

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

FRIDAY, 22 OCTOBER 1886

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LEGISLATIVE ASSEMBLY.

Friday, 22 October, 1886.

Petition.—Motion for Adjournment—extension of the Central Railway.—Ipswich Grammar School Land Sale Bill.—Coal Contract of R. and J. Lindsay.—Building Societies Bill—committee.—Burning of the barque "Rockhampton."—Adjournment.

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

PETITION.

Mr. ALAND presented a petition from Eleanor Godsall, John Gargett, and John Mullaan Flynn, of Toowoomba, executors of the will of the late Richard Godsall, praying for leave to mortgage certain real estate devised by such will, and to renew certain mortgages made by him; and moved that the petition be received.

Question put and passed.

MOTION FOR ADJOURNMENT.

EXTENSION OF THE CENTRAL RAILWAY.

Mr. MURPHY said: Mr. Speaker,—I rise for the purpose of adverting to a portion of the debate which took place last night, and shall conclude my remarks with the usual motion. In the debate upon the Gympie railway last night, I made use of the following words, as reported in *Hansard*. I was speaking at the time about a statement made by the Minister for Works to a deputation which waited upon him at his office respecting the extension of the Central Railway. The words I used were these:—

"He wanted to know why the Minister for Works did not proceed with the Central Railway? That was a line that before the drought was paying better than any other railway in the south of Queensland, and now, forsooth, the Minister for Works said that he did not mean to go on with that railway, because he was afraid that separation would take place very shortly, and that it would be necessary to divert the course of that line towards the boundary of the new colony in order to prevent the line from Hughenden to Townsville taking the trade away—"

"The MINISTER FOR WORKS said the hon. gentleman was not justified in making such a statement. He never said he was afraid at all. The fact of the matter was the deputation got hold of a reporter and told him a wrong story.

"Mr. MURPHY said he distinctly denied having said a single word that the Minister for Works did not utter. The hon. gentleman distinctly made the remarks that appeared in the paper.

"The MINISTER FOR WORKS said that was untrue. He thought he was just as much entitled to credit as the hon. member for Barcoo. He never said he was afraid of separation. He had said before that he did not care if it took place to-morrow.

"Mr. MURPHY said perhaps the hon. gentleman did not say exactly that he was afraid of separation, but he said he thought it would take place very shortly, and—

"The MINISTER FOR WORKS: The hon. member is making a misstatement. Can't he speak the truth?"

I want to show the House that I did not make a misstatement, but that I spoke the absolute and literal truth in the remarks which I made then. I do not want it to go forth to the country that I came into this House for the purpose of making misstatements. So long as I have the honour of a seat in this House I shall adhere to the literal truth in any statements I have to make, and I wish to put myself right with the House and with my constituents, and show that I only stated what was an actual fact. Last night there were only two members present in this House who were with me at that deputation. There were seven members of the House who were on the deputation; but only two of them were present last night, and one of them got up with the intention of corroborating my statement, but he was stopped by being ruled out of order. I will read to the House what the Minister for Works actually did say to that deputation. He made the charge against us that we told our own story—our own version of the matter—to the reporter. We certainly did tell the reporter some things that happened at that deputation; but this particular statement to which I refer was made by the Minister for Works after the reporter arrived. The reporter was not present at the commencement of the interview, but came in at about the middle of it, and took down in shorthand what the hon. gentleman said. I will read from the *Brisbane Courier* of Friday, October 15, what the Minister for Works actually did say, and the House will see that it does not materially differ from what I stated last night:—

"Mr. MILES, in reply, said the Government did not intend to place the plans for the further extension of the Central Railway on the table of the House this session. In regard to the extension of the Central line, the Government had under consideration the deviation of the line towards Winton, in view of the almost certain prospect of separation of the northern from the southern portion of the colony. The Government were determined in such an event to prevent the northern colony taking the trade which properly belonged to the southern colony."

I think that substantiates in every particular the statement I made last night. I will say no more on the subject now, but will leave it to the other hon. gentlemen who were present at that deputation to further corroborate what I said, or the reverse, if I said anything that was not true. I should like now to add a few words to what I said last night about the extension of the Central Railway westward. The Minister for Works told us at that interview that he would not lay the plans for the further extension of that railway upon the table of the House this session, and I and the people of the Western district, and not they alone, but the people in the more populous Central district—Rockhampton and that neighbourhood—feel that we shall be suffering a great wrong by that railway not being proceeded with. The Minister for Works has frequently stated that this line is not paying—that the traffic is falling off, and that the line is not a profitable one—and therefore he declines, upon those grounds, amongst others, to go on with it. I have here the report of the Commissioner for Railways, and I will just read what he says about it. This is the annual report of the Commissioner

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for the year 1885, and he gives a table in it showing the net earnings for the past two years, and the interest upon the capital expended in the construction of the Central line. This table brings out some curious facts with regard to railways—facts that I am astonished were not made more use of by hon. members, in discussing the lines before them last night. This table would have furnished them with some very strong arguments indeed for the rejection of some of those lines. To refer again to the Central Railway, from Rockhampton to Alice, the return shows that the interest paid upon the capital expended amounted to no less than 4'683 per cent. In fact the Central Railway paid over 4½ per cent. on the cost of construction in 1885, during one of the most disastrous years that ever occurred in Queensland. There was only one other railway in the colony that paid a higher percentage, and that was the Northern Railway, from Townsville to Torrens Creek, which paid 5'816 per cent., or nearly 6 per cent. on the cost of construction. The next best paying line was that from Maryborough to Gympie, which paid 3'393 per cent. on the cost of construction. I come now to the Sandgate branch, and this is the suburban railway of which the Government are so very proud as being such a paying branch. This railway only paid 3'534, that is 3½ per cent., whereas the line I am advocating the extension of paid over 4½ per cent., 1 per cent. more than the Sandgate branch. There is another very curious fact brought out by this report. Mr. Curnow says:—

"I would invite attention to the loss on the South Brisbane branch. The traffic on it is principally coal (for the conveyance of which the department really only receives about ½d. per ton per train mile, seeing that the trains have always to run empty for one-half the journey), and the earnings have not been sufficient to pay even the working expenses."

In order that the coal-mines of Ipswich may flourish, the whole of this colony is heavily taxed through the Railway Department; and yet, forsooth, the Government do not proceed with the lines of the colony that actually pay; they hang them up on the pretence that they want to prevent any portion of the trade of the southern portion of the colony going to the railways belonging to the northern portion of the colony. There is another paragraph here that rather opened my eyes when I read it, relating more particularly to the Laidley branch, and it shows that there is not a single agricultural line in the colony paying for the grease used on the axles at the present time. I have no objection to making lines to assist the farmers, provided the farmers will assist me. What annoys me is that when we want a railway like the Central line pushed on with vigour and kept going—a line that pays over 4½ per cent. on the cost of construction—we are very hardly treated indeed; and I am perfectly justified in complaining about these lines being made in the farming districts—lines that will not even pay working expenses. I think I am justified in being indignant at this being done when the gentlemen representing farming constituencies will not force on the Government the necessity of making these main trunk lines of railway, and pushing out with vigour the lines that will pay. I beg to move the adjournment of the House.

Mr. FOOTE said: Mr. Speaker,—I regret very much that the hon. member has brought up this matter on private members' day instead of on one of the days set apart for Government business. There is private business on the paper for to-day, and it is the only day in the week which private members have. The hon. gentleman is a new member, otherwise he would, when making his attacks on the Government, take it out of them on Government business days.

The MINISTER FOR WORKS (Hon. W. Miles) said : Mr. Speaker,—I am sorry the hon. member for Bundamba should find fault with the hon. member for Barcoo. If he has any grievance to air, he cannot possibly do better than air it on private members' day. That is the proper day on which to do it.

Mr. MURPHY : That is the reason why I brought it forward.

The MINISTER FOR WORKS : It appears to me to be nothing more than a storm in a teapot ; and what the hon. member is complaining about I do not know. I took exception to the hon. member's statement last night, that I was afraid of separation. Well, sir, I was never afraid of anything, and I wish the hon. gentleman clearly to understand that. What should I be afraid of? Hon. members of this House, and most of the residents of the North, know my opinion about separation. There are three stipulations that I have laid down. When the majority of the population of the North desire separation, when the public debt has been adjusted, and when the boundary has been decided, I shall not stand in the way of separation. I have repeated that over and over again, and I am greatly amused at finding that cablegrams have been sent stating my opinion on the subject, as if that would have the slightest effect either one way or the other. In the name of common sense, who cares what I say or what my opinions are on the subject? If people think they are going to get separation on account of anything I may have said on the subject, they are greatly mistaken. With reference to the Central Railway, no one regrets more than I do the fact that the Central Railway, and the Western Railway, and even the Northern Railway, are all falling off in their receipts. We know very well the cause of it.

Mr. LUMLEY HILL : Yes ; the Land Act.

The MINISTER FOR WORKS : It is from the very severe seasons we have had, and it will be some time before we regain our former position. Anybody must know, if he looks at the returns published in the *Gazette*, that the Central line has been falling off at the rate of £2,000 a week, and the number of trains run on the line has been considerably reduced because there is little or no traffic. The Government came to the conclusion that it would be advisable to have a flying survey to the West to endeavour to see if the line could be taken somewhere towards population. Hon. members, in discussing the Land Bill, said that it would not promote settlement, and therefore it has become necessary for the Government to endeavour to divert the line somewhere nearer the direction of Muttaborra and Winton where there are Government townships, and where we may expect a population some time. The extension of the line will only be delayed a few months, and I am satisfied the country will not suffer anything by the delay. I was rather amused at the arguments made use of yesterday—namely, that if this line was carried to some particular waterhole about the Thomson, there would be any quantity of grazing farms taken up. How am I to believe that? Hon. members said here night after night, when the Land Bill was being discussed, that no one would take up grazing farms ; but now that it suits their own purposes, they say, "If you will only take this railway to this waterhole, any quantity of grazing farms will be taken up." Well, what am I to do? Which of these statements am I to believe? Because, if one is right, the other must be wrong. I think the Government are perfectly justified in the course they are taking. They do not intend to proceed for a few months, until there is some prospect of

getting traffic on the line. They can well stand over for a month or two. These lines are now proceeding to the westward a very long distance, and I doubt very much myself whether it will be advisable to extend them.

Mr. McWHANNELL said : Mr. Speaker,—As one of the deputation that waited on the Minister for Works when he used the expression the hon. member for Barcoo has attributed to him, I have to state that I can corroborate every word that gentleman stated last night in this House. I was not present when the matter was referred to last night, or I would have corroborated the hon. member's statement at the time. I saw it fully reported in *Hansard* this morning, and I certainly have full confidence in what the hon. member stated—that the Minister for Works did make the statement attributed to him.

The MINISTER FOR WORKS : You will not find the word "afraid" in it.

Mr. McWHANNELL : No ; the hon. gentleman did not say he was "afraid" of separation, but he said he looked upon separation as a certainty, and that it would take place in a very short time, and for that reason the Government intended to direct the railway towards Winton. The Minister for Works has just stated that an hon. member pointed out some big waterhole, and said that if the line was extended to it very considerable settlement would take place around that waterhole. I imagine the hon. gentleman referred to me when he said that, because I was the only member of the deputation who referred to a very large waterhole on the Thomson River. That waterhole is about fifteen miles long in the very driest of seasons, and the present surveyed route of the Central Railway crosses it in about the centre. I drew the attention of the Minister for Works to the fact that there was likely to be considerable settlement around that waterhole, and certainly the country around it would be taken up for grazing farms if the railway was extended to it. I see no reason to retract that statement, because I am perfectly satisfied that a considerable area will be taken up around that place for grazing farms. Although the hon. gentleman may accuse some hon. members of saying that the Land Act will be a failure in some instances, he has never heard me state so in this House. At all events, there is this large waterhole on the Thomson River, commonly called "Longreach," and there will undoubtedly be a considerable number of grazing farms taken up around it. I quite believe that to the west of that, the line should be diverted towards Winton, because I believe it would in a great measure largely increase the traffic on the line. At some future day the Government, whoever they may be, may well consider the desirability of running a branch line from the Thomson River about south-west, and the line being diverted to Winton will drain the traffic from a very large extent of first-class pastoral country in that direction. With regard to the Central Railway as it at present stands, I may state that the end of the present section is on the top of high dry downs, about twelve miles west of Alice Station. About six weeks after rain there is no water to be had within reach of it, and it is impossible for teamsters or any traffic to go due westward to that line from the Thomson River. Instead of being able to go across country for fifty miles, they have to go round by Isisford, or take a still longer round and go round by Aramac, a distance of 100 or 150 miles. Instead of being able to go fifty miles across from the Thomson, they have to go a distance of about 150 miles to reach a point twelve miles from the head of the section ; so that twelve

miles of the present section is utterly useless and the money for the construction of that portion of the line is lying wasted. It does not require a great amount of skill to enable anyone who has been over the country to judge that the best and most practicable way to extend the line is to continue it in a direct line to the Thomson River. If that was done the Government would then have sufficient time to get a report from the surveyors with regard to the diversion to Winton. I consider the Government have treated the people of the Central district very badly indeed by their delay in placing plans for the extension of the Central line before the House. I can see through their action very well. Since members have been down in Brisbane the Minister for Works has been humbugging them, and putting them off from day to day when they have asked that the plans should be laid on the table. He has given all sorts of excuses, and the last excuse, which is considered a strong one, is that the Government intend diverting the railway towards Winton, and are waiting for a report upon it before they submit the plans to the House. I can see plainly that before the report which the hon. gentleman has authorised to be sent to him reaches Brisbane we shall all have returned to our homes and the plans will not be laid on the table this year, and consequently our Central Railway will remain where it is for another twelve months. I consider that very bad treatment on the part of the Government. I should be very glad to hear from the Minister for Works or the Premier if they have the power to call for tenders for the further construction of the line, without the plans being approved by this House. I may say that the Minister for Works has stated on more than one occasion to me that he would feel perfectly justified in calling for tenders, even although the plans had not been approved by this House.

Mr. GOVETT said : Mr. Speaker,—As one of the deputation that waited on the Minister for Works concerning the Central Railway, I can bear out what the hon. gentleman says about not having stated that he was afraid of separation. Those were not the words he used ; but he said that separation was certain to come, and that the Government must guard against their trade going away to the Northern country. I regretted to hear that very much, because it has been recognised all through that district that the railway would be carried due west, at all events until it reached the Thomson River. Only a short time ago I presented a petition to the Minister for Works asking that it should be taken down a little to the south to Forest Grove, and the Minister for Works then certainly led me to suppose that there was not the slightest doubt that the line would go due west to the Thomson River. I was very much disappointed, therefore, when the Minister for Works told us that the delay had taken place because the Government were going to take into consideration a deviation to Winton. I went to him immediately after the session commenced, and frequently asked about the line, and he told me that the survey was going on. Of course, I considered that that was the survey to the Thomson, and it took everyone on that deputation by surprise to hear that there was any hesitation about it. With regard to what the Minister for Works said as to the deputation asking that the railway should be carried on to a waterhole, there is no doubt that the deputation did point out the advantages of carrying it on to permanent water, where there would not be the slightest expense to the Government to conserve it. There is an everlasting supply of water in one of the main rivers of the colony, and we asked that the railway

should be carried there rather than stop at the end of the present section on a lot of high dry rock, where there would be an immediate drain on the Government to conserve water. I see in my papers the scheme of the Hydraulic Engineer with regard to the water at Lagoon Creek ; he proposes to pump it from a waterhole in the Alice to a township in course of formation four miles away. He speaks of the waterhole as being a mile in length ; but, though he went there to report on it, he did not take the trouble to ascertain the depth. He says it was reported to be about ten feet deep, but he had no means of ascertaining whether that was correct or not. Now, Mr. Speaker, if any man from a station out west had been sent to report on the permanency of the water in a waterhole, he would have stripped off his coat and waistcoat and shirt, and gone in and ascertained for a certainty the depth of it. All he wanted was to swim in with a piece of twine twenty feet long ; if he could not swim himself, he would have got plenty of people there who could, and he could have tested the depth to half-an-inch. I think that, seeing the difficulty there is with regard to water out there, it was a very good suggestion we put forward that the line should be carried to where there is permanent water, as the contractors were just about to close the present section. The contractors could have done the whole of that length, and would have done it, as I was told by one of the contractors themselves, in ten working weeks. I was told that when I was out there before this session commenced ; and they told me the line would have been very nearly done at that time, had it not been for the want, first of rails and then of bolts. When I heard the Minister for Works say that the delay was caused owing to the desire to have a survey made for the deviation to Winton, it took me by surprise, and I very much regretted to hear it.

Mr. PATTISON said : Mr. Speaker,—As one of the members who attended on that deputation, I can quite confirm what the hon. member for Barcoo said last night. He certainly did not overstate the case, except that the Minister for Works is right in saying he did not use the word "afraid." He said he was certain that the North would get separation at a very early date.

The MINISTER FOR WORKS : No, I did not.

Mr. PATTISON : Allow me ; you can make your statement afterwards. The report published in the *Courier* is correct ; and it was no report given to the reporter ; that portion of the report was simply taken down, I believe, by the reporter from the lips of the Minister. The Minister stated very distinctly that he had little doubt separation would be an accomplished fact at a very early date.

The MINISTER FOR WORKS : I did not.

Mr. PATTISON : I assert that the hon. gentleman did ; and I think the other members of the deputation will confirm that ; in fact, they have already done so. The Minister for Works further said that the extension of the line was under the consideration of the Government, and they thought it would be extended towards Winton, the object of that being that after separation the North should not take away the trade that properly belongs to the Central district. At a later stage I suggested to the Minister for Works that as the Central Railway system was under consideration, and as the plans were likely to be departed from, some little consideration might be given to this end of the line—the construction of the line from Rockhampton to Port Alma. I thought that as the line was under consideration they

might construct it at both ends—the western end and the Rockhampton end as well. We pointed out to the Minister that the result of not laying the plans on the table would be the complete stoppage of the Central Railway works; and he told us it would not be necessary to ask the sanction of Parliament—that if, after a few months, he made up his mind and the matter was settled, he would undertake to call for tenders, so that there would only be a delay of a few months. That fell from the Minister for Works distinctly. I have no wish to do otherwise than give a truthful version of what he did say. I do not propose to go into the Central Railway question to-day; no doubt in due time that matter will be brought before the House; I rose simply to express my concurrence with what fell from the hon. member for Barcoo last night.

The Hon. J. M. MACROSSAN said: Mr. Speaker,—I had no doubt when I saw the report of the expressions made use of by the Minister for Works to the deputation that it was substantially correct, although I was told there was no reporter there, because I was convinced that the members of this House who were on that deputation would not make such a misstatement; and they could not have invented it out of their own heads, seeing that they were themselves actually opposed to separation. But we are told this evening that there was a reporter present during part of the interview, and that he was present when the Minister for Works made that statement; therefore, my previous opinion has been confirmed. Now, I agree with the Minister for Works that, as a general rule, we cannot place too much dependence on what he says; but when he speaks as the mouthpiece of the Government, delivering the Government policy, it is a very different thing. He is the oracle then, and what he states is to be taken as the truth about the Government policy. I am a little surprised that the Government have countenanced the idea of the Minister for Works, and I am sorry as well as surprised. If they will just look at the facts of the case, they will see that whether this line goes west or north, it will not under any possible circumstances be able to obtain the trade of that portion of the colony which the Minister for Works said they were going to deviate the railway to obtain. The geographical position of the two ports at which the Central line and the Northern line commence—Rockhampton and Townsville—forms a complete answer to the question. The distance from Rockhampton to the end of the present section under construction at Barcardine is 370 miles. The distance from Barcardine by road to Winton is 188 miles. The distance from Townsville to Hughenden, now under construction, is 233 miles. The distance from Hughenden to Winton by road is 142 miles, and that distance over one particular flat of 20 miles can be lessened by one-half. But taking it at its present length, we have 142 miles and 233 miles against 188 miles and 370 miles, which gives the Northern line an advantage of 183 miles. I ask the hon. gentleman at the head of the Government if he thinks it possible that under such circumstances the Central line can compete with the Northern for the trade of that district?

The MINISTER FOR WORKS: It can be done easily enough.

The Hon. J. M. MACROSSAN: I do not mind what the hon. gentleman says; he is speaking for himself now, and not explaining the Government policy. It is quite possible for the Minister for Works, with the concurrence of the other members of the Cabinet, to call for tenders for the line, if we have the surveys and

plans ready towards Winton, without the sanction of the House being first obtained, and to ask the House afterwards to indemnify them for their unparliamentary action, which they would no doubt obtain. But what would be the result? They will have the Northern portion of the colony to contend with, even if separation is not granted; and if separation is granted they will have the new Northern Government to contend with on that question; and if they raise up a feeling of ill-will, which they would do by such conduct, between the two colonies, I know very well which one would suffer most in a contest of railway traffic and railway rates. I hope the Government, of which the Hon. Sir S. W. Griffith is the head, will have a little more sense than to be "bossed" by the Minister for Works as to the direction in which this railway should go. It is an absurdly ridiculous position to take up. I am not against the Government in stopping this railway at the end of the section now under construction. That is a matter which concerns themselves, although it concerns the country also to see that equal justice is done to each portion of the colony. Ever since these railways were commenced, every Government has held that they should be taken westward, and if the present Government decide that they shall take some other direction they will be making a serious mistake, and one which will tell severely against Queensland in future years if separation does take place.

Mr. LUMLEY HILL said: Mr. Speaker,—I should like to say a few words on the question, as I am well acquainted with the whole of the country that is drained by the Central line. It has been a matter of regret to me that the line has not been carried on to the Thomson, as was proposed. If the Land Act is to be a success, so far as the small grazing farms are concerned—if we are going to give them any chance at all—this is the place of all others where they may succeed. It is one of the few large permanent waterholes in the district, and grazing farms of 10,000 or 20,000 acres can only have a reasonable chance of success when they are located near a large supply of permanent water. There is not much of that in the large Western district. Hon. members on this side little know how few and far between the big waterholes are. With regard to the Central line, there is no doubt that the receipts have fallen off heavily; but prosperous times will return, whether the Land Act is a success or not. The Central line was one of the main trunk lines of the colony, and it ought to be continued westward under any circumstances. It should certainly not be taken to Winton, whose trade finds its natural outlet at Townsville. The line should be made west as far as the Thomson, and then turn a little to the south-west so as to go through the richest country, and make as fair and equitable a division of the trade—having relation to the relative distances of the two competing ports, Rockhampton and Townsville—as possible. I do not want the South to get the better of the North, nor the North to get the better of the South. I want to see fair play, and the country as thoroughly drained by railroads, and more especially main railroads, as it can possibly be. A very suitable spot has been chosen for crossing the Thomson, which, as a rule, is a very difficult river to cross. In some places it is ten miles wide, while here it is confined between two high banks, and could be easily bridged over. I am very sorry the Minister for Works cannot see his way to extend that line, and I would remind him that the present affords a most favourable opportunity for going on with it, seeing that there is such a large amount of unemployed labour available.

The PREMIER (Hon. Sir S. W. Griffith) said: Mr. Speaker,—I do not think the success or failure of the Land Act depends in the slightest degree on our continuing the railway from Barcaldine to the Thomson River, or a few miles on the other side of it. It has always been understood to be the settled policy of the country that the three trunk lines should go in a westerly direction. Of course the Northern line has had to be taken south to get to Hughenden—

The HON. J. M. MACROSSAN: To get to Charters Towers.

The PREMIER: Yes; and the Government will not make any change in that policy without the sanction of Parliament. There need be no alarm about that. Whether the Central line should be continued at all at the present time is a very serious question, and a very different one from the direction in which it should go. The returns are very discouraging indeed, and there is little to induce us to expect any larger returns on the completion of the line, because all the traffic there is travels now by it. With respect to the surveys to the Thomson River, I do not exactly know where they are made, but I understand that it is thought they go too far to the south. As to taking the line to Winton, that is out of the question. Still there is no necessity to keep the line on exactly the same parallel of latitude. We are not bound to run the line along a parallel of latitude like the Czar of Russia, who said he would make a perfectly straight line from St. Petersburg to Moscow and no other. We shall probably keep as nearly as practicable to the west, and cross the Thomson at the most suitable point. I have heard a great deal of the crossing mentioned by the hon. member for Barcoo. I have heard the crossing spoken of as a good one, but the Government will be in possession of detailed information shortly, and if it is thought desirable to go on with the line there will not be much delay. One hon. member asked whether it was practicable for the Government to go on with the line without the sanction of Parliament? Well, it is and it is not. The land through which the line would pass is all Crown land, and we therefore should not require to resume any land, but if we made the line without obtaining the sanction of Parliament we should be liable to get into trouble; we might do it on the chance of getting the House to approve afterwards, and that has been done in respect to unimportant lines; but it would be a serious risk to undertake to go on with the Central line, in whatever direction, without the approval of Parliament.

Mr. MURPHY said: Mr. Speaker,—The hon. the Premier said in his speech just now that the success of the line did not depend upon the settlement that would take place between Barcaldine and the Thomson, and I quite agree with him that it does not; but its success depends upon a certain amount of settlement taking place out in the interior, and we cannot expect it to take place at any distance away from the railway route and away from permanent water, because the country is too dry and arid for small settlers, and they cannot afford to put up the expensive improvements that are necessary. But if the railway is taken out to the Thomson, it will be taken to a part of the country where the Land Act will have some chance of succeeding. I do not say that that is the only chance, but it will be made possible for the Act to succeed in that part of the country. The Minister for Works tells us that this railway should go out to Aramac and Muttaborra, but to get to Aramac the railway would have to turn round exactly at right angles. In fact, if it

was taken out to Aramac, Muttaborra, and Winton, it would be exactly like a streak of lightning in a very short time. Now, how is it possible to make railways pay, if you are going to take them in such a zigzag fashion, when you can get all the traffic you can possibly get by continuing on in a straight line out west? That was the route laid down by Parliament years ago, and very wisely laid down, that the line should continue to go out west, without regard to the small townships on either side. If it keeps on the course it is now going it will get all the traffic from those townships, and would certainly do them no good if it ran through them. It would simply have the effect in that case of wiping every one of them off the face of the country. The very worst thing that could happen to those several centres of population would be to put a railway through them, because it would utterly ruin them. Now, with regard to the extension of the line. The Premier thinks that if it was extended any further the receipts would continue to diminish on account of the extra expense, and the extra amount of capital laid out; but it is well known that in taking a railway out into a new country, as it goes along it will make its own trade. By extending the line the industry of sheep farming will be extended, people will begin to fence their runs, an immense amount of fencing wire will be carried along the line, and, as a consequence, an immense quantity of wool will come back. The field for labour will be largely extended, and I am satisfied that if the line was extended another 150 or 200 miles out it would still pay, and pay even better than it does now. With the permission of the House, I will withdraw the motion.

Mr. MELLOR said: Mr. Speaker,—Before the motion is withdrawn, I would like to make a few observations in reference to what was said by the hon. member for Townsville the other night. I think he was unnecessarily severe upon me for what I said about Mr. Surveyor Phillips. At the time I made mention of that gentleman's name I had no idea of detracting from his character. I had not the slightest intention of injuring the gentleman, but I simply took exception to the report he made upon the valley of the Mary. I will read an extract from the report, but, before doing that, I may say that the valley of the Mary is in some places fifty miles wide, and I know that in that district of which Mr. Phillips speaks there are 10,000 or 12,000 head of cattle. Now, this is what Mr. Phillips says:—

"The population of all that part of the valley of the Mary above Yabba Creek is very limited indeed, and I question whether it amounts to thirty souls all told. As regards the character and productiveness of the country, I must confess that after the glorious accounts I have heard I was much disappointed. The natural grasses are inferior, principally foxtail and blady; the best grass I saw is the couch; that near the older homesteads is struggling to supplant the indigenous grasses. I think it doubtful whether a really fat bullock was ever turned off the Mary River above Yabba Creek, nor can the number of cattle depastured be very great. I did not see 100 in the whole distance, and the only ones in good condition were a mob of about twenty Herefords on Cannondale. The soil, except in the river flats, which are alluvial and consequently flooded, seldom improves beyond a sandy loam; very occasionally, small patches of black soil are met with, generally opposite a number of gulches from the mountains. Many of the forest ridges are hard gravelly clay, especially near Imbil, and the scrub lands are generally away on steep mountain sides. I only saw two pieces of really strong agricultural land fit for the plough above Yabba Creek. The larger is an open plain called Bolyer Flat, containing some 500 acres of good black soil; and at 98 miles there is a pretty little blacksoil flat with an area of perhaps 100 acres."

Now, I ask, is that a fair report for a surveyor to give in reference to the facilities of a district of that description? I say it is not a fair

report; and in speaking about the line I know the gentleman could not have had any knowledge of what he was saying. I believe he travelled over the surveyed line, not going either to one side or the other. He did not thoroughly examine the country, and other people can bear me out in what I say. I had hoped that the Minister for Works would himself have come up and inspected the two routes for himself.

The MINISTER FOR WORKS: I am coming.

Mr. MELLOR: It is too late now, but in any case I hope the hon. gentleman will come and see the country for himself, although we have accepted the coastal route now. The people of Gympie accepted that for two reasons—on account of its low cost, and its suitability for defence purposes. Now, another surveyor who, I think, has an equally high reputation with Mr. Phillips, inspected both routes, and this is what he says of the country:—

“On the route on the south side of the Blackall Range there is some first-class agricultural land.”

Now, I must say, as I stated last night, that the valley of the Mary will command attention at some future time, and that at no great distance. It will be seen by the Government of the country and by the people that it is a very valuable asset indeed, and I should be very sorry, for this reason, to see anything done that would detract from the development of its resources. I believe that the valley of the Mary is one of the best agricultural districts in the colony. I know most of the rivers in the colony, and I say, without fear of contradiction, that the valley of the Mary has more agricultural land and better land than any other river that I know in Southern Queensland. I believe that it will command attention, and be one of the closest settled districts in the colony at some future day.

The SPEAKER said: I consider it my duty to direct the attention of the House to the effect of a practice that is creeping in, which is likely to cause the greatest possible inconvenience. Standing Order No. 160 of the House of Commons is to this effect:—

“No member is to allude to any debate of the same session, upon a question or Bill not being then under discussion, except by the indulgence of the House, for personal explanations.”

Our own Standing Order is equally clear and explicit on the point:—

“85. No member shall allude to any debate of the same session, upon a question or Bill not being then under discussion, except by the indulgence of the House, for personal explanations.”

And “May,” at page 364, referring to the practice of the House of Commons, says:—

“It is a wholesome restraint upon members to prevent them from reviving a debate already concluded, for otherwise a debate might be interminable; and there would be little use in preventing the same question or Bill from being offered twice in the same session, if, without being offered, its merits might be discussed again and again.”

And so recently as 1880 Mr. Speaker Brand gave the following decision. The occasion was on the 26th February, 1880, when Mr. Plimsoll rose to move the adjournment of the House to call attention to some observations which had been made by Viscount Sandon, the member for Liverpool, with regard to the Merchant Shipping Bill, and the Speaker called him to order, and gave the following decision:—

“The hon. member is now referring to a discussion which took place the other evening on the motion of the noble Lord, the member for Liverpool (Viscount Sandon), and to a Bill which the hon. member introduced in the earlier part of the session. The hon. member must be aware that to refer to debates that have taken place during the current session is irregular. It appears to me that the course the hon. member is now taking is quite irregular, and it is not covered by moving the adjournment of the House.”

Mr. Plimsoll at once deferred to the decision of the Speaker, and did not proceed further with the discussion. The hon. member who moved the adjournment of the House this afternoon did so for the purpose of making some observations in reply to remarks made by the hon. the Minister for Works last night. The hon. member for Wide Bay has risen to refer to another matter which was commented on by the hon. member for Townsville last night; so that hon. members will see the very serious inconvenience which is likely to arise from the practice of the adjournment of the House being moved to refer to previous debates. It is my duty, acting in conformity with the Standing Orders, to stop such discussion when it commences. When we have Standing Orders to guide our proceedings they should be adhered to by hon. members as closely as possible. I feel sure that by so doing we shall facilitate the course of public business. Is it the pleasure of the House that the motion be withdrawn?

Motion, by leave, withdrawn.

IPSWICH GRAMMAR SCHOOL LAND SALE BILL.

The following formal motion was agreed to:—

By Mr. FOOTE—

That leave be granted to introduce a Bill to enable the trustees of the Ipswich Grammar School and their successors to sell, mortgage, lease, or otherwise deal with the land described in deed of grant No. 62330.

Bill introduced and read a first time.

COAL CONTRACT OF R. AND J. LINDSAY.

On the motion of Mr. FOOTE, the House resolved itself into a Committee of the Whole to consider of an address to the Administrator, praying that His Excellency will be pleased to cause to be placed upon the Supplementary Estimates for the current financial year the sum of £400, to compensate the Messrs. Lindsay for the breach of their contract.

Mr. FOOTE, in moving the resolution, said it was not his intention to occupy the time of the Committee by recapitulating what he said upon the subject that day week. Other members of the select committee appointed to inquire into the matter were present, and they, no doubt, as well as other hon. members who had carefully read the evidence, wished to say something on the subject. He was fully satisfied for the present to leave the matter in their hands.

The MINISTER FOR WORKS said he gave notice the last time that matter was before the House that he would move an amendment in committee on the sum recommended by the select committee to be given as compensation. The Railway Department in entering into the contract with Lindsay Brothers—it was at the time when the hon. member for Port Curtis was in office—made provision that they should have the power to obtain a supply of coal outside the contract. But the special clause in the contract to which he would direct attention was the last:—

“Should the contractors fail to carry out their contract to the satisfaction of the Commissioner for Railways, it shall be lawful for the said Commissioner, on giving one month’s notice of his intention so to do, to cancel the contract, saving all right of action for any breach.”

Now, the fact of the matter was that the only mistake that was made by the department was that they did not give this month’s notice of the termination of the contract, and for that reason the Government had come to the conclusion that Messrs. Lindsay were entitled to some compensation. From their own statement they made

out that their profits for a month would be £100, and the Government, under the circumstances, had no objection to award that amount. He was free to admit that the officials of the Railway Department induced Lindsay Brothers to enter into the contract for the supply of coal. He was also satisfied that the Railway Department did all within their power to assist Lindsay Brothers and give them every consideration in carrying out the contract. But the coals were of such a description that if hon. members would read the report of the Locomotive Department they would come to the conclusion that great forbearance had been shown to Lindsay Brothers. Some engine-drivers described the coal as black soil and rock. He knew himself that it was very bad, because he travelled frequently on the line, and owing to the inferior quality of the coal it was the usual thing for the trains to stop two or three times between Murphy's Creek and Highfields, and between Highfields and Toowoomba. It was utterly impossible to keep up steam with the coal, while it seriously damaged the locomotives. Notwithstanding all that, the Railway Department endeavoured to assist Lindsay Brothers in carrying out their contract, because the other coal-masters had entered into a combination not to supply the Railway Department with coal under a certain price. It was, however, utterly impossible to time the trains, and they were continually half-an-hour or an hour and more late. Moreover, the filth from the coal completely smothered all the carriages, and if passengers happened to take off their hats their hair was completely covered with soot-dirt and coal. Indeed, he himself felt ashamed because the passengers used to make very uncomplimentary remarks and asked the engine-driver to get firewood to enable them to get on. He was quite sure that hon. members who had read the correspondence must come to the conclusion that the Railway Department could take no other course than what they did. It was of very great importance to keep time with the trains, but he himself could have run through black-soil country and kept better time than the trains, and their delay was a source of constant complaint.

Mr. FOOTE asked if all the rest of the coal was as good as that supplied by Lindsay Brothers?

The MINISTER FOR WORKS said that about the time that the contract was taken out of Lindsay Brothers' hands they supplied some coal for testing. That coal was tested, and if hon. members read the reports of the engine-drivers there could be no mistake about its being bad. He knew that the hon. member for Bundamba was alluding to the fact that the Railway Department was getting a supply of coal at the time from other coal-masters, and that it was the other coal-masters who supplied the bad coal.

Mr. FOOTE: Hear, hear! Read the evidence.

The MINISTER FOR WORKS said that from the very first consignment of coal supplied by Lindsay Brothers they were warned that unless they supplied better coal the department would have to cease taking their coal. Those complaints were kept up during the whole of the time the contract lasted, and that was the reason why, in his opinion, the department did not require to give a month's notice. They had given notice from the first delivery that unless coal of better quality was supplied the contract would be cancelled. However, seeing that a month's notice was not given, the Government were quite willing to award Lindsay

Brothers £100 as compensation. He therefore moved that the figure "4" be omitted, with the view of inserting the figure "1."

Mr. WAKEFIELD said there appeared to be a claim arising out of what was commonly called breach of contract. It seemed that the Government entered into a contract with the Messrs. Lindsay Brothers for a supply of coal to the Railway Department. The coal was apparently not of first-class quality. At the time the contract was let the coal-masters had entered into a combination with regard to prices, and Messrs. Lindsay Brothers agreed to supply the Government with coal at a moderate price. The Government accepted the contract, agreeing to take coal from those gentlemen for a long period. There were complaints made about the quality of the coal, and it was agreed that 100 tons should be forwarded to the department for a test. There appeared, however, to be a great deal of laxity in the Railway Department, and only about one-half the 100 tons supplied as a test could be traced. If the coal was of such a bad quality as the Minister for Works had stated, why did the Government continue taking it for so long a period as they did, when they could have terminated the contract by a month's notice? Why did they not cancel the contract? But no, they did not do that; they continued taking the coal, and then suddenly terminated the contract without due notice. As a proof that Messrs. Lindsay Brothers were entitled to some compensation, it was only necessary to point to the proposal of the Minister for Works to give them £100. The committee, however, after taking everything into consideration, had come to the conclusion that £400 was a fair amount of compensation to the Messrs. Lindsay. As a member of the committee, he concurred in that view. The profits of the contractors for a month at 2s. per ton on 1,200 tons, which was the quantity supplied, would be £120. But as the contract was terminated so suddenly, he thought they should have more than one month's profit as compensation.

The PREMIER said he had not been able to ascertain from anything the committee had said why they awarded the Messrs. Lindsay four months' profits as compensation. The contract was for the supply of 1,000 tons of coal a month, upon which the contractors said they made 2s. per ton profit. That was £100 a month. By the contract it might be terminated at a month's notice, so that they could not possibly have lost more than £100, if they lost that. He could not see, then, why the committee should give them four months' profits. Surely it was not contended that the Messrs. Lindsay were entitled to four months' notice! If they had received notice of the termination of the contract, they would have supplied coal for a month and would have made £100 profit. What more could they ask? It seemed as if the committee were going to compensate them, not for the contract having been broken, but for having entered into it. Surely that was not the ground upon which Parliament was to be asked to vote away public money! Parliament had no right to pay money unless it was due. He repeated again that he did not see why those men should get four months' profit. If the members of the committee who inquired into the matter would explain why they should, they might remove a difficulty.

Mr. DONALDSON said it was quite clear to his mind that the Premier had had a little too much to do, and had not been able to go through the evidence that was taken before the select committee. If the hon. gentleman had gone through the evidence he would probably have been inclined to take a somewhat more lenient view of the case than he appeared to do from

the view he had just expressed. After due inquiry the committee arrived at a certain conclusion, and he (Mr. Donaldson) would attempt to give some reasons why they came to that conclusion. He maintained that there was no credit due either to the coal contractors for supplying bad coal, or to the Railway Department for the way in which they provided trucks for the carriage of the coal. From the beginning to the end of the contract there was very great laxity indeed on the part of the Railway Department. One great complaint the Messrs. Lindsay Brothers had was that they took the contract at a very low price, and that they were not supplied with trucks on many occasions, in consequence of which they suffered very great loss. That was going on for months and months. There was no doubt that a great deal had taken place verbally between the firm of Lindsay Brothers and the Railway Department which did not appear on the records. The committee were furnished at the beginning of the inquiry with correspondence relating to the case, and it was then pointed out that some very important letters were missing, which showed that there was very great laxity in the Railway Department. He was free to admit that the coal supplied by the contractors was of very inferior quality, and that if the department had taken advantage of the provisions of their contract they could have terminated their agreement, because the contractors were not giving satisfaction. Had that been done there would have been no reason for the case ever coming before the committee. But it was not done; the contract was kept in existence for a considerable time, and he really believed that at the time the contract was terminated better coal was supplied than at any previous period of the contract. There was not the reason then for discontinuing the contract that there had been at other times. No doubt many complaints had been made about the coal, and notwithstanding that the evidence in some places was not to his mind conclusive enough to prove that the coal came from their pit, still he believed the coal was not of good quality. In estimating the amount of compensation to which the contractors were entitled, they should take into consideration the sudden stoppage of the contract, which would be a loss to the owners of the mine. They must also, in all fairness, bear in mind that the contractors had long before had a private trade, but lost that on entering into their contract with the Government. If they had received due notice of the termination of the contract they would have been enabled to make provision to send their coal to some other place for sale. The evidence went to prove that the coal they were supplying to places in Brisbane and Ipswich gave great satisfaction, and it was also asserted in evidence that the coal was now of a better description than it was at first, which was frequently the case with coal in the Ipswich district, where none of the coal was first-class—none of it equal to Newcastle coal. It was a complaint from the beginning of the contract that the Government did not supply sufficient trucks to take the coal away, in consequence of which the work of the mine was stopped day after day, and many men left the firm because they could not keep them fully employed. Those were matters which ought all to be taken into consideration in estimating the amount of compensation. There was no doubt that through the action of the Railway Department Messrs. Lindsay Brothers suffered considerable loss. While he would not be a party to allowing any person who had a grievance against the Government to come before the Committee for the purpose of getting reimbursed for his own carelessness, still he thought a man should be reimbursed for any loss sus-

tained in consequence of the improper action of the Government. He would not, however, make it any profit to such a person. He had no doubt that from a dry, legal point of view the Premier was quite correct—that they could only claim the actual loss that they incurred. At least, they could only claim the actual profit that they would have derived from the coal supplied to the Government. But it must be borne in mind that they were prevented from selling coal elsewhere, and not having received any notice, they were compelled to stop their works altogether. That was the evidence before the committee. If the firm had received a month's notice they might have made other arrangements. Surely that ought to be taken into consideration. If they had received a month's notice, during that time they would have been able to go elsewhere, and try and sell their coal; but that was not done. They did not know whether the contract had terminated or not for some time; they did not get any official notice. As was pointed out before, there was no credit due to the Government, at all events, so far as the contract was concerned. A great deal was done verbally that should have been done in writing. A great many complaints were made verbally to Lindsay Brothers that should have been made in writing, and proper notice should have been given. They should have been told that if they did not supply better coal the contract would be terminated. That was done upon one occasion. They were threatened that the contract would be broken if better coal were not supplied. Lindsay Brothers then supplied 100 tons of coal for testing, and the reports upon that coal were not satisfactory or conclusive. The committee had not sufficient proof that that very coal was actually tried. He was sure that, while the coal had been condemned by the firemen on former occasions, yet after that coal was supplied no information had been given concerning it. He had taken a great deal of trouble at the time, and went over the evidence carefully when he was not able to be present, and was not satisfied in his mind with the test of the coal that had been supplied for that purpose, nor was he satisfied yet that that coal had been kept distinct from other coal in the yard. They had it in evidence that other contractors were supplying coal at the time, and that was not kept separate from the other. In fact, there was no evidence at all to prove that any of the coal supplied for some months had been of a satisfactory kind. If hon. members would take into consideration the great loss that accrued to the contractors, through not receiving proper notice, they would admit that a larger sum than the £100 offered by the department should be paid.

Mr. KELLETT said the hon. member for Warrego, in opening his speech, stated that he was sure the Premier, from press of business, could not have gone into the evidence, or he would not have made the remark he had. It was not usual for the Premier to get up and make remarks on a matter of that kind without having studied the case. As a rule, the Premier studied those matters more than most Ministers, and the hon. gentleman's remark was quite uncalled for. In spite of press of business, he (Mr. Kellett) made it his business to study the report carefully from beginning to end, and when the papers in connection with the subject were first called for, he read them all, and took a great interest in the affair. He might say that in a case of that kind—coal-miners against the Government—he would err, if at all, on the side of the coal-miners, as the Government could stand more than they could. In this case the whole trouble was that the coal was bad from beginning to end. Up to that time Lindsay Brothers had

not hit a good seam, and no doubt they tried the best they could. Mr. Horniblow, the Government agent in the matter, induced Lindsay Brothers to take up the contract at a time when some other coal-miners were asking very excessive prices; and they said they did not think they would be able to supply it. They did try it, and from the very first the reports from the engine-drivers in connection with the coal were very bad. He believed that the fault lay with the Railway Department for allowing the thing to go on so long. They were really to blame, as they were very lax in the matter. Mr. Horniblow, who was in charge, induced Lindsay Brothers to go into the contract, and gave them every chance. They told him they were opening up a better seam, and Mr. Horniblow said, "Open it, and we will be only too glad to give you the contract." He gave them a chance to open up a better seam, and the second was no better than the other, and he kept them on much longer than he ought to have done. With regard to the shortness of supply of trucks, there seemed to have been great laxity and want of business capacity in those who arranged the matter. He took it that when the contract was entered into, the trucks were to be supplied, and they should have been supplied, or else compensation should have been given. The reason why they did not get sufficient trucks was, he believed, because the Government were supplying them to other coal-owners. They were letting the matter go on day by day to see if the coal would get better. In going through the evidence given before the committee, he saw that there was a month's notice to be given by the Government; and if that month's notice were not given the Government should compensate them for the loss. He thought, when any person or company entered into a contract with the Government, even supposing there was to be a month's notice given of termination, if at any day or hour bad coals were supplied, the Government would not necessarily have to take them for twenty-four hours, and need not give any notice at all. It was always supposed that proper goods would be supplied according to the contract, and the Government need not give any notice at all when they were not. Lindsay Brothers did their best to supply the Government with good coal, and that was the only valid reason the Government had for offering them £100. He travelled a good deal on the railway about that time, and must say that the coals were dreadful. He was stopped going up the Range in a special train several times between Murphy's Creek and Toowoomba, and on one occasion he got out and asked the Locomotive Superintendent, who was there, what was the matter, and he replied that the coals were so bad that they could not get up steam.

Mr. FOOTE: In what year was that?

Mr. KELLETT said it was about two years ago. No doubt it was a poor coal that was being used. In the evidence before the committee it was said that several steamship owners and captains were supplied with very good coal by Lindsay Brothers, and he was very happy to hear it. But it was no argument that, because they supplied good coal now, they did so then. Anyone who read the evidence would see that the Government would only be too glad for them to continue as contractors so long as they could supply them with good coal, because the Government were getting it at a lower rate than they could get it from anybody else. It was to their own interest to take it. Lindsay Brothers had now hit upon a decent seam of coal.

Mr. FOOTE: It is the same seam.

Mr. KELLETT said it was no doubt the same seam, but they might commence on very bad, dirty, coal, and as they got further into it they might get clean and good coal. That was a thing that occurred every day. He was satisfied that the coal was bad then, although he did not doubt the statements of the steamship captains. He did not think there was a member of the committee who was not satisfied that the coal supplied at first was bad; but it was said that it was getting better towards the end of the time, though he did not see any evidence to prove that. If it had been getting better, there was every reason to suppose that the contract would not have been broken off, and he thought the Government were doing a very fair thing—in fact more than was due—in offering to give £100.

Mr. FOOTE said he regretted to have to get up again and go through the whole matter in order to refresh the minds of some hon. members. The hon. member who had just spoken thought the Government were very magnanimous in offering Lindsay Brothers £100. If they had thought that sum commensurate with the loss to which they had been put, and the signal service they had done the Government by giving them coals at 8s. per ton when everybody else charged 12s., they would not have come to Parliament for damages. The Chief Secretary, no doubt, confined himself within the exact letter of the law; he did not consider the way in which the contractors were put about in their business, or the inconvenience and loss they had suffered through giving up their trade to supply the Government. It was clearly shown in evidence that they did their best to supply the Government. In the first place they admitted that they were not in a position to supply the coal, and they did not tender for the contract.

The MINISTER FOR WORKS: They signed their contract.

Mr. FOOTE said they signed it after a lot of manipulating by the Government employes, who went fiddling about thinking they were doing a nice thing for the Government in an underhand manner by getting a party to supply coal at 50 per cent. less than it was worth in the market. If the hon. member wanted a little more of that sort of information he could have it; and the hon. member might as well keep silent. He talked a great deal about the soot in the railway carriages; but if the hon. member travelled in a carriage next to the engine now and opened his mouth for five minutes he would not be able to close it, on account of the smut that would fill it. And the seats of the railway carriages he complained about were just as troublesome now as they had ever been. So far as smoke and smother were concerned there was a difference, which he would point out. If a passenger got into one of the long carriages with the door opening towards the engine, he would get smothered very effectually, no matter whose coal was used; but if he wanted to be preserved from that smother he should get into a carriage with doors opening at the side, and then he would not suffer from that annoyance. He did not wish to wade through the evidence again, but he wished to show that it was admitted at the beginning that the contractors were not in a position to supply the Government. The contract was pressed upon them, and the officers of the Government said they would do all they could to help them—that was to say, they would take the coal as it was put out, and would not press them to supply the full amount until they were in a position to do so. One of the officers of the Government, to secure the contract, actually went to the contractors after night to get them to sign the contract, so that he might be able to say he had done a nice thing for the Government. There was a strike on at the time, and after the excite-

ment had abated they were able to shove the contractors off, and by degrees they did so. The contractors admitted that at first the coal was not as good as could be desired, but it continued to improve, and from January to May—the month the Government refused to take it—they made no complaint whatever. He was not going to state the cause for which they declined to take it. The Government said it was because the coal was not sufficiently good, and he might as well answer that at once. The coal improved from the beginning and up to the present time; and the result was that, notwithstanding the fact that they had been put about a great deal and prejudiced by the action of the Government, their output last month exceeded 1,900 tons; the output was equal to any pit in the district. He was not going to say who purchased the coal, but he knew that it had been used on some of the largest steamships that came to the port of Brisbane. That was an answer as to the quality of the coal which had been so much abused by the Minister for Works. With regard to the test that had been made by the department, he knew from the manner in which the evidence was given, and the parties who gave the evidence, that some of it was not true. The parties to whom he alluded were giving evidence before their chief—before the Minister for Works—before the head of the department, and was it likely that they were going to commit themselves? If they could but give their evidence in a way that would clear them, so far as they were concerned, of any remissness of duty, they were not going to commit themselves; and he did not think they did either one way or the other. This was the point he took: he said the evidence adduced by the contractors was to his mind considerably more reliable than the evidence adduced by the department. The department thought they were doing a good thing, and they were doing a good thing, but why did they not stick to it all through as well as at the beginning? They had given up taking the coal at a time when it was very much better than when they complained of it. Again, there was another point, and that was the loss sustained—and it was a loss that ought to be recognised by the Government—the loss occasioned by the Government failing to supply the contractors with trucks, when they were professing to take the coal. For two-thirds of their time the contractors were unable to work for the want of trucks, and the miners had to go home idle. Another matter which worked to the detriment of the coal was that the contractors were compelled to make a large shoot that would hold 100 tons, and in order to keep the miners going they filled it, and thus exposed the coal to the sun and weather, which detrimentally affected its quality. So that if there was more dust in that coal than there ought to have been, the department was again in some measure to blame for it. The Government—even though they were the Government—should surely be capable of fair play, and of honest, equitable, straightforward action, the same as any business man in the community! He could not see for the life of him why the Government should seek in any way to so guard the Treasury as to do anything that would have even the appearance of an act of dishonesty—he would not call it dishonesty, but anything that would have the appearance of refusing compensation to a certain extent, simply because they had the power to refuse it. He would not continue to speak further on the matter in the meantime, and he hoped he would not have occasion to speak again. He hoped the Committee would weigh the evidence, and would not be guided by any of the sentimental remarks offered by the Minister for Works. He hoped hon. members would treat the case absolutely on

its merits, and they would see that the amount stated in the select committee's report was a fair, reasonable, and equitable award; and he said, in all sincerity, it would by no means reimburse the contractors for the loss they had sustained in connection with their contract.

The PREMIER said he had waited for some information as to the way in which the amount of £400 was arrived at. He had listened carefully to the speeches of the hon. member who had just sat down and of the hon. member for Warrego, and he failed to find anything in their arguments to show how the £400 was arrived at. Both hon. gentlemen had addressed themselves to the question, to show that it was not quite certain that the coal supplied was bad, or was as bad as it was said to be. That was not an argument for requiring compensation from the Government to the extent of £400. If the coal was bad the contractors were entitled to nothing, because the Government would have been justified in refusing it altogether. There were two or three other grounds hinted at as reasons why the Government should be asked for compensation—three grounds, he thought, were urged. The first was the good conduct of the contractors, Messrs. Lindsay Brothers, in undertaking to supply the coal at all. Surely the Government could not be asked to reward them for agreeing to supply coal! Yet that appeared to be the principal argument used—that they should have compensation not for loss but because they were so good as to agree to supply coal to the Government at 8s. per ton. It was urged that they really should get some consideration in respect of that. They had got consideration for that in getting the contract, which they evidently thought was a good one. The contract was the compensation for that. The first argument amounted to this: that instead of getting 8s. a ton they should get more, because it was really very laudable on their part to give the coal at all. The next argument put forward was that compensation should be given because the Railway Department did not supply the contractors with sufficient trucks, or did not supply them with sufficient regularity. He could not see the force of that argument, because all the coal raised was taken and paid for.

Mr. FOOTE: They did not take a sufficient quantity together, and the men were consequently kept idle.

The PREMIER: They were not bound to take more than 1,000 tons a month.

Mr. DONALDSON: They did not take half that sometimes.

Mr. FOOTE: They did not take a fourth of it.

The PREMIER said there was no obligation on the department to take any particular quantity. If the department had made an agreement to take a certain quantity and took so much short of it, it would be an argument against the Government. There might be that in the case, but he had not seen it. There might be an argument in that, but up to the present time no argument of that kind had been adduced. The third ground advanced, so far as he could make out, was the injury sustained to their trade; that it took them a long time to get it up again. But they had no trade. Mr. J. Lindsay was asked, at question 14 of the evidence, why they were not ready to supply the coal at once; and his answer was—

"We had to have the mine opened up. We were not prepared to supply coal until the mine was fully opened up."

They had no coal to supply.

Mr. DONALDSON: Not a sufficient quantity. A thousand tons was asked for.

The PREMIER: They had not sufficient to supply any.

Mr. FOOTE: It is in evidence that they purchased coal from Stafford Brothers to supply the Government and keep them going.

The PREMIER said that Stafford Brothers supplied them with coal because they had not any to supply at all. As to the injury to their trade, Mr. Watson, their accountant, was asked, at question 123, for how long the work was stopped; and the answer given was—

"A couple of months before we got up to the average output again, until we picked up the town trade."

That was the present average, he supposed—the quantity they were supplying now.

Mr. DONALDSON: No; they have increased it since.

The PREMIER: Yes, they had increased it to 1,500 tons. Those were the three grounds urged in support of the claim for compensation, which was put at £400, and he had not heard any arguments to show why it should be fixed at that amount.

Mr. PALMER said he had been a member of the select committee that inquired into that case, but he was not present at the last meeting when the amount of compensation due to Messrs. Lindsay was fixed at £400. He had admitted when the consultation took place that compensation was due, but he had his own idea of what the amount of compensation should be, and when he saw the £400 placed down he did not hold himself bound by that amount, not being present when that amount was agreed to. He had a lively recollection of the first time he sat on a select committee. The chairman of that committee and the gentlemen connected with it were now where matters are not settled by select committees, but he was influenced still by the experience he gained on that select committee. He did not wish again to subject himself to the chance of the hon. member for Townsville referring to him and the other members of the committee, as he did on that occasion, as "The Innocents Abroad." If he was an innocent abroad at that time he had travelled since, and had come home with a good deal of experience, and he had made up his mind that if ever he sat on a select committee again he would look on the chairman and the committee itself with a very suspicious eye and sift all the evidence as much as ever he could. In fact, he looked upon a select committee as a means to get that which could not be got by any other means, and he regarded himself as a magistrate sitting on the bench with defendant and prosecutor before him. In this case there were two sets of witnesses. One said the coal was of the very best quality—that there was none superior and very little equal to it; the other party—the Railway Department—showed by evidence, which was now before the Committee, that the coal was of a most inferior kind; in fact, it was described as a mixture of black soil, shale, and other things, hardly fit to burn a dead bullock alongside a road with. Well, the Committee had of course to choose between the evidence of the conflicting witnesses, and his opinion was that the balance of evidence was in favour of the Government—that they did their best to make use of the coal. It stood to reason that if they could get coal at 8s. a ton they would not have gone elsewhere and bought it at 12s. a ton without some cause. He could not make light of the evidence of Mr. Horniblow, locomotive superintendent—who gave his evidence in a very straightforward manner, without, seemingly, any prejudice against the contractors—that the coal had been honestly tried, and that the reason why the department had not been able to carry out the contract was that the coal was of no use to them. Certainly the evidence showed

that the Government had not given the month's notice required by the contract; but continual complaints were made about the coal, that they were unable to carry on the traffic with it; the Postal Department was complaining about the non-arrival of mails; and these continual complaints he (Mr. Palmer) considered as almost equivalent to a month's notice. However, reading the contract literally, the Government were liable for a month's notice, but he held they were liable for no more; and he was going to support the amendment of the Minister for Works. He had listened to the evidence carefully throughout, and his questions had always been to the point whether there was any prejudice, on the part of the firemen or men using the coal, against Messrs. Lindsay Brothers. Mr. Horniblow and all the other officers of the department—gentlemen whose evidence was reliable—no slur could be cast upon them—said emphatically that there could be no possible reason why the men who tested the coal should give an opinion different from that which the facts warranted. There was another complaint made by Messrs. Lindsay, with regard to the supply of waggons. That was referred to in Mr. Curnow's reply to Messrs. Lindsay's complaint in the second paragraph:—

"Failure to supply waggons regularly, and in sufficient quantity. Messrs. Lindsay were in this respect, I understand, treated even better than other coal-masters, a preference being given to them, in most instances, on account of their contract with the department."

That he understood in this way: What is the use of supplying waggons to bring coal, which is of very little use when you get it? The whole inquiry resolved itself into the question, whether the coal was of use to the department—whether it was worth the amount they paid for it. Well, it would evidently have been to the interest of the department to use the coal if they could have done so, and he was satisfied that it was the misfortune of Messrs. Lindsay that their coal was not good enough for the wants of the Railway Department. The department was justified in taking every means to see that they were supplied with the very best material; because they were responsible for all the faults in the working of the lines. The department had given Messrs. Lindsay every opportunity to try and supply better coal; that was proved by the 100 tons which were supplied for testing purposes, which turned out just as signal a failure as the previous quantity. There was no doubt about that; Mr. Horniblow was quite certain that the 100 tons tested were identical with the 100 tons Messrs. Lindsay forwarded for test; at least forty-seven tons of it, that was all that appeared in evidence. He had particularly referred to that point in the evidence—whether the 100 tons had been kept distinct, and the evidence was as clear as possible.

Mr. FOOTE: Only two trucks were tested.

Mr. PALMER said the officers of the department were very clear in their evidence that it was kept distinct for the purpose of testing. He had been very particular in inquiring into that, because he considered the whole question hinged upon that point. The evidence on that point appeared on pages 30 and 31 of the report. From beginning to end the evidence showed plainly that the coal supplied was not of a kind suitable to the department. The sum of £100 seemed quite sufficient to cover the losses of Lindsay Brothers—that was the amount for which the department was liable—and he was quite willing, after having listened to the whole of the evidence with close attention, to support the amendment of the Minister for Works.

Mr. FOOTE said he wished to correct the hon. member as to the number of trucks supplied by the Government. There was on page 15 of the

report a letter signed "A. Watson, *pro* R. and J. Lindsay," and addressed to the Railway Traffic Manager, which would put the question in a different light. That letter was as follows —

"Braeside Colliery,
Bundamba, 11th January, 1894.

"SIR,

"Referring to ours of the 8th inst., to which we have had no reply—

"Since then we have received:—On 9th inst., 10 trucks; 10th inst., 4 trucks; to-day, 11th inst., 2 trucks; being an average of trucks for about twenty-five tons a day for our present output of seventy-five tons a day.

"The Government are daily breaking faith with us in their contract, they being bound to take fifty tons per day, and to send in trucks for that quantity; while at the same time the Traffic Department steadily refuse to give us trucks to enable us to dispose of our coals elsewhere as merchants.

"We have now 100 tons in our shoot, while our works have been almost entirely stopped this month, and at present have all the appearance of continuing to be so.

"Does the Traffic Department mean to shut us up altogether? We would also like you to explain how one of our neighbours can get daily, and regularly too, thirty to forty trucks, while we are left in such a plight."

Mr. CHUBB said the contract was of a very one-sided nature. While compelling the contractors to deliver 250 tons of coal per week if required, it did not bind the Government to take it.

Mr. FOOTE: They were bound to take an approximate amount in accordance with what they required for their use.

Mr. CHUBB said that was not so, and the clause giving the Commissioner power to terminate the contract seemed to him a peculiar one. As he read it, if the Commissioner was dissatisfied he could give a month's notice to terminate the contract, whether the coal was good or bad; but during that month he need not take a single ton of the contractors' coal unless he liked. That showed that the agreement was very much one-sided on the side of the department. The contractors had no protection whatever, although that might be said to be in a certain sense their own fault for not providing for it in the contract. What he (Mr. Chubb) was anxious to find out was, how the amount of damage was made up. The Commissioner could put an end to the contract by giving a month's notice, even assuming that the coal was of the very best quality. What damage had the contractors sustained? They had lost their profit on the coal that they would have supplied during the ensuing month, if the department had required any. That might have been none, in which case the damage would have been none. Admitting that they took 1,000 tons, the profit, at 2s. per ton, would have amounted to £100. But he did not believe that on the contract price they would make a profit of 2s. a ton; 1s. per ton would be nearer the mark. Mr. Lindsay, in the course of his evidence, said they did not have much trade when he commenced the contract; that after they got the contract they did not bother about getting any customers, because he believed they had a good contract with the Government; and that when the contract was terminated by the Commissioner it took them ten months to work up a trade. He (Mr. Chubb) did not see how the country could be made responsible for the ten months it took them to make up a trade. Then how much were they entitled to for damages? He could not see more than £100. He could not see even that, if the damages were assessed on legal principles. But admitting that they ought to have had a month's notice, and that the Government ought to have taken 1,000 tons of coal, the damages would be £100. If the coal was of the best quality, and they got it ready to deliver, they would not have lost the value of the coal, because they could have sold it; and if they had

not the coal ready they could not have sold it. Looking at it from every point of view, he could not see how the damages could be made more than the sum which the Government proposed to pay.

Mr. NORTON said that, as the hon. member for Bundamba had pointed out, Lindsay Brothers were induced to make the contract by the officials of the Railway Department. What he (Mr. Norton) knew of the circumstances was this: He had just accepted office at the time the matter had to be dealt with. The old contract was then about to expire, and the only tender received for a new contract, which was to extend over two years, was for 12s. a ton. The difficulty the department had to meet at that time was to get coal at a lower rate, at a rate nearer to that which they had been paying under the old contract. It was not deemed advisable to spring from 7s. 6d. a ton to 12s. a ton; there was no sufficient reason for it, and an impression prevailed in the department that the influential coal-owners had combined to prevent the Government from getting coal at a lower rate. An officer of the department went to different coal-owners and endeavoured to induce them to make a private tender to take up the contract, but his efforts were unavailing, until at last he went to Mr. Lindsay, who subsequently told him, at the office, that he would supply coal at 8s. per ton on condition that he would get the contract for three years. It was ultimately understood that Lindsay Brothers were to have the contract for two years, and they were to supply coal at 8s. per ton. Now, it was well known to the department at the time—it was understood—that the contractors would not be able to supply the full amount required, but they would make arrangements to keep up a full supply by getting coal from Stafford Brothers. There were complaints, he knew, that the coal supplied by the Messrs. Lindsay was inferior. How often they were brought he did not know, but there were a good many. The contractors were treated with a good deal of consideration. They were regarded with a certain amount of favour, and every concession that could be made was made to them. However, as time went on the complaints still continued. Some of the coal was pointed out to him, and it evidently was inferior, because there were streaks of shale running through it; but the arrangement was carried on under the belief that as they got deeper down the coal would undoubtedly improve. Now, he believed, from what he had seen of the evidence, that the quality of the coal supplied during the latter part of the term was good, and he could not see that there were the same number of complaints towards the end of the term as at first. His difficulty was this: that like the Chief Secretary he did not understand exactly the grounds upon which that £400 was arrived at. Undoubtedly the Government were liable to give a month's notice, and if £100 was allowed for that, some other consideration might well be given to the contractors on account of the fact that they were not supplied with trucks as they ought to have been in order to take the coal away. That occurred once or twice, and he had insisted upon the contractors being supplied with trucks under all circumstances, even if others had to wait for them; so that he thought they were entitled to some consideration on account of the loss sustained through trucks not being supplied at the proper time and their not being able to make up the full quantity which they would otherwise have done. Then there was another consideration which might be taken in favour of the contractors. That was, that through the month's notice not being given they were kept for a time in a state of suspense. They did not know what was going to happen to them. If they had known

that the contract was going to be terminated, then they would have been in a position to endeavour to find a fresh market for the coal which had accumulated.

The PREMIER: When the contract was terminated they had that month's notice.

Mr. NORTON: But they were kept in a state of suspense.

Mr. FOOTE: The Government never gave notice.

Mr. NORTON said if the contract had been taken off the hands of the contractors at once, and if they had received notice that it was taken off their hands, then they would have known what they were doing; but being in a state of suspense they were not in a position to enter into other contracts with private persons. Therefore, he thought, taking all matters into consideration, the contractors were entitled to something more than £100. He was not prepared to say that they were entitled to £400, because he could not see how that sum had been made up; but if half that sum were granted then the hon. member for Bundamba ought to be very well satisfied. He was not prepared to say positively that the contractors were entitled to £200, but he felt pretty confident that they were entitled to more than £100.

Mr. FOOTE said he did not want to prolong the discussion, but if the Government would accept the suggestion of the hon. member he would be willing to accept £200. Would the Government consent to give £200?

The MINISTER FOR WORKS: No.

Mr. FOOTE said he presumed the Government wished to give fair play to the contractors. Now, if the committee had arrived at a result by calculating the coal at 12s. a ton, it would have amounted to some thousands, but they did not entertain that idea for a moment, although he believed that the Government would be strictly liable for the whole amount. The Government kept the Messrs. Lindsay in suspense. They never revoked the contract; they kept the mine in a state of idleness; they did not take the coals that were really required, and they did not liberate the contractors so that they could find another market for their coal. Consequently, the committee came to the conclusion that the contractors were entitled to £100, through not having had any notice; also, that they were entitled to some consideration in consequence of the loss of their local trade, and they were entitled to further consideration in consequence of the prejudice raised against their coal through the action of the department. Taking all those matters into consideration, the committee came to the conclusion that £400 was a fair and equitable amount.

The Hon. J. M. MACROSSAN said the Government might fairly accept the suggestion of the hon. member for Port Curtis. It seemed to him that £100 would not be a fair compensation. The contractors would be able to get more than that in a court of law.

The PREMIER: £100 is the outside sum they could possibly get if the coal was good.

The Hon. J. M. MACROSSAN said that was speaking from a strictly legal point of view; but they must remember this, that the Government were in a very tight fix at the time the Messrs. Lindsay were induced to enter into the contract, and by inducing them to go into the contract the Government had saved many hundreds of pounds. Even although the coal was inferior, yet the other coal-masters were brought to their senses, and he thought the Government were fairly entitled to consider the

question beyond £100. He would not say the contractors were entitled to £400; but by voting for £100 only he felt he might be doing the Messrs. Lindsay an injustice, and he would sooner vote for the sum suggested by the hon. member for Port Curtis.

The MINISTER FOR WORKS said he had no particular wish to be hard upon Lindsay Brothers, although he thought they had had very great consideration. As it was not likely that a similar contract would ever be entered into again on the part of the Government, he would consent to £200 being voted. It was a mistake to enter into a contract of that kind for two years. The present contract was for 6,000 tons, which was three months' supply, and the Government got the very best coal.

Mr. NORTON: There are plenty of mines now.

The MINISTER FOR WORKS said the Government would do far better to pay 12s. 6d. a ton for coal than take rubbish, consisting of black soil and shale, for 8s. Under the circumstances, he would withdraw his amendment.

Amendment, by leave, withdrawn.

The MINISTER FOR WORKS moved that the resolution be amended by the omission of the figure "4," with a view of inserting the figure "2."

Amendment agreed to; and resolution, as amended, put and passed.

On the motion of Mr. FOOTE, the House resumed, and the CHAIRMAN reported that the Committee had agreed to the resolution with an amendment.

On the motion of Mr. FOOTE, it was ordered that the adoption of the report stand an Order of the Day for Thursday next.

BUILDING SOCIETIES BILL.

COMMITTEE.

Upon the Order of the Day being read, the Speaker left the chair, and the House resolved itself into a Committee of the Whole to further consider this Bill.

On clause 2, as follows:—

"In this Act, unless the context otherwise indicates, the following terms have the several meanings set against them respectively:—

- 'Building Society' or 'Society'.—Any society registered under this Act having for its object, or one of its objects, the raising of a fund by payments, subscriptions, or contributions made by its members, and the application of such fund in assisting its members to obtain freehold or leasehold property, or in the making of loans or advances to its members or others, upon the security of freehold or leasehold property with the periodical repayment of principal and interest by instalments;
- 'Committee of Management'.—The managing body of a building society, whether called a board of directors, committee, or by any other name;
- 'Existing Society'.—Any building society existing at the passing of this Act, and which has been registered under the Friendly Societies Act, 1876, or any Act thereby repealed;
- 'Terminating Society'.—A society which by its rules is to terminate at a fixed date, or when a certain event or result specified in its rules happens or arrives;
- 'Permanent Society'.—A society which has not by its rules any fixed date or certain event or result when it is to terminate;
- 'Secretary'.—The secretary, manager, managing director, or other principal executive officer of a society, by whatever name he may be called;
- 'Investing Member'.—A member of a society who participates in the profits of the society, whether his shares have been borrowed or advanced on or not;

'Investing Shares'—Any shares the holders of which participate in the profits of the society, whether such shares have been borrowed or advanced on or not;

'Court'—The Supreme Court of Queensland;

'Registrar'—The Registrar of Friendly Societies;

'Certifying Barrister'—The Attorney-General or such other barrister as the Governor in Council may appoint to be certifying barrister for the purposes of this Act."

The PREMIER said when the Bill was before the House last week some questions were raised as to whether existing societies should come under the Bill or not. There seemed to be a general impression on the part of some hon. members that existing societies ought to be subject to the Bill, and to a certain extent he thought that was right. He thought some of the provisions of the Bill should apply to existing societies, but he believed it would not be convenient, nor indeed practicable, to compel all building societies to come under the Bill as a whole. The scheme of the Bill was to make a society a corporation. At present it was not a corporation; it was an entity created by the Act, the legal functions of which were performed by trustees. The scheme of the Bill was, as he had said, to make it a corporation; and it would be very inconvenient to compel such societies to come under the Bill if they did not wish to do so. He did not see how they could make them; but so far as some of the provisions of the Bill were concerned it was very desirable that they should apply to all existing societies. For instance, all the enabling provisions—as to the employment of funds; as to taking money on loans; as to receiving funds by paid-up shares; as to taking land; taking deposits on loan; and all the other provisions contained in the part comprised in clauses 21 to 31. These would very conveniently apply to all building societies, whether under the Bill or not. The provisions with respect to the accounts of societies might be also very conveniently applied to all societies. Then there was the question as to the audit of accounts. Clause 35 of the Bill provided for an annual account, which was not required at any particular time. He believed that different building societies made up their annual accounts at different dates, and the existing law, which required them all to be made up to the 31st December, had been found very inconvenient. He thought, therefore, that it would be convenient to provide that the provision of the Friendly Societies Act should not apply to building societies so far as related to the sending in of annual accounts; and that clause 35 of the Bill should apply to all societies, adding a provision that the registrar might call upon societies to give any further information that might be required as to their accounts when they were sent in. If that were done, practically the auditing of the accounts would be under complete control. He had noted in his copy of the Bill amendments, which were almost entirely verbal, to give effect to those provisions. In the first place he proposed to amend the definition "building society" by leaving out the words "registered under this Act." One of the main objects of that was to make the 41st section of the Bill intelligible. As the Bill was now framed he was afraid that the clause would be inoperative. It provided that "No building society shall be hereafter formed or established except under this Act." The interpretation of "building society" in the clause before the Committee was "a society registered under this Act having for its objects," etc. A building society was a society with the objects defined in the clause, and he thought it desirable that every building society should be subject to that Bill, because they were constituted for

peculiar objects in respect to which it was desirable, in the general interests of the public, that certain safeguards should be provided by law. He then proposed to insert a definition of the term "registered society," which would mean any society registered under the Bill, or under the Friendly Societies Act. Then, in each clause, as they went through them, they should use apt words to express whether that particular clause applied to building societies registered under the Bill only or also to those which at present came under the existing law, as the case might be. Those amendments were almost entirely verbal, and could be dealt with as they came to each clause. He believed that what he had said would commend itself to the members of the Committee, and he would now formally move that the words "registered under the Act," in the 1st and 2nd lines of the clause, be omitted. He might say that he believed all societies would come under the Bill when passed, because of the great convenience they would experience in being corporations, which would obviate the inconvenience of frequent registration of trustees, and so on.

Amendment agreed to.

The PREMIER said he proposed to amend the clause by inserting, after the definition of "building society," the following words:—

"Registered Society"—A building society registered under this Act or the Friendly Societies Act of 1876."

He thought it right to call attention to the change in the definition of building societies in this Bill from that in the existing law. Under the existing law building societies were defined as—

"Societies for the purpose of raising by the monthly or other subscriptions of the members thereof, in shares not exceeding the value of £200 for each share, and by subscriptions not exceeding 30s. per month for each share, a stock or fund for enabling each member thereof to receive out of the funds of the society the amount or value of his share therein to erect or purchase a dwelling-house or dwelling-houses, or to acquire other real or leasehold estate, to be secured by way of mortgage to the society until the amount or value of the share shall have been fully repaid to the society with the interest thereon, and all fines and other payments incurred in respect thereof."

That definition had been found to give rise to a good deal of trouble, particularly the words providing that subscriptions should not exceed 30s. per month. He did not know that there was any reason why shares should not be more than £200 in value, or why the subscriptions should not exceed 30s. a month. He was disposed to think that the definition in the clause under discussion was better, and he mentioned the matter that the change should not be lost sight of. He did not propose any amendment on the definition of the term "building society."

Amendment put and agreed to.

The PREMIER pointed out that it would be very convenient to transpose the paragraph defining "committee of management" so as to come after the definition of "permanent society." He moved accordingly.

Amendment put and agreed to.

Clause, as amended, put and passed.

On clause 3—"Establishment and registration of new societies"—

The PREMIER moved that the word "establish," in the 1st line, be omitted with the view of inserting the word "form," as was used in the Companies Act of 1863.

Amendment agreed to; and clause, as amended, put and passed.

On clause 4, as follows:—

"No society shall be registered under this Act by a name identical with that by which an existing society is already registered, or, in the opinion of the registrar, so nearly resembling the same as to be calculated to deceive, unless such existing society is in course of being terminated or dissolved, and consents to such registration."

Mr. PATTISON said he thought that was a reasonable proposal. Societies were generally known in the towns in which they were established as Building Society No. 1, 2, 3, 4, 5, or 6, as was the case in Rockhampton with the permanent societies. He thought if a number were inserted the registration of the number would be sufficient for each society, no matter what the name might be.

The PREMIER said he did not think that they could say that Rockhampton Building Society No. 8 would be identical in name with Rockhampton Building Society No. 1. It had been pointed out to him that as the clause was worded two societies might be established under that Bill by the same name. He thought that if the clause was made to read thus—"by a name identical with that of an existing registered society," that would meet the case. He moved the omission of the words "by which an existing society is already registered," with the view of inserting the words "of an existing registered society."

Amendment agreed to; and clause, as amended, put and passed.

Clauses 5 to 11, inclusive, passed as printed.

On clause 12—"Rules to contain certain matters"—

The PREMIER moved that the clause be amended by inserting the word "building" before "society" in the 1st line, so as to make it read, "the rules of every building society established under this Act shall set forth," etc.

Amendment agreed to.

Mr. BULCOCK suggested that the words "or solicitors" be inserted after the word "auditors" in the 10th subsection, which would then read thus:—"Provision for an annual or more frequent audit of the accounts, and inspection by the auditors or solicitors of the mortgages and other securities of the society."

The PREMIER said he did not think that would be desirable. If the Committee liked, they might make it cumulative, but the auditors certainly ought to be allowed to inspect the securities. If they liked to say that the solicitors of the society should also inspect, he did not see any objection to that; but a society might not have a solicitor. He strongly objected to leaving out the auditors; that was a practical business inspection which should be insisted upon.

The COLONIAL TREASURER said it might perhaps be desirable to have deeds which were not under the Real Property Act of 1861 inspected by the solicitors of a society, and he believed that was what the hon. member for Enoggera had in view when he suggested the amendment, but it would certainly be a very costly matter. He thought they might rest content with the inspection by the auditors.

Clause, as amended, put and passed.

On clause 13, as follows:—

"A society may by its rules prescribe the forms of any conveyance, mortgage, transfer, agreement, bond, security for a deposit or loan, or any other instrument necessary for carrying its purposes into execution."

The PREMIER said that provision might conveniently apply to all societies. The existing Friendly Societies Act did not say anything about that subject. He did not see why the

clause should not be made to apply to all societies, and he therefore moved that the word "registered" be inserted after the word "a" in the 1st line.

Amendment agreed to.

Clause, as amended, put and passed.

On clause 14, as follows:—

"Any existing society registered under this Act may alter or rescind any of its rules, or make any additional rule, in manner prescribed by its rules; or if no manner is so prescribed, then by a resolution carried by a majority of two-thirds of the members present at a general meeting of the society convened and held in accordance with its rules for the time being, and specially called for the purpose, by seven days' notice at the least, specifying the proposed alteration, rescission, or addition."

Mr. BULCOCK said he had an amendment to propose in the 4th line. He thought the words "two-thirds of" might be omitted. Supposing, for instance, a society consisted of 900 members, and 599 wished for an alteration in the rules, the remaining 300 could prevent them from making an alteration.

The PREMIER said he would suggest a verbal amendment before that of the hon. member. He moved that the word "an" be substituted for the word "any" in the 1st line.

Amendment agreed to.

The COLONIAL TREASURER said he did not think the suggestion of the hon. member for Enoggera should be accepted. An existing society could make its own rules, or prescribe in what manner those rules might be altered; but he did not think those rules should be dealt with except by a substantial majority. After making those rules he did not think they should be altered by a bare majority.

Mr. WAKEFIELD said there might be some very considerable alterations to be made in the rules, and he thought it was necessary that a majority of two-thirds should be obtained for that purpose.

Mr. BULCOCK said all the older members might be present, and yet they would not be able to alter their own rules.

The PREMIER: Two-thirds of them could.

Mr. GROOM said his experience of building societies was that there was generally a dissatisfied faction, and it would be quite competent for them, supposing any particular rule did not come up to their expectations, to have a roll-up to express their dissatisfaction, and put the directorate to a large amount of inconvenience, and a considerable expense, because every new rule was to be submitted to the certifying barrister, accompanied by a fee of three guineas; so that, under the circumstances, it would be exceedingly undesirable to accede to the request of the hon. member to amend the clause. The clause was sufficiently broad as it was. It did not say two-thirds of the members on the roll. If a society consisted of 900 members, he did not suppose all of them would roll up for an alteration of the rules; it would be impossible, as they were scattered over a wide area of country generally, and there were only a few who took any active interest in the thing at all. As he said, there might possibly be a dissatisfied faction, who would have a roll-up for the express purpose of effecting an alteration of the rules. It would be better to leave the clause as it was.

Mr. ADAMS said he thought the hon. gentleman who moved the amendment could have had very little to do with the working of building societies or he would withdraw his amendment. He (Mr. Adams) had assisted in working building societies, and had always found that there were some persons who were discontented. It would be

easy for such persons to get a roll-up, and the consequence would be that the directorate would be put to a great deal of trouble and considerable expense. Whatever building societies he had been connected with had always considered that there should be not less than a two-thirds majority to alter any rule. It would be very undesirable to leave the words out.

Mr. BULCOCK said he had had something to do with building societies. He had been for nine years a director of one of the most successful building societies that ever existed in the colony, and they had nothing about a two-thirds majority in their rules. He wanted to make the clause in accordance with what had worked very well with them.

Question—That the words proposed to be omitted stand part of the question—put and passed.

Mr. BULCOCK moved that the words "published in some newspaper or newspapers circulating in the locality" be inserted after the word "least," in the last line but one.

Amendment agreed to; and clause, as amended, put and passed.

On clause 16—"Alteration of rules to be registered"—

The PREMIER moved the insertion of the words "registered under this Act" after the word "society" in the 1st line of the clause.

Amendment agreed to; and clause, as amended, put and passed.

On clause 16—"Copy of rules, etc., to be supplied"—

The PREMIER moved the insertion of the words "registered under this Act" after the word "society" in the 1st line of the clause.

Amendment agreed to; and clause, as amended, put and passed.

On clause 17—"Rules binding on members"—

The PREMIER said it was questionable whether the clause should apply to all societies or only to those registered under that Act after the Bill became law. He did not think it made much difference; in fact, the clause itself was not of much consequence. However, he moved the insertion of the words "registered under this Act" after the word "society" in the 1st line of the clause.

Amendment agreed to; and clause, as amended, put and passed.

On clause 18, as follows:—

"Copies of the rules of any society registered under this Act, printed for the society and certified by the secretary or any member of the committee of management, shall in any court of justice or before any person having, by law or by consent of parties, authority to hear and receive evidence, be *prima facie* evidence of the contents of such rules as the date on which they purport to have been registered, whether such rules are in force or have been rescinded or altered, and any printed document purporting to be a copy of such rules, and so printed and certified as aforesaid, shall be deemed to be such copy so printed unless the contrary is shown."

The PREMIER said the clause might conveniently be made to apply to all societies, as the provision in the Friendly Societies Act was not very clear. He therefore moved the omission of the words "society registered under this Act," with a view of inserting the words "registered society."

Amendment put and passed.

The PREMIER said it was a question whether it was desirable to allow copies of the rules to be certified by the secretary or any member of the committee of management, or whether it would not be better to say that they should be certified by the registrar, because ordinarily such things were required to be certified by some official.

The difficulty was that it might require to be done at short notice at a place remote from the office of the registrar, and it would be convenient in such a case that they might be certified by the secretary or by a member of the committee of management. He called attention to it because it was an unusual provision. If it affected societies in Brisbane only, there was no doubt it should be the registrar, but that might be found inconvenient in the country districts.

Mr. PATTISON said he thought the clause was a very good one, and should be allowed to pass as it stood.

The PREMIER said the last sentence, "shall be deemed to be such copy so printed unless the contrary is shown," did not seem to him quite correct. It should read, "shall be deemed to be a true copy of the rules unless the contrary is shown." He moved that the words "such copy so printed" be omitted, with a view of inserting the words "a true copy of the rules."

Mr. WAKEFIELD said he thought a few words in the 7th and 8th lines might be omitted. The words "whether such rules are in force, or have been rescinded or altered," seemed unnecessary.

The PREMIER: No; those words were very useful, because, although rules might no longer be in force, still the rights of parties might have accrued under them. It might be necessary to prove what rules were previously in force, and that was why those words were inserted.

Amendment agreed to; and clause, as amended, put and passed.

On clause 19, as follows:—

"If upon an application for the registration of a society, or any alteration of or addition to the rules of a society, under this Act, the registrar refuses, or for the space of thirty days after the transmission to him of any such original, altered, or additional rule or rules, neglects, to register the same, the secretary or intended secretary of the society may, by notice in writing, require the registrar to set forth in writing under his hand the grounds of such refusal or neglect, and if the registrar does not, within seven days after service upon him of such notice in writing, set forth such grounds and deliver a copy thereof to such secretary or intended secretary, such secretary or intended secretary may call upon the registrar, by summons before the court or a judge thereof, to show cause why he should not furnish such grounds, and the court or judge may make such order thereon as may seem fit."

"Upon such grounds being furnished, such secretary or intended secretary may summon the registrar to appear before the court or a judge to substantiate and uphold such grounds of refusal or neglect. And upon the hearing of the summons the court or judge may make such order thereon as the circumstances of the case may require. And upon any such summons the court or judge may make such order as to costs as may seem fit."

The PREMIER said that there were some verbal alterations necessary in the clause. The clause did not apply to societies not registered under the Act, and he moved the omission of the first word, "or," in the 2nd line, with a view of inserting the words "under this Act, or for the registration of."

Amendment agreed to.

The PREMIER moved that the clause be further amended by the insertion of the word "registered" after the word "society" in the 2nd line.

Amendment agreed to; and clause, as amended, put and passed.

On clause 20—"Change of name"—

The PREMIER said he did not know why a society should require to change its name.

The COLONIAL TREASURER said the clause was in the Victorian statute, and they had had great experience of building societies in Victoria; but really he did not know why they should slavishly follow Victoria.

Mr. ADAMS said he could not see the use of the clause.

Clause put and negatived.

On clause 21, as follows:—

"Unless it is otherwise provided by the rules of the society, a minor may be a member of a society, and may execute all instruments, give all necessary acquittances, and enjoy all the privileges except the privilege of holding office, and shall be liable to all the responsibilities, appertaining to members of mature age, notwithstanding his incapacity or disability in law to act for himself."

The COLONIAL TREASURER said he thought the privileges of the clause should be extended to a class of investors who had a pretty extensive interest in building societies—namely, married women. He therefore proposed to insert before the word "minor" the words "married woman or."

Mr. PATTISON said he did not know what the law was now, but the custom certainly was for married women to be large shareholders in building societies.

Mr. ADAMS said he thought the amendment was a very good one indeed. According to the rules of his society, as soon as a female got married she had to transfer her shares to her husband. Several attempts had been made to alter that rule, but without effect.

Amendment agreed to.

The PREMIER said the clause ought to apply to all existing societies, whether they came under the Act or not. He therefore proposed to insert before the word "society" the word "registered."

Amendment agreed to.

On the motion of the COLONIAL TREASURER, the clause was further amended by the substitution of the words "other members" for the words "members of mature age," and by the insertion of the words "or her" after "his," and "or herself" after "himself."

Clause, as amended, put and passed.

On clause 22, as follows:—

"A corporation or joint-stock company may hold shares in a society, and two or more persons may hold such shares jointly."

The PREMIER said some corporations and joint-stock companies were not allowed by their own constitutions to hold such shares. The clause was only intended to look at the subject from the point of view of the society; there was no objection to the corporation holding shares so far as the society was concerned; but it was not intended to affect the constitution of any corporation. He therefore proposed to insert after the word "may" the words "if allowed by its own constitution so to do."

Amendment agreed to.

The PREMIER said he did not see why the clause should not be made to apply to all societies, and moved that the word "registered" be inserted before the word "society."

Amendment agreed to; and clause, as amended, put and passed.

On clause 23, as follows:—

"The liability of a member of a society in respect of any share upon which no advance has been made, shall be limited to the amount actually paid or in arrear on such share, and in respect of any share upon which an advance has been made shall be limited to the amount payable thereon under any mortgage or other security, or under the rules of the society."

The PREMIER said the question arose in his mind whether the clause should apply to existing societies. He did not think it should. The clause provided that liability should be limited to the amount actually paid or in arrear on any share, which, in effect, was no liability at all.

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At any rate the provision ought to be limited to societies registered under the Act; and he proposed to amend the clause by inserting, after the word "society" in the 1st line, the words "registered under the Act."

Mr. PATTISON said the question would be sufficiently provided for by the by-laws of the societies.

The COLONIAL TREASURER said that, although it was desirable to confine the clause to societies registered under the Act, he did not think it would be wise to increase the present liability of shareholders. The present system was that if a man paid £1, say, on a share, and several calls were subsequently made, he would be liable for those calls; and he did not see why they should saddle a member of a society under the Act with a prospective liability which might never be incurred. It would be very disadvantageous to societies if shareholders were apprehensive that they would be saddled with any liability beyond what they incurred on the number of shares they held. If a person borrowed on a share, as soon as he had paid off his mortgage he was liberated from all liability. He did not think it would be wise to alter the existing state of things.

Mr. BULCOCK said there were shareholders in some of the Brisbane societies who had put in as much as £3,000 or £4,000; and it would not be right to place them in such a position that they would be liable to lose the whole of it. The borrower had no liability at all beyond the amount he had obtained from the society.

Mr. WAKEFIELD said it was the practice in building societies that liability ceased when the money was paid, and he did not think it would be wise to alter the arrangement.

Amendment agreed to; and clause, as amended, put and passed.

On clause 24, as follows:—

"Any society may employ its funds for such of the following purposes as are provided for in its rules—

- (a) For making advances to members of the society upon security of their shares;
- (b) For making advances to members and other persons and to corporate bodies upon the security of freehold or leasehold estate by way of mortgage;
- (c) For making advances to other societies;
- (d) For buying, selling, and mortgaging freehold or leasehold estate; and
- (e) Generally for carrying out such purposes of mutual advantage as are provided for in the rules.

"A society may accept the security of property other than freehold or leasehold estate by way of collateral security."

The words "a registered" were substituted, on the motion of the PREMIER, for the word "any" in the 1st line of the clause, and the word "registered" was inserted before "societies" in paragraph (c).

Mr. GROOM said it would be advisable to omit the last paragraph of the clause, as it was not acceptable to the majority of the building societies. At any rate, it was strongly objected to by the society with which he was connected. But, before proceeding further, he would ask the hon. member in charge of the Bill whether clause 29 should not be embodied in the clause now under consideration. As far as the part of the clause he had referred to was concerned, it would open the door to the acceptance of insufficient security. Promissory notes, for instance, might be accepted, and he had been informed of a case during the present financial crisis in which a promissory note for £20,000 was endorsed by five persons, and every endorsee was in the insolvency court. What state would a building society be in which accepted

such security as that? He had given the opinion of the society in which he was interested, and he had no doubt other hon. members would endorse what he had said.

Mr. WAKEFIELD said he had no objection to leaving the subsection out, because it had not been acted upon by building societies hitherto.

Mr. BUCKLAND said he did not think there was so much danger as hon. members apprehended. The other securities would only be accepted as collateral securities. If building societies held freehold or leasehold security he did not see why they should not take security in the shape of chattels, for instance.

Mr. NORTON said the subsection had better be omitted for the reason that the security taken in the first instance might not be sufficient, and the society requiring something more would take collateral security. The object of striking out the subsection was to insist upon societies taking sufficient security in the first instance.

The COLONIAL TREASURER said there was a great deal to be said both for and against the subsection, but he certainly thought the views expressed by the leader of the Opposition were worthy of consideration. It was desirable that building societies should look primarily to either freehold or leasehold security. They were not loan or mortgage societies, and if people wanted that class of accommodation they should go where collateral security was taken. The dangers were too great, and building societies would have an inducement thereby to depart from their legitimate business. He thought it would be wise to omit that part of the clause altogether.

Mr. GROOM said there was another thing to be considered. Building societies generally dealt with the industrial classes, and it would be exceedingly undesirable to take other than freehold or leasehold security. The acceptance of collateral security would undoubtedly open the door to unknown abuses, so that he thought it would be undesirable to legalise the acceptance of a security which could not be realised upon if a mortgage was foreclosed. He thought the balance of evidence went to show that that would be an exceedingly undesirable subsection, which it would be better to leave out.

Mr. BULCOCK said they ought also to remember that a large amount of money was on deposit with building societies, and the security for money lent ought to be of the very best kind. The retention of the subsection would have a tendency to encourage the acceptance of doubtful security. Sometimes building societies lent too much when properties were inflated in value, and after the inflation had disappeared the directors felt an inclination to increase their security, and they would get that security under clause 29.

The PREMIER said there was something to be said for the provision all the same, although the balance of argument was against it. The intention was that a society, having lent money on a proper security, might afterwards, if necessary, accept additional security. That was the object of it, but then the danger was, of course, that they might lend money ostensibly on the freehold, and in reality attach a great deal of weight to the value of the collateral security, so that the subsection had perhaps better be omitted. There was nothing in the Act to prevent societies accepting such other securities as they thought right, and if the original security failed there was no reason why they should not accept collateral security.

Mr. McMASTER said he was sure it would be injurious to building societies if the subsection was retained, because no one would even lend

money on a fixed deposit with such a provision in the Act. Collateral security might be in the shape of mining scrip, and when it came to be realised upon it might be found not to be worth the paper it was written upon.

Mr. NORTON said although the clause was put in with a good intention, yet it was giving a power which might be greatly abused. Where it would be useful was where money had been lent upon property of great value, and if the property depreciated in value much more than was expected, then the collateral security might be useful. But he took it that building societies could accept collateral security without special power; so that they had all the power necessary.

Mr. FOXTON said the subsection simply amounted to an encouragement to take insufficient security.

Mr. ADAMS said it would be very unwise to leave the latter part of the clause out. He knew that societies were sometimes got at. He knew of one instance in which money was going to be lent on a property, and a fortnight afterwards the owner went insolvent. If the society had closed the transaction that man would have defrauded his creditors. He believed that in a number of societies the rules were such that if depreciation took place in any way, and the security was not sufficient, the society could foreclose at any time. Now, if a society was going to foreclose upon a person, and he did not wish to lose his property, if he had other security elsewhere, no doubt he would be able to raise money from someone else to pay off sufficient to prevent the society from foreclosing. Therefore he thought it would be very unwise to give such a power as that referred to.

Amendment agreed to.

Clause, as amended, put and passed.

On clause 25, as follows:—

"A society may from time to time, in accordance with its rules, raise funds by the issue of shares of one or more denominations, either paid up or in full, or to be paid by periodical or other subscriptions, and with or without accumulating interest, and may repay such funds at such time as is provided in the rules of the society."

The PREMIER said he thought the clause might be applied to all existing societies. It was what they all did as far as he knew. It was the regular way of taking up shares. He moved that the word "registered" be inserted before "society" in the 1st line.

Amendment agreed to; and clause passed with a verbal amendment omitting "or" after "up" in the 3rd line.

Clause 26—"Business premises"—was agreed to after the insertion of "registered" before "society" in the 1st line.

On clause 27, as follows:—

"A society may receive deposits or loans, at interest, from the members or other persons, or from any building or friendly society, to be applied to the purposes of the society."

"Provided that the total amount received on deposit or loan, and not repaid by any society, shall not at any time, in the case of a permanent society, exceed three times the amount for the time being of the existing paid-up capital or subscriptions of the society and the accumulations thereon, and shall not at any time, in the case of a terminating society, exceed three years' income on the shares for the time being in existence."

"Any deposits with, or loans to, an existing society made before its registration under this Act in accordance with its certified rules, are hereby declared to be valid and binding on the society, although such deposits or loans may exceed the limit aforesaid; but all such

deposits and loans shall be taken into account in determining the amount which any such society may legally receive on deposit or loan after being registered under this Act.

"Any member or other person, or building or friendly society, depositing or lending money with or to any society under this Act, shall not be bound to see to the application thereof, or to see that the society has not exceeded the limit of its borrowing powers."

On the motion of the PREMIER, the clause was amended by inserting "registered" before "society" in the 1st line.

Mr. BULCOCK said it was the practice of some societies to lend money on long terms, and he thought it would be wise to prevent them from receiving money on deposit that would be payable at call, for this reason: There was one society, he believed, that had over £100,000, say £150,000, on deposit; and if by some means a scare took place and there was a run on a society in that position, if it had much money on deposit at call, it would inevitably have to close. The society with which he was connected, and other societies, at every meeting liked to see what amount of money had become due on deposit, and made provision for it. If money were simply deposited at call in building societies the same as it was in the savings bank, by giving twenty-four hours' notice, and a scare took place, no society would be able to stand it. He therefore moved that after the word "interest," in the 1st line of the clause, the words "for a term of not less than two months" be inserted.

The COLONIAL TREASURER said the question raised by the hon. member opened up a very large field of discussion. The object of his hon. colleague in the representation of Enoggera was to provide against societies receiving large sums of money at call, which they were supposed to invest for long periods of time, and the withdrawal of which would be very inconvenient. That was a very fair argument—that societies should not be subject to a sudden call of these deposits—but he thought any society that received such money would, by its own rules, or ought by its own rules, to guard against a surprise call in having to return these deposits without due notice being given. It seemed to him that if societies were precluded from accepting deposits at call—under two months, or, in fact, for any specified period—they would be precluded from having money deposited for an indefinite time, which might be of temporary advantage to them. The hon. gentleman's fear was that if the money had been deposited it might be lent out at once for a period of twelve years, and that unless two months' notice of withdrawal was given they would not be in a position to return it. But he did not very well see how that position could be maintained, for it might be argued that the same term of notice for the return of the money should be given as that for which the money was lent. Building societies had to trust, like banks, to a large amount of money coming and going. He did not think that two months would be any guarantee to the investing public, because societies which invested money for ten or twelve years would not be able to return the identical money in two months which they had received, while it would prevent the societies receiving deposits from the general public if they could not receive for shorter periods than two months. He thought they should permit building societies, like banks, to make their own terms of deposit. The amendment, he thought, would be unwise and might create a distrust of those institutions while it would not be a safeguard to the investing public.

Mr. BULCOCK said he looked at the matter in this light: Societies lent money on long terms, and if they borrowed money at call there was very

little margin for payment on demand, for no society kept in hand more than a few hundreds of pounds. If there was any uneasiness in the market, or some misapprehension that caused people to think something was wrong with the society, and if the society had £12,000 or £20,000 at call, and a rush were made on it, that society would inevitably have to close its doors. He thought that the directors should not have the power to put themselves at the mercy of a panic in that way, but that at every meeting they should be able to see what was coming due and be able to provide for it.

Mr. GROOM said that the societies had power to do that already. Under clause 12, subsection 4, a society could make rules as to "whether shares may or may not be withdrawn, and if so upon what terms." In the society of which he was a member they did not allow depositors who had paid in their money to withdraw their shares unless they gave three months' notice in writing. Every society, he took it, would take care to protect itself. He was inclined to think, with the Colonial Treasurer, that the clause would be better left as it was. He did not think the amendment of the hon. member for Enoggera would have the effect he desired. He thought societies should be left to frame their own rules, for circumstances might vary with each particular district.

Mr. WAKEFIELD said the amendment would not meet the object intended by the hon. member, because the money was lent out for a long period, and if it was drawn out in six months it would have just the same effect as if it were drawn out in two months.

Amendment put and negatived.

The PREMIER moved that the word "society" be inserted after the word "building" in the 2nd line of the 1st paragraph, and in the 1st line of the last paragraph.

Amendments put and agreed to.

The PREMIER moved that the last paragraph of the clause be further amended by omitting the words "any society under this Act," with the view of inserting the words "a registered society."

Amendment agreed to.

The PREMIER said that clause should be read with clause 42, which made the directors personally liable. But whether the society itself was liable under that clause he confessed he did not know.

Clause, as amended, put and passed.

Clauses 28 to 32, inclusive, were amended by the insertion of the word "registered" before the word "society" in the 1st line of each clause.

Clause 33 passed with verbal and consequential amendments.

On clause 34, as follows:—

"No stamp duty shall be chargeable upon any receipt for subscriptions or contributions made to the funds of a society by members in respect of their shares."

The COLONIAL TREASURER said that under ordinary circumstances that was a clause he would have to object to, if any loss of revenue resulted from it. But there was more shadow than substance about it. Only very few societies stamped the pass-books of their contributors, and seeing that friendly societies were relieved of the stamp duty he saw no reason why the same privilege should not be extended to building societies, especially as there was no stamp duty paid upon deposits in banks.

Mr. WAKEFIELD said he thought with the Colonial Treasurer that that small item might be conceded. He knew of one society that had contributed over £1,000 to the stamp revenue during the past year.

The COLONIAL TREASURER said if he saw any way by which he could get £1,000 from each society in receipt stamp duties he would oppose the clause most strenuously. Of course the hon. gentleman referred to mortgages.

Mr. WAKEFIELD: Yes.

The COLONIAL TREASURER said there was another reason, and that was because those payments were instalments of the principal sum of a mortgage; so that if the receipt stamp duty were not exempted it would be virtually paid twice over on the same mortgage.

Mr. McMASTER: Do I understand that the stamp duty is to be done away with?

The COLONIAL TREASURER: Yes, on entries in pass-books.

Mr. McMASTER said he could not understand how the Colonial Treasurer was going to allow that in the face of putting 2½ per cent. additional taxation upon the population a few weeks ago.

The PREMIER: It is very sad!

Mr. McMASTER said that when a man was paying his grocer's bill, if it were over 20s. the grocer had to stamp the receipt, and why should a building society be exempt?

The ATTORNEY-GENERAL: You do not stamp your pass-book.

Mr. McMASTER said if he went to a bank and drew a cheque for £1 he had to pay 1d. for it. He could scarcely believe that the Colonial Treasurer was going to exempt the building societies from the stamp duty. He had a lively recollection not many years ago of a case that was tried in the police court in Brisbane, in which a certain society had to pay a penalty because it was the law, and now they were going to forego that. If the Colonial Treasurer was going to do that after taxing them 2½ per cent. extra, with a probability of taxing them still further next year, he would hear about it. It would be a very great loss to the revenue, and he hoped the clause would be struck out.

Mr. BULCOCK said the hon. gentleman seemed to forget that the very parties who paid their grocers' bills had to pay this also.

Mr. FOXTON said he would point out that it was simply a matter of justice. The ordinary mortgagor had to pay the sum of 2s. 6d. by way of stamp duty upon the release of his mortgage. That was the amount on any sum; if the mortgage was £5,000 he only paid 2s. 6d. He would point out to hon. members, that the money came out of the mortgagor's pocket, and if he had to pay 1d. every time he paid a £1 subscription into a building society, for £100 he would pay 8s. 4d., in addition to the 2s. 6d. for the release of his mortgage. That would be simply placing borrowers from building societies in a much worse position than borrowers from other institutions.

Mr. McMASTER said he failed to see where the difference came in. If a man owed him £20 and paid it in twenty instalments, on each occasion he would have to pay 1d. It was true that the borrower always came off second-best; he had to pay for the registration of the mortgage in the first instance. He was quite aware of that; but for the purpose of revenue the stamp duty ought to go all round, and he did not see why one man should be exempted more than another.

The Stamp Act stated that every receipt for 20s. must bear a penny stamp, and it was now proposed to exempt building societies, which received large sums of money during the year, and that meant a loss to the revenue in his opinion. There were so many building society directors present that it was of no use for him to offer any serious opposition to the proposal, but he maintained that it was an injustice to exempt building societies while other people had to pay the tax.

Mr. NORTON said that as the Colonial Treasurer took every possible opportunity to tax the people, the hon. member might allow him to indulge in a little generosity just for once.

Clause, with a verbal amendment, put and passed.

On the motion of the PREMIER, clause 35 was amended so as to read as follows:—

"Every registered society shall, once at least in every year, cause to be prepared a general statement of its funds and effects, liabilities, and assets, showing the amounts due to the holders of the various classes of shares respectively, and to depositors and creditors, and also the balance due or outstanding on its mortgage and other securities (not including prospective interest), and the amount invested in other securities, and every such account and statement shall be attested by the auditors, to whom the mortgage deeds and other securities belonging to the society shall be produced, and such account and statement shall be countersigned by the secretary of the society and published in the *Gazette* and in one newspaper generally circulating in the locality in which the chief office of the society is situated, and every member, depositor, and creditor shall be entitled, on application to the secretary, to receive from the society a copy of such account and statement, and a copy thereof shall be sent to the registrar within fourteen days after the annual or other general meeting at which it is presented, and another copy thereof shall be suspended in a conspicuous place in the chief office of the society, and be kept so suspended until the suspension in like manner of the next succeeding similar account.

"The society shall, at the request of the registrar, furnish to him such further information and particulars in respect to any such annual account and statement as he may from time to time require."

Mr. GROOM said that that night week, when the House was in committee upon the Bill, he suggested the desirability of a clause being added which would give the shareholders of a society an opportunity, if they were not satisfied with the accounts as reported to the society, of calling in an officer from the Audit Department to examine the books and securities of the society, in order to satisfy the shareholders that the society was in a sound financial condition. He might say that he had been desired by several societies to propose a clause of that kind. If a society was in a thoroughly sound condition, and if the annual statement was satisfactory to the majority of the shareholders, there would be no necessity to put the clause into effect. Instances could be quoted, if necessary, to show that had such a clause as that been in existence a great many disasters which had occurred in connection with some of those societies, particularly in the mother country and in Victoria, would never have happened. He thought it was extremely desirable that the shareholders of those societies should possess that power. The very fact that they had the power would be a wholesome check upon the board of directors and upon the secretary and paid officers of the society, and would induce them to take great care that all their accounts were perfectly sound and in a satisfactory condition; and they need not fear anything from the result of the official audit as long as their papers were in a satisfactory condition. The word "insurances" was put in because it was very necessary that they should be provided for. He had known instances where the auditors of societies of that kind, on

going over the securities in the shape of mortgages effected by building societies, had discovered that nearly half of the buildings erected upon fourteen-perch allotments were not insured at all. In such a case if a fire occurred the societies would lose an enormous amount. There were a great many instances where building societies advanced money to working men to erect cottages. The allotments on which the cottages were erected were very small, and were not worth the money advanced. The money was advanced for the purpose of erecting the buildings upon the land, and the greater part of the security was, of course, the insurance money. If the buildings were not insured, and were destroyed by fire, the value of the land in many instances would not be sufficient to recoup the societies for the money they had advanced. It was, therefore, absolutely necessary that the insurances should be as much looked after as the securities themselves; and it was on that account that he had introduced the word "insurances" into the clause. While they were legislating with regard to building societies, they should certainly take every possible safeguard, and every possible safeguard should also be taken in the interests of the shareholders. A quarter of an hour or twenty minutes devoted to the consideration of a matter of that kind in the Committee might have the effect of permanently benefiting and improving the position of those societies. He would, therefore, move that the following new clause be inserted to follow clause 35, as passed :—

If a majority of the members of a registered society present at a meeting duly called for that purpose notify that an official audit of the accounts of the said society is necessary, the registrar may, on receipt of a copy of the resolution or resolutions passed by such meeting, appoint a competent person to examine into and report upon the accounts, securities, insurances, and general financial condition of the said society. A copy of such report shall be furnished by the registrar to the society, and the expenses of such audit shall be paid by the society. The registrar may, on his own authority, cause a special audit to be made of the accounts and general financial condition of any society registered under this Act if he is not satisfied with the annual statement furnished.

New clause put and passed.

Clauses 36 and 37—"Disputes" and "Termination or dissolution of a society"—passed with verbal amendments.

Clauses 38 and 39 passed with verbal amendments.

Clauses 40 and 41 passed as printed.

Clauses 42 to 44 passed with verbal amendments.

Clause 45 passed as printed.

On clause 46, as follows :—

"So much of the provisions of the Friendly Societies Act, 1876, and of the provisions of the 22nd section of the Real Property Act of 1877, as relates to building societies is hereby repealed, except as to building societies registered under the said first-mentioned Act and which are not registered under this Act. And upon the registration of any such society under this Act, the provisions of the said Acts shall cease to be applicable to such society."

The PREMIER said a considerable number of alterations were required, and it would be convenient to put them altogether in the shape of a new clause.

Clause, as printed, put and negatived.

On the motion of the PREMIER, the following new clause was inserted, to follow clause 45 of the Bill :—

After the passing of this Act—

- (1) The provisions of the Friendly Societies Act, 1876, and the provisions of the 22nd section of the Real Property Act of 1877, shall not apply to building societies except building societies

which are registered under the said first-mentioned Act, and are not registered under this Act; and upon the registration of any such society under this Act the provisions of the said Act shall cease to be applicable to any such society.

- (2) The provisions of subsection 1 (d) of the 12th section of the said first-mentioned Act shall not apply to building societies.

Schedules 1 and 2 passed with verbal amendments.

Schedule 3 passed as printed.

The House resumed, and the CHAIRMAN reported the Bill with amendments.

On the motion of Mr. WAKEFIELD, the Speaker left the chair, and the House went into committee to further consider clause 2.

The PREMIER said a few verbal amendments were necessary in the clause in order to make it uniform with the amendments in other parts of the Bill.

Amendments agreed to; and clause as amended put and passed.

On the motion of Mr. WAKEFIELD, the CHAIRMAN left the chair, and reported the Bill with further amendments.

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

BURNING OF THE BARQUE "ROCKHAMPTON."

On the motion of Mr. WAKEFIELD, the Order of the Day—

"Consideration in committee of an address to The Administrator, praying that His Excellency will be pleased to cause to be placed upon the Supplementary Estimates for the current financial year the sum of one thousand pounds (£1,000), as compensation to the captain of the British ship "Rockhampton"—

was made an Order of the Day for Thursday next.

ADJOURNMENT.

The PREMIER: Mr. Speaker,—I move that this House do now adjourn. On Tuesday, the business will stand on the paper:—First, consideration in committee of the Legislative Council's amendments in the Divisional Boards Bill and the Employers Liability Bill; second readings of the Trade Unions Bill and Gold Fields Homestead Leases Bill; after which the Liquor Bill will be taken, and I hope that we shall be able to make considerable progress with it.

Question put and passed, and the House adjourned at fifteen minutes past 10 o'clock.