Queensland

Parliamentary Debates
[Hansard]

Legislative Council

THURSDAY, 14 OCTOBER 1880

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LEGISLATIVE COUNCIL.

Thursday, 14 *October*, 1880.

Railways.—Additional Sitting Day.—Rockhampton Race-course Bill—committee.—Local Works Loans Bill—committee.

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

RAILWAYS.

The POSTMASTER-GENERAL laid upon the table a progress report from the Select Committee appointed to inquire into the plans, sections, and books of reference of the Maryborough and Gympie, Clermont, and Bundaberg and Mount Perry railways; and moved that the Committee be authorised to make further inquiries.

Question put and passed.

ADDITIONAL SITTING DAY.

The POSTMASTER-GENERAL, in moving—

That unless otherwise ordered, this House will meet for the despatch of business at 3.30 p m. on Tuesday in each week, in addition to the days already provided by the Sessional Orders—

said that although four or five weeks ago the House appointed Friday as an extra sitting day, they had not on any occasion succeeded in forming a quorum on that day. He therefore proposed that, for the remainder of the session, they should sit on Tuesday, and, as it was just

possible that it might be convenient towards the end of the session to sit on Friday, he did not propose to rescind the resolution formerly arrived at. As a rule, he did not expect, judging from past experience, that they would do any business on Friday; but they must be approaching the end of the session, and, as in all probability they would soon have a large amount of business from the other House, he thought hon. members would acknowledge that it was desirable to appoint an extra sitting day and still reserve the power to utilise Friday.

Question put and passed.

ROCKHAMPTON RACECOURSE BILL—COMMITTEE.

On the motion of the HON. C. S. MEIN, the House went into Committee to consider this Bill.

The preamble was postponed.

On clause 1—"Interpretation"—

The HON. W. H. WALSH said he must confess that he was not in favour of Bills of that kind at all; nor was he then in a position to oppose the further passage of this Bill. But he wished to have his opinion recorded, that he looked upon all such Bills as having a dangerous tendency. It appeared to him that lands were granted, as it were, improperly by the Government; or, at any rate, the persons who had accepted them had, to a certain extent, done so dishonestly; they accepted them for a given purpose, probably knowing at the time that they were not required for that purpose, or that the areas were too large, or that if not properly situated for the purpose for which they were granted, still they took them, knowing that, owing to the facilities Parliament offered, they could come down at some subsequent period and get an Act passed, probably, such as this. He did not pretend to know anything of the composition of the Bill, but he believed that it was anticipated that at some future time they could come down and get an Act passed to enable them, not to use this land for the purpose for which it was granted, but to convert it into money. That might or might not be the object of this Bill, but, at any rate, that was the nature of other Bills that they had seen and might have to discuss. He entered his protest against the granting or acceptance of lands by corporate bodies, and within a very short time after they took the opportunity of the existence of a facile Parliament that they could rely upon to ask to be allowed to divert the land from the purpose for which it was granted. It appeared to him to be something like obtaining land under false pretences. He would like every grant from the Crown for racecourses and other purposes to contain a provision that if the whole of the lands were not required for the purposes specified the extra lands should revert to the Crown; and that where it was found that they could not be applied to those purposes, then, also, they should revert to the Crown. It seemed to be almost outrageous that the Government should have a right to grant hundreds and probably thousands of acres for certain purposes, when, after a few years, or even within the memory of the persons who sanctioned it, they could come down and obtain permission of Parliament to convert the lands into money or some speculative purpose. He had long seen the injudiciousness of this system of land grants. He believed the Brisbane racecourse and their public schools—their Grammar School—came under the same category. In cases where the Government, ten or fifteen years ago, had made large concessions and given grants of land, the trustees had come down and asked to be allowed to divert the lands from the purpose for which they were granted. He made this protest against the system generally, not against this particular case. The matter, to him, seemed to be assuming a very serious complexion, whether they should go on allowing the Government to grant enormous tracts of public lands, to be afterwards treated in the way he had described.

The HON. C. S. MEIN said the remarks of the Hon. Mr. Walsh might possibly have been applicable to a Bill for the amendment of the land laws, but they had no application to the Bill before the House. It was obvious that the hon. gentleman had not read the clauses of the Bill, and knew nothing about it. It did not propose to do any of the improper things he apprehended. It had been the policy of the law to make grants to public bodies for recreation as well as educational purposes. This was an instance in which the grant was made for recreation purposes; it was found that part of the land was unavailable for that purpose, and the trustees had therefore applied to Parliament—who had the sole control of dealing with the land, and could do what they, in their wisdom, thought fit with it—for permission to exchange part of the ground for a piece of the adjoining land, holding the land they would get in this manner subject to the original trust; or to sell that part of the land that could not be utilised for a racecourse, and purchase a piece of land adjoining, subject to the original trust. There was no alteration in the original trust in the slightest degree. The grant was for racing purposes; they simply obtained the land in its wild state, and it required improving and buildings to be erected. They must assume that the legislature was wise in granting land for purposes such as racing, and in order to put it in proper condition for those purposes expenses had to be incurred, and as long as Parliament took proper precautions—as it was proposed should be done in this Bill—to prevent the property getting out of the original trust, he could see no harm in adopting the the present Bill. When the case arose in which application was made to alter the conditions under which land was held in trust, then Parliament might very well consider the question. The present measure was a very harmless and, at the same time, beneficial one, and might well have the sanction of the House. He did not know of a single instance in which land granted for grammar school purposes had been appropriated to other purposes. Perhaps the Hon. Mr. Walsh was thinking of the Brisbane Grammar School. There the land on which the building was erected was resumed by the Government for specific purposes, and the trustees accepted another piece of land in exchange for the land taken away, and they held it subject to the trusts of the original grant; and received a sum of money for the improvements they had effected which was being expended in the erection of buildings on the new grant. However, that had nothing to do with the Bill before the House, to which he could see no possible objection.

The HON. W. H. WALSH pointed out that the provisions contained in the 3rd clause were surely never contemplated when the Government granted the land for racing purposes. It was never meant that it should be sold or mortgaged. He really thought that Parliament should not only express its opinion, but also put an embargo upon lands which were granted for one purpose being diverted to another. All he wished was to awaken in hon. members' minds whether the thing was not getting too flagrant. He would not go into the question of the Grammar School; that might come up another time.

The HON. C. S. MEIN said that clause 3 simply dealt with the part of the land which could not be

utilised for a racecourse. It was fenced round with the precaution that the persons who originally made the grant—the Governor in Council—must give their approval to the sale or exchange. Parliament had given to the Governor in Council power to make grants for recreation purposes. It turned out that a portion of the land could not be used for the purposes intended, and therefore it was necessary to come to Parliament to get leave to deal with it, subject to the sanction of the Governor in Council.

The HON. G. SANDEMAN agreed with the remarks of the Hon. Mr. Walsh as to the wrongfulness of the Government granting lands for purposes not strictly in accordance with the requirements of the Act under which they were given. But, after the explanation given by the Hon. Mr. Mein, he thought Mr. Walsh was in error in his reading of the clause, because it provided that the land taken in exchange should be held by the trustees under the same trust as the land given in exchange.

The POSTMASTER-GENERAL could see no reason for objecting to the Bill. He knew the site of the racecourse, and was aware that a portion of it was entirely unsuitable for the purposes of a racecourse. He knew, also, that the unsuitableness of the locality had interfered considerably with the operations of the trustees. They found it impossible to get the necessary subscriptions for erecting a stand, and getting the proper racecourse accessories, and as a last resource they came to the House and asked permission to sell, mortgage, or exchange the land. They were only carrying out the intention of the Government in originally making the grant. As he understood it, the proceeds of the sale would be applied to the purpose originally intended. He was sure no harm would ensue from passing the Bill, and that the people of Rockhampton would like their racecourse removed to a more suitable position.

The HON. W. F. LAMBERT said he could testify to the unsuitableness of the situation of the racecourse. If they happened to get a shower the course was not in a suitable state for sport. As one of the stewards on one occasion, he had to employ a number of men with buckets to remove the water to get the course in a suitable condition for the meeting. He could see no reason why the trustees should not have power to get a piece of land adjoining to make a good course, and if these powers were granted they would be able to get a really good course.

Clause put and passed.

Clauses 2 to 6 were put and passed without discussion.

On clause 7—

The HON. W. H. WALSH said he really thought, as they were so liberal to the trustees, they should exercise a little leniency towards the public. The fine of £5 inflicted under this clause was rather arbitrary and severe, considering that it might be imposed for some trumpery trespass. He moved by way of amendment, that the word "five" be omitted and the word "two" substituted.

The HON. C. S. MEIN said it did not matter much whether the sum was £5 or £2. This was not an oppressive penalty; it might be only a fraction of a farthing. It simply limited the amount to which the justices could go to £5, which was the lowest penalty he had ever seen inserted as a maximum in any Act of Parliament. The object of these by-laws was to regulate the mode in which the public should get access to the ground, and in the corresponding Act, relating to unlawful entry upon enclosed land, the maximum penalty was £5. There might be an aggravated case which a penalty of £2 would not be sufficient to meet. He could conceive a person committing any amount of mischief by forcibly entering the grounds of the racecourse, causing inconvenience and annoyance to a large number of persons; and under these by-laws—which had to be approved by the Governor in Council—such a person would, if his hon. friend's amendment were carried, only incur a penalty of £2, which would be wholly inadequate to meet the circumstances of the case. If it were a trifling case a nominal fine could be imposed. He thought £5 was a very moderate sum, and it was in accordance with all precedents.

The POSTMASTER-GENERAL said he did not think the amount was excessive. He would like to call the attention of the Hon. Mr. Mein to the circumstance that it was to be recovered by information or complaint before any justice of the peace. Did that mean that the case was required to be brought before justices sitting in petty sessions or off-hand on the racecourse?

The HON. C. S. MEIN: It must be in petty sessions.

The POSTMASTER-GENERAL said that it would be better to say before two magistrates, because if it were before one, on the racecourse, there might be some rather strange penalties if imposed towards the end of the day, when sporting men were apt to become excited.

The HON. C. S. MEIN said that the hon. gentleman need be under no apprehension on that point. The provisions for proceedings upon information or complaint were contained in what was popularly known as Sir John Jervis' Act, which provided that the person complained of or informed against must be served with a summons or warrant as the urgency of the case required, and should be dealt with before two justices in petty sessions assembled. It was precisely similar to corresponding provisions in other Acts.

Amendment put and negatived, and clause, as amended, passed.

Clauses 8 and 9, schedule, and preamble, passed as printed.

On the motion of the HON. C. S. MEIN, the Acting-Chairman left the chair, and reported the Bill without amendment.

The report was adopted, and the third reading made an Order of the Day for the next sitting day.

LOCAL WORKS LOANS BILL—COMMITTEE.

The House went into Committee to consider this Bill.

Preamble postponed.

On clause 1—"Interpretation"—being put,

The HON. W. H. WALSH said it was generally the rule when an important measure was brought forward to allow hon. members a few minutes to look over the Bill, and determine whether they would raise a discussion on the first clause.

The POSTMASTER-GENERAL said he gave a full explanation of the Bill yesterday, and the first clause was only the interpretation clause. However, he quite agreed with the hon. gentleman that there was no necessity to hurry.

The HON. W. H. WALSH said his own impression was that the Bill would be inoperative. He dared say that its intention was good, but he was quite sure that it was very unjust to a portion of the inhabitants of the colony. However, as the Bill would become thoroughly inoperative in a few years, he did not think it mattered much

whether it passed. His own suggestion to the Government would be to do away with the liabilities of municipalities in connection with expenditure on waterworks. The Government were not collecting the interest. They had allowed the municipalities to shirk paying the interest. The municipalities were not paying interest which was justly due to the Government, and the better way would be to bring in a Bill absolving them from their responsibilities, and enter upon a new career in respect to advances made—in fact, he believed it would be better to do away with Government advances, and compel municipalities to go into the market to borrow money on their own responsibility and at the risk of the lenders. The Bill was only prolonging the evil, and offering an inducement to the Government to lend money to municipalities who would never repay it, who did not mean to do so, and who could not be compelled to pay. He repeated, that he would much rather see the Government bring in a Bill to do away with the whole responsibility than to bring in a half measure—an *ad captandum* measure—for the purpose of propitiating the local bodies and pleasing themselves—a measure which would lead to no ultimate results.

The POSTMASTER-GENERAL said he could not allow the statement of the Hon. Mr. Walsh, that the local bodies whose debts were comprised in the first schedule had not paid interest, to go forth. With the exception of the £60,000 which he mentioned yesterday was advanced many years ago to the Brisbane Waterworks, and a sum of £546 advanced to the Drayton Municipality, which had become extinct, the whole of the local bodies, he believed, paid interest. The only one which might not have paid was the Municipality of Toowoomba, where a dispute had arisen over the waterworks. Within the last fortnight, however, the municipality had consented to take over the works. The Rockhampton Municipality, for instance, from the first day the money was advanced for the local waterworks, and before the works were completed, began to pay 5 per cent. interest, and all the other local bodies had paid interest with more or less pressure. He had stated yesterday that what had caused the desire to repudiate was the fact that the terms asked of the local bodies were harder than they could submit to—that a liquidation payment of 5 per cent., as well as 6 per cent. interest, was requiring a great deal more than they could be fairly asked to contribute. By the Bill the terms were made easy. Including the redemption payment, the local bodies would not have to pay as much as they had for interest alone upon loans granted under the Municipal Act of 1864. He did not see why, with proper safeguards and restrictions, they should not assist local bodies to carry out local works in the most economical manner. The same principle was working well in England.

The HON. W. PETTIGREW said he had not previously spoken upon the Bill, but he really did not like the assertions that had been made to pass without his contradiction. He was very well pleased with the Bill, and thought it an honest one. Last year, he believed, he opposed the Divisional Boards Bill, because it did not contain a clause embodying the principle of the measure before the Committee. He proposed such a clause and it was passed, but it was rejected in the other House and not insisted upon. Municipalities getting loans should not only pay interest annually, but something towards redeeming the principal. He had advocated that for many years. When the Municipality of Brisbane borrowed £12,000 for drainage, he wanted a condition inserted that the principal should be paid in a certain number of years. He was glad to see a Bill embodying those principles introduced, and he hoped the Government would have no difficulty in enforcing them when the measure became law.

The HON. C. S. MEIN said he had been induced to get up in consequence of an observation made by the Hon. Mr. Pettigrew. He differed from him that in all instances corporations should be compelled to repay money borrowed for the construction of local works. Where the works were of a temporary character the loan should be repaid at an early date, but where they were of a permanent and continuing character he did not see any necessity for asking for repayment. Waterworks were works which must be kept permanently up to a standard of efficiency, and so long as that were done the Government had always fair security for their advances, and he did not see the necessity, provided the interest were paid, for asking for repayment of the principal. If the principle that was advocated by the hon. gentleman were extended it would involve the necessity of all loans being repaid; but that was not the principle which was adopted by the Governments of the world. The public loans of the mother-country were increasing year by year; at any rate, they were never reduced to any substantial extent, and still the prosperity and integrity of the country was maintained, and the prosperity and integrity of a municipal body might remain intact without the loan incurred for the construction of works of a permanent character being repaid, provided that the interest was paid with regularity, and the central body saw that ample provision was made to prevent the work deteriorating to any appreciable extent. However, the Legislature seemed to desire the Bill, and he therefore had no wish to oppose it. But he should like to have an assurance that the table in schedule 2 was correctly calculated. He noticed that it was based on annual payments, whereas clause 8 provided that the payments should be semi-annual. Was the central authority to get the benefit of the extra interest which would practically be derived from the semi-annual payments? The schedule would have been much more complete had it contained a table showing the relative amount of interest and principal which was paid at each annual payment. The amount to be paid annually according to the Bill was a fixed sum, but the amount of principal which would be paid off every year would vary; and as the payments had to be made half-yearly, interest would be paid in advance, so that the Government would practically be getting six months' interest on each periodical payment of interest. In forty years it would amount to an appreciable sum, but for small loans repayable at an early date the amount made by the Government would not be large. He should like to be assured that the table had been calculated by a competent actuary.

The POSTMASTER-GENERAL said that, in reply to the hon. gentleman, he could only state that he believed the table for redemption of loans had been calculated by the Under Secretary to the Treasury, with the assistance of the best actuaries accessible. The Under Secretary was in possession, moreover, of standard works containing tables by which the one contained in the Bill was tested. He believed he could state confidently that the table had been carefully tested by the best authorities, and that it would be found as nearly as possible correct. There was no doubt something in the hon. gentleman's contention about the local bodies making their payments half-yearly instead of

annually. The Government might get a very small profit in consequence, but if the hon. gentleman would make the calculation he would find that even on a large loan it would be a small amount. As the payments would practically come out of their endowments, it was thought that it would be more convenient to the local bodies to make them half-yearly. He did not think that the point raised was an objection to the Bill. If hon. members would turn to the table they would see that the amount which would have to be paid annually on a forty years' loan would be £5 16s. 8d. per cent.—£5 for interest, and 16s. 8d. to be applied to the extinction of the loan.

The HON. C. S. MEIN said the Postmaster-General's illustration was incorrect, for after the first payment of 16s. 8d. there was not £100 owing. The interest on the principal actually due would certainly not be £5; but something less. That was really why he thought it was desirable to have had a fuller schedule; and he would point out the necessity that there was of not going too rapidly through a Bill which dealt with such important interests and with loans to local bodies to the amount of £413,000. Seeing the profuse way in which the Government distributed money among professional men, he thought they might have got an actuary in one of the other colonies to calculate the table. It was no reflection upon anybody to say that there was no actuary of repute in Brisbane, for it required enormous experience, or large mathematical experience, to make an actuary. Without reflecting in the slightest degree upon the capacity of the Under Secretary to the Treasury to perform his ordinary duty, he thought that an unfair task was imposed upon him in getting him to calculate the table; and if he had acted upon the idea that the Postmaster-General had promulgated, he had been working upon a wrong basis altogether. He did not think there was any information before the Committee to warrant them in passing the schedule. He would not oppose the Bill, but simply asked the information for the purpose of ascertaining the truth.

The POSTMASTER-GENERAL said he admitted that the hon. member's statement—that after the first year the interest would be less—was correct. For the first year, however, £5 would be for interest and 16s. 8d. for liquidating the principal. The matter would simply be one of calculation, for the 9th clause said that every moiety of such annual payment should be placed to the credit of the local authority making the same, and should be appropriated by the Treasurer in the manner following, that was to say, the proportion of interest calculated on each such payment should be placed to the credit of the Consolidated Revenue, and the balance to the credit of the "loans and local bodies account" of the Loan Fund. At 16s. 8d. per cent. the total amount of redemption paid in forty years would be something like £32. By keeping up a payment of £5 16s. 8d. per cent., the loans were extended on advantageous terms to the local body. They made the same payment every year, and of course in the 40th year a great deal more went in liquidation of the principal than of the interest.

The HON. G. SANDEMAN said that if the Bill was properly worked it would be likely to be of great benefit. He quite agreed with the Hon. Mr. Pettigrew that both the interest and principal ought to be paid by the localities to which the loans were granted; and he could not agree with the Hon. Mr. Mein in his contention that, while it was desirable and proper that interest should be paid, all capital advances should not be redeemed. He could not see why, if the one was a fair charge, the other also should not be. With regard to what had fallen from the Hon. Mr. Walsh—that these loans would and had been repudiated—the object of the Bill was to prevent that taking place; and in reference to the subject he found that the hon. member who had introduced the measure in another place said that he believed the responsibility of local bodies to pay the interest and principal had been acknowledged by all municipalities with the exception of Maryborough and Warwick. That was said in the Assembly, and he had reason to suppose it was based on good grounds.

The HON. W. H. WALSH said that the more he saw of the Bill the less he believed in it, and the less he thought it would work properly. The Hon. Mr. Sandeman, at any rate, had shown that there was another municipality besides those quoted by the Postmaster-General which had not acknowledged its debt or complied with the obligation incurred—namely, that of Warwick. The Hon. Mr. Pettigrew had said that he considered the Bill a fair one. He could not see that it was, and to show that it was not he would take the Brisbane Municipality as an illustration. He found that under this Bill the several advances already made were to be considered as new loans, and by the 4th clause it was provided that all such loans should be deemed to have begun on the 1st July, 1880. One of the objects of the Bill seemed to be to secure the interest upon loans already made; but the measure was in reality to whitewash the Brisbane Municipality of fifteen years' interest which they had never paid. They had repudiated over and over again their obligation to pay the interest on the first £60,000 advanced to them. They had never paid a farthing of the interest on that amount.

The POSTMASTER-GENERAL said he begged to explain that the Hon. Mr. Walsh was confounding the money owed by the Municipality with the money due by the Board of Waterworks.

The HON. W. H. WALSH said he was not doing anything of the kind, and he begged that when the Postmaster-General wished to correct him he would do so properly. What difference was there really between the indebtedness of the Board of Waterworks and the Brisbane Municipality? The Bill was a sop to the people of Brisbane to whitewash them of interest, which would probably come to £50,000—not one farthing of which had ever been paid. The passing of the Act of 1865, taking the control of the waterworks out of the hands of the municipality, because they did not pay the interest or make any provision for redemption of the capital, at once absolved the municipality from the debt. This Bill was absolutely absolving them from that just debt. It was because he knew the Government would never get back this money, the matter having been repeatedly brought forward by Parliament, that he had from sheer disgust suggested that the Government should do away with the debt altogether. Coming to the question of the municipality and the waterworks, he would point out that the measure affected loans now due by municipalities and other advances. How could the Bill deal with the waterworks? The Government had possession of the works; the Minister for Works was, *ex officio*, a member of the board; the members of the board were Government nominees, and, for all he knew, some of them were members of Parliament—at anyrate, they used to be;—how, then, could Parliament insist upon the municipality being held responsible for the principal and interest so long as that state of things existed? The Government, by an arbitrary Act passed in 1865 by Mr. Herbert, at a time when he was in a bit of a pet

with the Brisbane Municipality, had legally absolved the corporation from their indebtedness and the liability to pay interest. And the Bill made no provision for the Government recovering the amount from the nominee Board of Waterworks. Here they had a board which was subject to no control. He was a member of the board for three years—a weak member, because he found from the way in which the business was conducted that a single individual holding independent views carried little sway. As far as his experience of the Board of Waterworks went they had resolutely set their faces against paying any of the money back; and yet they were Government nominees. When they talked of making extensions with the surplus money that they had in hand, he used to ask them whether they never thought of devoting some of the money to paying off a portion of the debt to the country; but they never listened to it—they actually laughed at the suggestion. This Bill made no provision for taking away from the Board of Waterworks the power they now held, or of handing back to the municipality the property which really ought to be vested in them. He found on reference to the Act, that there was no power given to Government to do away with that board at all;—there was no power in that Act except to surrender the waterworks to the Municipal Council on payment of the debt, and of course the Municipal Council would not take that responsibility upon themselves so long as they were absolved from the debt, which now amounted to something like £120,000. Even under the last Act that was passed, enabling the Board of Waterworks to borrow a further sum of money on the promise that the interest, at any rate, on that loan should be paid—how had they paid it? Simply by a set-off of the water supplied to the various Government offices in Brisbane. That was the way they had been treated by the Board of Waterworks—not by the municipality. He did not think the municipality would have been so unjust as that nominated board of the Government had been. The Bill was not fair because it entirely absolved the Municipality of Brisbane from the payment of interest prior to July 1st, 1880.

The POSTMASTER-GENERAL said that he was prepared to allow that when the waterworks were taken out of the hands of the municipal authorities in Brisbane and handed over to a nominee board a mistake was committed, but, at the same time, it would be very hard on the Municipal Council that because the Legislature had made a mistake they should be compelled to bear all the responsibility of the mistakes that the Board of Waterworks had fallen into. The Government were willing to admit that if interest was charged against the Board of Waterworks from the first, something like £36,000 would now be due, and that if they insisted upon having the "pound of flesh" they would have included that amount in the Bill in addition to the £95,000; but as it was clear a mistake was made by the Legislature, it was thought to be a fair compromise that the board should now be called upon to pay interest upon the whole amount in future. Hitherto they had never paid sixpence upon the £60,000 originally granted, and he thought the Government had gone a long way to get a fair settlement in saying that they were willing to let by-gones be by-gones, and that henceforth the Board of Waterworks would have to pay interest and something off the principal the same as any other local body. He quite admitted that the Board of Waterworks being a nominee board was in a different position to the Municipal Council, but what the Governor in Council could do, he could undo; and if the board would not pay the amount required under the Bill, the Governor in Council could gazette them out and appoint another board. But he had no doubt in his own mind that the terms of the Bill were so reasonable that the Board of Waterworks would be quite willing to contribute, and there would be no difficulty on that score. With regard to Mr. Mein's argument that it was not necessary that public bodies should repay loans, he (the Postmaster-General) would point out that it was held by the best authorities in England that even the national debt of Great Britain should be gradually paid off, and, in fact, it was in course of liquidation at the present time. Of course, the national debt of England stood in a different position from loans here, where they had assets in the shape of waterworks or railways, and so on; but it was exceedingly desirable that some limit should be imposed on the borrowing power of these local bodies, and that they should feel that when they applied to Government for money to carry out any public work they were not applying for a gift. He believed it would have a wholesome effect, if they knew that when they borrowed money they would have to repay it.

The HON. C. S. MEIN said he wished to say one word on behalf of the Brisbane Board of Waterworks. He differed from the Postmaster-General in thinking that a mistake was committed in transferring the waterworks from the Municipal Council of Brisbane to a nominee body; on the contrary, he thought a very wise step was taken on that occasion. At that particular time corporate affairs were not managed satisfactorily in the slighest degree in Brisbane, and there was very grave ground for fearing that if the waterworks had remained in the hands of the Corporation they would not have been satisfactorily carried out; and that in all probability the moneys derived from the assessment for water-rates would not have been appropriated to extending mains to the outside portions of the city, but would have been devoted to other municipal purposes. He would also point out that this was not an irresponsible board;—it was a board responsible to the central governing authority, and one of the duties of that governing authority was to see that the affairs of the board were properly managed. He did not think any person would hazard the statement that the Brisbane Board of Waterworks had not conducted its business in a judicious and satisfactory manner. They had judiciously expended the moneys derived from assessment, and had, with the utmost possible rapidity consistent with the systematic and economical management of their affairs, extended the mains throughout the length and breadth of the metropolis, and had taken steps even to go outside the limits of the metropolis. He was perfectly satisfied that if the waterworks had remained under the control of the Municipal Council nothing like the result that was at present visible would have been arrived at. With regard to the £60,000, he could not see that there was any misconduct either on the part of the Corporation or the Board of Waterworks. The £60,000 was granted, not subject to any condition with regard to payment of interest; but the subsequent advance of £35,000 was made subject to the conditions of interest being paid. If interest was payable on the £60,000, was it likely that successive Governments, some of them not very friendly to the city of Brisbane, would have allowed the loan to remain outstanding without insisting upon the payment of interest; and in the event of interest not being paid was it not probable that they would have taken steps to enforce payment by action on their part, or, if necessary, by resorting to the assistance of Parliament? The Board of Waterworks were now prepared—although not bound by the existing law—to say that inasmuch as it was considered that they had got on their legs and should not

look upon this £60,000 as an absolute gift for all eternity, to pay interest the same as other local bodies. He should fail in the performance of his duty if he sat still and allowed even a hint to go abroad that the Brisbane Board of Waterworks had not judiciously and satisfactorily managed their affairs.

The HON. G. SANDEMAN said because they had done wrong in the past, that was no reason why they should continue to do wrong in the future. It appeared to him that the 11th clause of the Bill, which provided for the repayment of the loans, if properly worked, would be a protection to Government for loans in the future, at all events.

The HON. W. PETTIGREW said he was sorry that the Hon. Mr. Mein had left the Chamber, as the remarks he (Mr. Pettigrew) intended to make were in reference to what that hon. gentleman stated when speaking about the Corporation of Brisbane at the time the waterworks were taken out of their hands. He must say that so far as the Brisbane Waterworks were concerned, they were never in the hands of the Municipal Council at all. The Municipal Council did certain things, and got an Act passed, and in the last clause but one of that Act there was power given to the Government to take the waterworks out of their hands, and as soon as the Bill became law Mr. Herbert, for reasons best known to himself, immediately put that clause into effect and took the waterworks out of the hands of the Council. Mr. Mein, in his remarks, appeared to infer that this was done because the Municipal Council did not conduct its affairs properly. He (Mr. Pettigrew) happened to have a seat in the Municipal Council at that time, as he had still, and he believed the men then in the Council were as good, as careful, and as trustworthy as any who had ever been in before or since. The Hon. Mr. Edmondstone was one, the Chairman of the Board of Waterworks was another, and he could not remember who the others were; but he was positive that they were all good and careful men, and that the affairs of the council were conducted quite as carefully as they were now. Why the waterworks were taken from the council he did not know, but that body never had an opportunity of showing what they were able to do in regard to these waterworks in any shape or form.

The POSTMASTER-GENERAL said, as it had been stated that the Board of Waterworks had strictly adhered to the law in carrying on their operations, he begged to direct the attention of the House to section 24 of the original Brisbane Waterworks Act, which stated that—

"All moneys derived from the rates charged for the supply of water shall be placed to the credit of a separate fund, and after defraying the expenses of maintaining and preserving"——

it said nothing about extending—

"the said reservoirs and waterworks, shall be paid to the Consolidated Revenue in liquidation of the advance of any sum or sums of money made to the said Municipal Council in pursuance of section 4 of this Act until payment of the same, and thereafter such moneys shall be appropriated to the use and benefit of the said council."

It was notorious that the Board of Waterworks from the very first, instead of paying the money into Consolidated Revenue, spent the whole of their surplus revenue in extensions. Then it was said they were under no obligation to pay interest, and he was prepared to admit that there was a defect in the original Act; but clause 26 said distinctly—

"The said Municipal Council shall cause to be kept separate books of accounts in connection with all sums of money expended in carrying out and maintaining the said waterworks; and shall, until payment of the principal, advances, and interest aforesaid"——

the defect in the Act was that there was no "interest aforesaid." In going through committee some ingenious member of the Legislative Assembly managed to get that clause put out. It was, however, perfectly clear that the intention of the Legislature was that interest should be paid.

Clause put and passed.

On clause 2—

The HON. W. PETTIGREW asked what was the meaning of "water commission" in the previous clause?

The POSTMASTER-GENERAL said, as he stated yesterday, there was a Bill in the other Chamber providing for water storage and distribution, in which that term was used.

The HON. W. H. WALSH said, then, this Bill did not apply to the Board of Waterworks at all. He would ask the Postmaster-General, did it apply to that board—were they included in it?

The POSTMASTER-GENERAL said that the £95,000 that had been advanced was included in the first schedule; and clause 3 provided that the sums specified in that schedule should be deemed to be loans advanced under the provisions of the Bill—there could be no doubt whatever on that point.

The HON. W. H. WALSH said it struck him that there was considerable doubt on the matter, and the question was whether it would not be better to make the Bill more explicit. He thought provision should also be made for putting on such a board as that which now regulated the waterworks, one or two aldermen of the municipality, especially if the Municipal Council was to be held responsible for all the doings of the Board of Waterworks.

The POSTMASTER-GENERAL said the mayor was a member of the board, but the Municipal Council could not be responsible for this £95,000 that had been spent on the waterworks; they would only be responsible for the £45,000 which they owed themselves. The Government would come upon the Board of Waterworks for the £95,000, and if they would not pay it the Government would gazette them out and appoint a board who would act honestly. He might also state that in the Bill for the storage of water the whole question of waterworks was fully provided for, and ample provision made for the Metropolitan Waterworks particularly.

The HON. W. PETTIGREW said he had always maintained that the municipality should be represented on the board by the mayor and another member of the Council; but the Government would never yield that, and, therefore, the Municipal Council would not yield in the other direction and allow the mayor to sit upon the board by himself.

The POSTMASTER-GENERAL said he agreed to a great extent with the remarks of Mr. Pettigrew, but it was a matter that could not be dealt with in this Bill, which was a measure for the repayment of loans authorised for the construction of public works.

Clause put and passed.

The remaining clauses of the Bill, together with schedule No. 1, were agreed to without discussion.

On schedule 2—

The HON. J. SWAN said that, as a matter of justice, when half the principal sum of the loan was paid interest should only be charged upon the remaining half.

The POSTMASTER-GENERAL said all that had been accurately worked out. For instance, on a forty years' loan 16s. 8d. per annum was charged for the repayment of the principal. The amount would be very much larger in the earlier stages of the term were it not provided that a uniform sum should be paid right through. The schedule provided that so long as the Government received 5 per cent. annually for the money advanced, the whole of the amount in excess of that would go to wipe out the principal, and the Government gained no advantage in the matter at all.

The HON. W. PETTIGREW asked if it would be much trouble to prepare a table showing, for instance, the amount of principal and the amount of interest payable on a ten years' loan? He thought that would satisfy hon. gentlemen.

The POSTMASTER-GENERAL said he could not produce such a table at the present time, but he could assure the hon. gentleman that the schedule was quite correct, and if they were to attempt to alter it he was afraid the other House would object to it, this being a money Bill. The responsibility connected with this calculation rested entirely with the other branch of the Legislature.

Question put and passed.

The preamble having been agreed to, the Chairman left the Chair and reported the Bill without amendment, and the third reading was made an Order of the Day for Tuesday next.

The House adjourned at five minutes to 6 o'clock.