estates, or other administrator, should distribute the estate. That would be a valuable amendment on the existing law.

The HON. F. J. IVORY withdrew his amendment, by permission.

The HON. C. S. MEIN proposed to omit all the words of the clause down to "such," in line 40, with a view of inserting "the."

The HON. W. D. BOX said that if these words were omitted there would be no stipulation as to time.

The HON. C. S. MEIN explained that he proposed to excise the first portion of the clause, on the grounds that it was undesirable to introduce such novelty in their legislation, and to provide simply that the Curator of Intestate Estates, or other administrator, should distribute the estate. According to the present law the Curator was not bound, or allowed, to distribute an intestate's estate, and the present Act simply provided that the interest of an insured person in a policy was not divisible amongst his creditors, but should go to his personal representative. It made no provision as to the mode of distribution. All he (Mr. Mein) now proposed was that the Curator, or other administrator, should administer the estate of a deceased person in the ordinary way, or that his executors, if he had made a will, should dispose of the money in the manner provided by that will.

The HON. F. H. HART said he agreed with the proposed amendment, and would point out that the clause as originally proposed threw on insurance companies the necessity of giving notice to the Curator of the death of a deceased person; but under the existing rule, insurance companies did not recognise the fact of the death of a person until it was proved to them by the persons interested; and he thought the excision of the first portion of the clause would tend to improve the working of insurance companies.

The HON. W. D. BOX said he quite agreed with the proposed alteration in the clause.

Further amendments were made on the motion of the HON. C. S. MEIN, and the clause was ultimately agreed to as follows:—

"The Curator of Intestate Estates, or other person legally entitled to administer the estate of any deceased person, shall distribute the moneys accruing thereto from any policy of insurance in accordance with the provisions of this Act (or in case of a will having been left by such deceased insured person, then in compliance with the directions of the will, subject to the provisions of this Act); anything in the Intestacy Act of 1877 to the contrary notwithstanding."

On the motion of the HON. F. J. IVORY, the Chairman left the chair, reported progress, and obtained leave to sit again to-morrow.

The House adjourned at eleven minutes past 6 o'clock.