

Queensland



Parliamentary Debates
[Hansard]

Legislative Council

WEDNESDAY, 3 NOVEMBER 1886

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LEGISLATIVE COUNCIL.

Wednesday, 3 November, 1886.

Messages from the Legislative Assembly—Gladstone to Bundaberg Railway—Maryborough to Gayndah Railway.—Petitions.—Messages to the Legislative Assembly—Warwick to St. George Railway—examination of members of the Legislative Assembly.—Trade Unions Bill—second reading.—Building Societies Bill—second reading.—Liquor Bill—second reading.—Message from the Legislative Assembly—Cleveland Branch Railway.—Adjournment.

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

MESSAGES FROM THE LEGISLATIVE ASSEMBLY.**GLADSTONE TO BUNDABERG RAILWAY.**

The PRESIDING CHAIRMAN announced the receipt of a message from the Legislative Assembly, transmitting the plans, sections, and book of reference of the proposed railway from Gladstone to Bundaberg, for the approval of the Legislative Council.

MARYBOROUGH TO GAYNDAH RAILWAY.

The PRESIDING CHAIRMAN announced the receipt of a message from the Legislative Assembly, transmitting the plans, sections, and book of reference of the proposed railway from Maryborough to Gayndah, for the approval of the Legislative Council.

PETITIONS.

The HON. J. TAYLOR presented a petition from the mayor and aldermen of Roma, representing the inhabitants of Roma and the district surrounding, against the construction of the proposed railway from Warwick towards St. George. He moved that the petition be read.

Question put and passed, and petition read by the Clerk.

On the motion of the HON. J. TAYLOR, the petition was received.

The HON. J. TAYLOR presented a petition from the chairman of a public meeting held at Yeulba, against the construction of the proposed railway from Warwick towards St. George, and moved that the petition be read.

Question put and passed, and petition read by the Clerk.

On the motion of the HON. J. TAYLOR, the petition was received.

MESSAGES TO THE LEGISLATIVE ASSEMBLY.

WARWICK TO ST. GEORGE RAILWAY—EXAMINATION OF MEMBERS OF THE LEGISLATIVE ASSEMBLY.

The POSTMASTER-GENERAL (Hon. T. Macdonald-Paterson) moved, without notice, that the following message be transmitted to the Speaker of the Legislative Assembly:—

MR. SPEAKER,

The Legislative Council having appointed a select committee on the proposed line of railway from Warwick towards St. George, and that committee being desirous to examine Francis Kates, Esquire, a member of the Legislative Assembly, in reference thereto, request that the Legislative Assembly will give leave to its said member to attend and be examined by the said committee on such day and days as shall be arranged between him and the said committee.

Question put and passed.

The POSTMASTER-GENERAL moved, without notice, that the following message be sent to the Speaker of the Legislative Assembly:—

MR. SPEAKER,

The Legislative Council having appointed a select committee on the proposed line of railway from Warwick towards St. George, and that committee being desirous to examine Jacob Horwitz, Esquire, a member of the Legislative Assembly, in reference thereto, request that the Legislative Assembly will give leave to its said member to attend and be examined by the said committee on such day and days as shall be arranged between him and the said committee.

Question put and passed.

TRADE UNIONS BILL.

SECOND READING.

The POSTMASTER-GENERAL said: Hon. gentlemen,—By an inadvertence this Trade Unions Bill was put at the head of the Orders of the Day. As I find the general opinion of hon. gentlemen is to deal with this Bill in committee, I shall now formally move that the Bill be read a second time.

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

On the motion of the POSTMASTER-GENERAL, the consideration of the Bill in committee was made an Order of the Day for Tuesday next.

BUILDING SOCIETIES BILL.

SECOND READING.

The HON. W. HORATIO WILSON said: Hon. gentlemen,—The existing law relating to building societies is admitted to be in an extremely unsatisfactory state. A society of this kind is at present dependent for its constitution and legal existence upon the 2nd subsection of section 6 of the Friendly Societies Act. That 1886—B

section contains all the law upon the subject that appertains to building societies in this colony, and states:—

"Societies (herein called building societies) for the purpose of raising by the monthly or other subscriptions of the members thereof, in shares not exceeding the value of two hundred pounds for each share, and by subscriptions not exceeding thirty shillings 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."

This section is apparently taken from a very old Act of Parliament passed in England in 1836, and, as I said before, it is the only law that we have to go upon in connection with building societies. This Friendly Societies Act I have just quoted from was passed in this colony in 1876, and was taken from a similar Act passed in England in 1874. But that Act of 1874 did not contain this subsection, because in the same year a Building Societies Act similar to the one that we propose to pass now was passed in England, and in Victoria advantage was taken of that Act, as in the same year an Act was passed in that colony to amend the law relating to building societies, and it came into operation on the 1st January, 1875. This Victorian Act has been adopted in the Bill that is now before hon. members, and from what I can gather it is a very useful piece of legislation, and legislation which is very much required here. Before being passed in England the Bill was referred to a select committee consisting of the Solicitor-General and other representatives of the trading and commercial interests in the British Parliament. The great objection to the subsection I have read is that it does not recognise in any way those persons familiarly known as investors—men who invest their money in building societies in the hope of getting a larger interest than they would if they invested in savings banks. Those investors are entirely ignored by the subsection I have quoted, which only contemplates shares not exceeding the sum of £200, which are obtained by subscriptions not exceeding 30s. per month; whereas it is very well known that at the present time in Brisbane the subscriptions paid in and the amounts invested in building societies reach a very large amount—in fact, thousands of pounds. The transactions of these societies in deposits and paid-up shares have been very heavy, involving immense sums of money, and creating such grave responsibility on the part of directors and the management as to call loudly for some more salutary legislative control. One of these societies, for instance, has received during the last year about £164,000 in receipts alone, and during the same year about £49,000 was paid in contributions. The fully paid-up shares represent some £74,000, and the amount received for deposits during one year was over £62,000; and the total deposits in that one society amounted to nearly £130,000. The amounts advanced upon loans for the year amounted to over £84,000. The total amount advanced on mortgage by that society since its formation reached the sum of £496,155. One important feature of these societies easily provided for in their rules, is a reserve fund which forms a great safeguard against sudden demands. I simply quote these figures for the purpose of showing that it is exceedingly important that building societies should be placed upon a sound footing, which at present they are not. There is no doubt about this: that building societies have become a permanent feature in the prosperity of a large proportion of the population

of this country, and many of our prominent citizens can no doubt trace the commencement of their prosperity to their connection with these societies. Many families have been raised to comparative independence who but for the building societies would be still struggling with pecuniary difficulties and inability to pay rent. Again, these building societies are self-supporting, and the people are thus taught to help themselves; the interests of the borrowers and lenders are identical. When we consider that persons become through building societies attached to the soil, and become their own landlords, settling down on the lands of the country, without help of any other kind, I consider that it is a matter of great importance to the State, both from a political and social point of view. I find that there are seventeen societies at present in Queensland—Brisbane having five, Toowoomba and Rockhampton two each, and Ipswich, Warwick, Maryborough, Bundaberg, Gympie, Mackay, Townsville, and Charters Towers having one apiece.

The HON. A. HERON WILSON: I must interrupt the hon. gentleman. Maryborough has two societies.

The HON. W. HORATIO WILSON: Then my information is incorrect. This does not, of course, include the terminable societies that have been started in Brisbane, Rockhampton, and other places, and which have expired by effluxion of time. I believe that Rockhampton has already had seven terminable societies, and that there have been others in Brisbane and in Maryborough. At any rate, the transactions of building societies are very large, and the estimated annual business done by them in Queensland amounts to at least £750,000. This matter has recently engaged the attention of those concerned in the management of building societies, and they had a draft made of this Victorian Act, and forwarded it to the different societies in Queensland, asking their opinion as to any alterations or additions or other suggestions they might wish to make, and the result has been that the societies which have been communicated with cordially approved of the Bill as drafted, and no suggestions of any moment were transmitted. The principal business done by building societies of this kind, as hon. gentlemen are very well aware, is receiving money on deposit and lending it out to borrowers on freehold security. The transactions of these societies are principally amongst working men and those who are desirous of acquiring their own freeholds, and it is consequently important that legislative authority should be given to any transactions that take place between societies of this kind and borrowers. There is no power whatever, so far as I can find, to enable societies to receive money on deposit in that way. Of course, it is not illegal, but, at the same time, there is not that legislative sanction concerning the question that there should be, and that is the reason that we are desirous now that this Bill, which I shall explain shortly, should be passed. The first description of societies dealt with in the 2nd subsection are terminable societies. It was found that terminable societies were not satisfactory—that the ground had to be gone over again at the end of seven years, and fresh printing and other expenses had to be incurred, which were not necessary in a permanent society. There was another objection to them, and that was that parties could not go in at any time, but had to pay up back contributions, which in many cases was found inconvenient. Both terminating societies and permanent societies are explained in the interpretation clause of the Bill. A terminating society is—

“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.”

And a permanent society is defined as—

“A society which has not by its rules any fixed date or certain event or result when it is to terminate.”

I may mention that with regard to existing societies it is quite optional whether they come under this Bill or not. There are a great many clauses in the Bill that affect both existing societies and new societies, but it is not absolutely necessary for any existing societies to come under the Bill; still it is very likely that they will do so, and I take this as an illustration. The report of the society I quoted from just now states as follows:—

“Legislative action is now being taken to pass a Building Societies Bill during the present session, and the board intend submitting an alteration to rule 5, to enable the society to take immediate steps to be registered under the Bill as soon as it becomes law.”

So that I think it is very likely that all the societies at present registered under the Friendly Societies Act will come under the provisions of the new Bill. Some alarm has been expressed with regard to the position of societies issuing paid-up scrip, and I would like just to advert to that question for a moment before I pass to the Bill itself, because I think there is no necessity for people to trouble themselves on that account, as the rules of a society coming under the Bill can sufficiently provide for any difficulty of that kind, as I will point out when I come to the sections affecting it. Up to the present time building societies have carried on their businesses under the Friendly Societies Act through the intervention of trustees, which, as hon. gentlemen can see, is a system very often subjected to difficulties. Supposing there were three trustees of a society of this kind, one might be in England, another dead, and perhaps the third might be in Woogaroo. We can see at once that the society would be placed in some difficulty in a case of that kind. That is proposed to be entirely altered by the Bill, because societies coming under it will be incorporated and have a perpetual succession and a common seal; that is provided for in the 10th and 11th clauses, which state, shortly, that upon the registration of a society of this kind the registrar shall notify in the *Gazette* that such society has been registered, and thereupon the members of the society become a body corporate by the name contained in its rules, capable forthwith of exercising all the functions of a corporation and having a perpetual succession and a common seal. By the first schedule to the Bill, the process is very simple. The registrar inserts a notice in the *Gazette* to say that the society is duly registered under the provisions of the said Act, and a certificate in the form prescribed in the second schedule is conclusive evidence that the society is incorporated under the provisions of the Building Societies Act of 1886. There are two classes of societies which can come under the Bill—those newly formed and any existing society which may choose to avail itself of the provisions of the Bill. That is provided by the 3rd and 5th sections. The former provides the mode in which any number of persons not less than ten may form a building society under this Bill, and the latter for the registration of existing societies, but no existing society shall be entitled to be registered under the Bill except by the authority of a general meeting convened and held in accordance with the rules and specially called for the purpose. Section 7 points out the mode of registration of existing societies, which is by depositing copies of the rules with the registrar, and thereupon such society shall be deemed to be registered under the Bill. Clause 8 says that upon the registration of any existing society under this Bill such society

shall forthwith, by passing a new rule for the purpose, make provision for a seal which must bear the registered name thereof. The way in which property is to vest on incorporation is pointed out by the 9th clause, which states that all rights of action and other rights, and all estates and interests in real and personal estate belonging to any society, shall vest in the society without any conveyance whatever. Clause 12 provides that the rules of building societies shall set forth all the things that are mentioned in the fifteen subsections. I will not trouble the House with the details of those subsections, further than to say that they contain all those matters which building societies will be in future compelled to have in their rules, and those subsections show the manner in which those rules shall be drawn up. With regard to existing societies coming under the Bill, by section 14 they can do so by calling a meeting and by passing a resolution which must be carried by a majority of two-thirds of the members. The rules I allude to will be something similar to the articles of association which are usually provided with regard to companies which are registered under the Companies Act. Section 15 provides for the registration of any alterations in the rules, and by section 17 the rules are to be binding upon members just as articles of association are under the Companies Act. If the registrar refuses to register any rule, there is a provision to enable parties to summon him before a court to substantiate and uphold such refusal, and upon hearing the summons, the court or the judge may make such order thereon as the circumstances of the case may require. By section 20 minors and married women may become members of a society. In the English and Victorian Acts that privilege is confined to minors. I think the admittance of married women into this section is a useful innovation. The liability of members is provided for by section 22, and that liability, which is rather important, is limited to the amount actually paid or in arrear on shares, and in respect of any share upon which an advance has been made shall be limited to the amount payable thereon upon any mortgage or other security, or under the rules of the society. That is, of course, as it should be, because members will have no anxiety as to their liability. Section 23 shows how a society may employ its funds—such as for making advances to members of the society upon security of their shares, or making advances to members upon the security of freehold or leasehold estate by way of mortgage, or for buying, selling, and mortgaging freehold or leasehold estate, and for carrying out such purposes of mutual advantage as are provided for under the rules. A society under this Bill may purchase freeholds for the purposes of their business; and by section 26 a registered society may receive deposits or loans at interest from members or other persons, to be applied to the purposes of the society, provided that the total amount of deposits shall not exceed three times the amount of the existing paid-up capital for the time being, and, in the case of a terminating society, not exceeding three years' income on the shares for the time being in existence. That is in exact accordance with the Victorian system, as embodied in their Act. They have adopted this system in its entirety, and do a very large business, and therefore I do not think we can do better than take advantage of the experience they have gained. It is also provided that any deposits with an existing society, made before its registration under this Bill, are declared to be valid and binding, although such deposits may exceed the limit aforesaid. Section 28 provides for the investment of funds not immediately required for

the purposes of the society, but under that section a society had no power to deposit moneys in a bank at interest—moneys that they did not require. I think when the Bill goes into committee it will be as well to add that power. The other sections are simply formal. Paid officers are to give security, and the usual safeguards that are placed around a Bill of this kind are carefully provided. Section 35 is an important one, and is quite new; that is the section which provides for special audit. I need only just refer to section 42, the last proviso of which is as follows:—

“If any registered society receives loans or deposits in excess of the limits prescribed by this Act, every member of the committee of management of such society shall be personally liable for the amount received in excess.”

That is an important safeguard, and such personal liability will deter directors from any laxity in management in the direction of accepting moneys in excess of their limits. From what I have said hon. gentlemen will see that these societies have advanced far beyond the intention and scope of the subsection I quoted from the Friendly Societies Act, and are now sufficiently important, I consider, to have an Act passed relating solely to them, and embodying all necessary provisions, so as to avoid the inconvenience of having to refer to other statutes containing references to matters inapplicable to building societies. I have gone rather fully into the Bill in order that hon. gentlemen—as the Bill has been introduced at a rather late period of the session—may have all the information concerning it before it goes into committee, and I trust that it will become law this session. It is a matter of great importance to these societies and to the general public that the law relating to them should be placed upon a firm and satisfactory footing. I beg to move that the Bill be now read a second time.

The Hon. F. T. GREGORY said: Hon. gentlemen,—I really had no intention of addressing the House on this Bill had it not been for the very elaborate statement of the hon. gentleman who introduced it. He has really left me a little in a fog over some of the clauses. I have no intention of detaining the House on the second reading of the Bill, and I only rise to say that, after a more careful perusal of the Bill and the statement made by the introducer of it, I may find some amendments to suggest in it, but which I am at present unable to shadow forth. We have adopted the practice very much as a general rule in this House to give the hon. gentleman in charge of a Bill, while discussing the second reading, an opportunity of being aware of any amendments likely to be brought forward. We have hitherto, as far as possible, endeavoured to shadow them forth on the second reading, but I must confess I am unable to do so to-day. I trust, as the measure seems to be a useful and desirable one, that upon careful review we may find that no very serious amendments will be necessary.

The Hon. A. C. GREGORY said: Hon. gentlemen,—It is a very convenient practice, where we can adopt it, to shadow forth on the second reading of a Bill any points that may require explanation, inquiry, or investigation when the Bill gets into committee. In connection with clause 23 of this Bill, it is not yet quite clear to me to what extent we ought to allow the buying and selling of freehold estate by building societies. That they must have the power of executing mortgages is, of course, manifest, but I refer to this now as one of the clauses which will require careful consideration when the Bill gets into committee. Further, in connection with this subject we find under clause 26 that these societies may receive deposits on loans at

interest, but no time is fixed as the period at which these loans are payable. I think that, considering these building societies are not to be banking institutions, some limit—say two or three months—should be fixed, and it should be provided that no deposits should bear interest unless they remain in the society for more than two or three months. Another matter to be considered is the proposal of the Bill to allow building societies to receive deposits on loan to the extent of three times the amount of their paid-up capital. That would appear to be a very large, if not an excessive, borrowing power to give these societies, and it will demand very careful inquiry as to whether we ought not to go nearer the limit fixed by the English Act, which, I believe, is two-thirds of the paid-up capital. Without saying that I positively object to the Bill, I refer to the points I have mentioned as demanding very careful investigation.

The Hon. A. RAFF said: Hon. gentlemen,—I have very great pleasure indeed in supporting the second reading of this Bill. It has been a want felt by all who have had to do with building societies in this city for a very considerable time. I have myself been connected with building societies, off and on, for thirty years in this city, and I can say that this Bill, if passed, will be of very great use indeed. These building societies, in the old times, were comparatively small in their business transactions when compared with what they have now come to be. At the same time, while I would be very unwilling indeed to do anything that would seem to retard or hinder the usefulness of these societies, I quite agree with what has fallen from the Hon. A. C. Gregory, tending to call the attention of the hon. gentleman in charge of this Bill to the matters contained in the 26th clause. The Hon. Mr. Wilson has referred to one matter, the receiving of deposits on call, and has stated that that would be a matter to be settled by rules in these societies; but I think, as the Legislature is dealing with this Bill now, the members of it should deal with this matter themselves. I think building societies should not be placed in the position of banks to receive money and pay it out on call. If they receive deposits, it should be for a specified time, so as to give the societies time to make provision for any demands. The Bill compels them to retain no funds in hand to meet demands of that kind, and as a matter of fact very few of them do retain any funds at all, because, if we take up their reports, we will find they have large balances overdrawn at one or other of the banks. I think it very undesirable to allow building societies to take up the position of banks, and receive money to be paid at call. There should be some provision in the 26th clause to define and limit the term for which money should be deposited, and I would suggest that the term should not be less than two months. Again, with regard to the amount which building societies may borrow, although I am connected with building societies, I think the amount—three times their paid-up capital—which they are allowed by the 26th clause to borrow is too much, and it should be limited. No doubt the societies could fix the limit by their rules, but, as has been mentioned, although the Victorian Act gives societies in that colony the power to borrow three times the amount of their paid-up capital, I think twice the amount of the capital would be sufficient in this colony. The Hon. Mr. Wilson stated that the amount of the paid-up capital of one of these societies was about £75,000, and that would give them power to borrow £150,000, and they had borrowed, as stated in their last report, to the extent of £130,000. If they were allowed to borrow to the extent of twice their capital, they could borrow £150,000,

and if their paid-up capital was increased to £80,000 or £90,000, their borrowing power would, of course, be extended in proportion. When the Bill goes into committee that is a matter which should receive careful consideration. Though we may be favourable to the Bill and to those societies, and unwilling to do anything to injure their progress, we should consider the matter well, and be careful not to give the directors of building societies too much power in the borrowing of money.

The Hon. A. J. THYNNE said: Hon. gentlemen,—This Bill is the result of a defect in the present law relating to building societies, and a defect which has caused building societies to go beyond their legal powers. They have not only done that, but they have also gone into financing on mistaken principles. They have financed by borrowing money for comparatively short periods, and lending out the same money for very long periods, and the consequence is that now, when money has become somewhat scarce, there has been a demand on building societies which they are scarcely in a position to meet. It is well perhaps, as building societies have done so much good, that they should have some facilities for carrying on legally the work they have been doing for some time past without the express sanction of the law. I therefore think this is a good Bill to pass, with some slight alterations. The alterations suggested by the Hon. Mr. A. C. Gregory and by the Hon. Mr. Raff are amendments which I think, in the interests of members of building societies, ought to be made. It is a dangerous thing when we have working men borrowing small sums and building cottages, and impressed with the safety of building societies—it is a dangerous thing to put powers of borrowing, over their heads, into the hands of directors, which might be the means of ruining some of these societies. This clause 23, which has been referred to, gives the directors of building societies the power of entering upon an extended system of land-jobbing by buying, selling, and mortgaging freehold and leasehold estate. Building societies were originally merely co-operative savings banks, and to divert them from their original intention into land-jobbing societies would, I think, be a very grievous mistake. I consequently think that subsection (d) of clause 23 should be struck out altogether, especially as clause 25 gives the societies sufficient power to purchase freehold land for the purpose of erecting thereon their business premises. The limit of the borrowing power allowed the societies under the Bill is certainly too large, and I will be prepared to support an amendment on that as well as on the other matters I have mentioned. When the Bill gets into committee there may be some minor amendments necessary, and if I think so I will, of course, give notice of them.

The Hon. J. C. HEUSSLER said: Hon. gentlemen,—I have very carefully listened to the remarks of the previous speakers, and I entirely agree with the remarks made by the Hon. Mr. Raff. I think it would not be fair to put building societies in the position of banks. The Hon. Mr. Raff has said everything that could be said on that subject, and I need not repeat it. The Hon. Mr. Thynne has said that the working men should have confidence in the building societies. I can only fortify his remarks, and I say we ought to be very careful in what we do with this Building Societies Bill, in order that we may make these institutions as safe as possible, because there are a great many people who may be only too confident in putting their money into building societies, and mortgaging their property to building societies. It is all very well the building societies having lent

the money, but if the building societies were to come to the awkward position of failing, the shareholders' property and everything belonging to them would be going. I therefore think it is our imperative duty to be very careful of the powers which we shall confer upon these societies; otherwise, I very cordially agree with the provisions of the Bill, and consider that there are very many good points in it.

The HON. W. F. TAYLOR said: Hon. gentlemen,—We have had a very lengthy and lucid explanation of the various provisions of this Bill from the hon. member who has it in charge, and I listened very attentively to all he had to say on the subject. I must say that I commenced listening with rather a want of interest, and ended by being very much interested indeed, in the Bill. It appears from what has been stated by the hon. gentleman, that these building societies have been called into existence and conducted business without their legal status being really defined, and without their powers being as clearly defined as they should have been. They have consequently been in many cases induced to exceed what were strictly their legal powers in doing business. A Bill of this sort would therefore appear to be very necessary, and the Bill before us is, in my estimation, sufficiently comprehensive to meet all requirements that may arise in the case of any society. Some hon. gentlemen have taken exception to some clauses, and notably the Hon. Mr. Thynne has referred to clause 23, subsection (d), which gives as one of the purposes for which the society may employ its funds, "the buying, selling, and mortgaging freehold or leasehold estate." This appears to me to be somewhat of an innovation, so far as I understand the working of these societies in Queensland. It would appear to be a new principle in Queensland, but I believe it is a principle that has been introduced and acted upon in other colonies with very marked advantages to the societies, and without any extra risk to them. In most cases the members of building societies are generally working-men anxious to get freehold upon which to erect their own houses. They are unable, owing to the general desire for freehold land, to buy suitable allotments by going into the market and attending auction sales, because very long prices are asked for such allotments as they might require. In one or two societies I have heard of in New South Wales the societies have bought up a so-called "estate," and at a very slight advance on the original cost—simply the necessary additional cost of cutting up the estate—they have been enabled to dispose of it to the members of the society at a comparatively low rate, although land perhaps in the immediate neighbourhood, which was bought up by syndicates and cut up in a similar way, was sold for three or four times the price for which the members of the society were able to get their land. In cases of that sort I can see that a society having this power might confer very great benefits upon its members. I do not see any great risk attached to it, because the society would be enabled to buy the land in the first instance as cheaply and on as advantageous terms as a private individual would be able to get it, and selling the land afterwards to their members cannot possibly embarrass them in any way. Considerable exception has also been taken to the power given in clause 26 in permitting a society to borrow to the extent of three times its paid-up capital. I do not see on what ground exception can be taken to this. There may be some problematical danger connected with giving such large borrowing powers to a society, but I think no real danger can be shown. As a matter of fact, under the Building Societies Act in Victoria, that power is given to the societies in that colony,

and surely if in Victoria they can entrust building societies with those large borrowing powers, the building societies of Queensland are equally capable of being entrusted with similar powers, and I therefore see no reason why such powers should not be given them. The Bill I consider an exceedingly useful one, and though I have no doubt its various clauses will be carefully gone over in committee, so far as I can see at present, judging from the speeches made by hon. members who have spoken on the subject, there is no reason why there should be any material alteration made in the Bill.

The HON. W. PETTIGREW said: Hon. gentlemen,—It was not my intention to have spoken on this Bill, but after the remarks made by the Hon. Dr. Taylor, I require to say a few words in explanation of the statements made by the Hon. Mr. Raff and by the Hon. Mr. A. C. Gregory. The Hon. Dr. Taylor is not aware of any reason why the borrowing powers of these societies should be limited. Well, I have been connected with building societies for over thirty years, and I can remember, about twenty years ago, a very good reason that then existed why the borrowing powers of building societies should be limited. Hon. gentlemen present, who were here in those days, may remember that building societies stank in the nostrils of the people, and the occurrences that took place then give one reason at all events why their borrowing powers should be limited. I am not going to say that the same things will not take place again. Some of the gentlemen connected with societies then are here now.

The HON. W. HORATIO WILSON: They had not this Bill then.

The HON. W. PETTIGREW: I mention facts. I know they had not this Bill then, but I spoke of the building societies in those days.

The POSTMASTER-GENERAL: How many were there?

The HON. W. PETTIGREW: My memory is not good enough to enable me to say how many there were, but there were three of them at all events. I know that property fell so enormously in value at that time that you could buy an allotment of ground, with the house upon it, for the value of the timber in the house.

The HON. W. HORATIO WILSON: Yes, in 1866. We all know that.

The HON. W. PETTIGREW: Is not that a good reason why the borrowing powers of building societies should be limited? It is a very important thing indeed that building societies should possess the confidence of the community, and in order that they may do that it is most necessary that their powers of borrowing money should be limited. I am not going to say that something more than twice the paid-up capital ought not to be permitted, but I say that three times the paid-up capital is too much to allow, and I will be prepared to support an amendment upon that provision. I will not detain the House longer, but I have given reasons why I consider that one amendment, at all events, will be necessary.

The HON. J. TAYLOR said: Hon. gentlemen,—I quite agree with every word the Hon. Mr. Pettigrew has said. I believe myself that in giving the trustees power to borrow double the amount of the capital we will be giving them quite sufficient, if not too much power. Suppose they become insolvent, or are obliged to wind-up, where will the people's money be then?

The HON. W. HORATIO WILSON: There will be no trustees of building societies under this Bill; they will be corporate companies.

The HON. J. TAYLOR: It comes to the same thing, whether they are corporate companies or whether there are trustees. Their borrowing powers should be limited, as the Hon. Mr. Raff said, to at most double their paid-up capital.

The HON. J. SWAN said: Hon. gentlemen,—I can remember the first building societies that was established here, and I do not remember a defalcation occurring in the case of any one of them. These building societies have grown very much in importance and require some such Bill as this to enable them to carry on their business. I have been connected with building societies for over thirty years in Brisbane, and having read this Bill through very carefully, I can say it is a good Bill. It may require some little improvement, but I will be better able to decide that when I have heard what hon. gentlemen have got to say.

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

On the motion of the HON. W. HORATIO WILSON, the consideration of the Bill in committee was made an Order of the Day for to-morrow.

LIQUOR BILL.

SECOND READING.

The POSTMASTER-GENERAL said: Hon. gentlemen,—I propose to deal with this Bill very summarily, and I will simply formally move that it be read a second time. The subject-matters of the Bill are extremely simple, and I assume that hon. gentlemen having read the Bill understand the modifications of the principal Act contained in it. I am aware that there is some little difference of opinion with respect to clause 18, but we will be better able to deal with that in committee. There is no vital principle involved in the Bill, and no new principle at all in it. It is an amending Bill, and contains several provisions regarded as improvements on the existing state of the law. I beg to move that the Bill be now read a second time.

The HON. F. T. GREGORY said: Hon. gentlemen,—The remarks which I shall make upon this Bill will be very brief, as the general provisions of the Bill are already in force. There are one or two minor items which I think some hon. gentlemen are likely to take exception to. I have heard the matter discussed, and have carefully gone over the Bill myself. The clause which has been more particularly brought under my notice as requiring consideration is the 18th clause having reference to clubs, and I may say that I agree with the views which others have expressed to me upon this clause. There is no doubt that certain abuses have crept into the establishment of so-called clubs, which are not really entitled to the denomination, and it would be highly desirable to put a check upon anything which would tend to bring into disrepute institutions which are strictly *bona fide* clubs. At the same time, to put a check, as I said just now, upon every institution, upon every aggregation of individuals, as they are not institutions in reality—these misnamed clubs—it would be necessary that some legislation be introduced to prevent abuses. I am not at the present time in a position to offer a direct suggestion as to the way to meet it; but the impression which I have in my mind at the present moment is to omit the clause entirely for the present session, as it deals with a matter that we should have time to look into, without otherwise mutilating the present Bill which will meet all immediate requirements. Otherwise I have no intention to, in any way, obstruct the Bill. I shall be very glad to pass it, and by the time it goes into committee, we shall probably be in a position to see whether it would be desirable to

eliminate the clause altogether or to amend it. In other respects I have not come across any other clause in the Bill to which I take exception, and, therefore, I shall support the second reading.

The HON. A. J. THYNNE said: Hon. gentlemen,—There is one clause I wish to call the hon. gentleman's attention to—clause 17. At the present time the quarterly meetings transact the licensing business, and it is now proposed to establish monthly meetings for the same purpose for which quarterly meetings may be held. I do not see why a monthly meeting should not have the power of doing all the business of quarterly meetings. In fact, in the old time before the present Act, monthly meetings transacted every class of licensing business, and I am afraid that the new clause will be likely to lead to a great deal of confusion through there being quarterly meetings with full powers, and monthly meetings with limited powers, in the same places. Another matter I may point out, is that subsection 4 of clause 17, is, to a certain extent, contradictory to the provisions of the present Act. It says that one of the objects for which monthly meetings may be used is the consideration of any application the hearing of which is adjourned from a quarterly meeting. But by some peculiar phraseology in the clause of the principal Act, a bench is expressly prohibited from adjourning any business from a quarterly meeting for a period longer than one month from the date of such meeting, so that they cannot, if they have these monthly meetings, be able to transact business which was adjourned as is intended by this subsection 4. I call the hon. Postmaster-General's attention to this in order that he may see his way to extend monthly business to the same purposes as may be transacted at a quarterly meeting. As a matter of fact, as it was originally introduced, the Bill provided for monthly meetings; but in order to prevent the unnecessary meeting of licensing justices in places where the licensing business was very small, quarterly meetings were substituted, and at the same time a clause was introduced giving the Government power to have monthly meetings. I think if the Government were to adopt the clause originally in the Bill it would be better than the clause now introduced, which, I am afraid, is likely to lead to a considerable amount of confusion. With regard to clubs, I will not refer to that matter just now.

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

On the motion of the POSTMASTER-GENERAL, the committal of the Bill was made an Order of the Day for to-morrow.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

CLEVELAND BRANCH RAILWAY.

The PRESIDING CHAIRMAN announced the receipt of a message from the Legislative Assembly forwarding the plan, section, and book of reference of the proposed branch line of railway to Cleveland for the approval of the Legislative Council.

ADJOURNMENT.

The POSTMASTER-GENERAL said: Hon. gentlemen,—In moving that this House do now adjourn, I take the opportunity of saying that the business to-morrow will be almost all formal. We shall have the Trade Unions Bill in committee, the Building Societies Bill in committee, and the Liquor Bill in committee. With respect to the last-named Bill, in deference to the wishes of hon. gentlemen, it will be understood, if there is any matter in it

that is regarded as worthy of further consideration beyond to-morrow, facilities will be given for such consideration on another day. There will also be the second reading of the South Brisbane Mechanics Institute Land Sale Bill. I also hope to bring up the reports of the select committees in connection with the following proposed lines of railway:—From Normanton towards Cloncurry, first section; the proposed deviation of the Fassifern branch; and the proposed deviation of the Northern Railway into Hughenden.

The HON. F. T. GREGORY said: Hon. gentlemen,—There is a very strong feeling in the House that a little more time should be given to discuss the various questions which are now before us, and hon. gentlemen feel that if those questions are pushed on for to-morrow they will not receive the consideration they ought. I was in hopes that the Postmaster-General would have seen his way to have adjourned over the whole of next week. There are a great number of select committees upon railways, and the amount of work to be attended to in that direction is quite sufficient to occupy hon. gentlemen the whole of next week. With regard to the suggestion that to-morrow we should take only one or two measures that the hon. gentleman referred to into consideration, if they are purely formal matters, I think the House is quite prepared to accept that suggestion on the definite understanding that no measures shall be brought forward which will require any discussion whatever. I will do my best to make a House to-morrow on the distinct understanding that after to-morrow we adjourn over the whole of next week. If the hon. gentleman will explain that he is prepared to carry out that view, I shall raise no objection to meeting to-morrow, otherwise it will be my duty, or that of some other hon. member, to move that we adjourn from to-morrow until next Tuesday week. I hope the Postmaster-General will be able to assure us that no business whatever will come forward to-morrow otherwise than formal.

The HON. J. C. HEUSSLER said: Hon. gentlemen,—It appears to me that we had better do as much business as possible to-morrow, whatever it is, formal or not formal. Let us try to do as much as possible to-morrow, and what we cannot do then, let it stand over until Tuesday week.

The HON. J. TAYLOR said: Hon. gentlemen,—As there seems to be a doubt whether the Postmaster-General requires the House to meet next Tuesday, I now move as an amendment that the House adjourn until Tuesday, the 16th instant.

The POSTMASTER-GENERAL: The hon. gentleman might have paid me the compliment of waiting until I had replied to the Hon. F. T. Gregory.

The HON. J. TAYLOR: If the hon. gentleman wishes to reply to the Hon. F. T. Gregory, with the permission of the House I will withdraw my amendment.

Amendment, by leave, withdrawn.

The POSTMASTER-GENERAL said: Hon. gentlemen,—I am very glad that the Hon. F. T. Gregory has made the observations he has. With respect to the business to be done, it will be exactly as I suggested a few minutes ago, and I think hon. gentlemen will agree in that view—that whatever is decided to-morrow afternoon to be debatable matter will, and very properly should, be held over for further consideration. It is my intention to-morrow afternoon to move that the House do adjourn till Tuesday week, and for very good reasons. The Hon. F. T.

Gregory pointed out that there is heavy committee work going on now, and I think it is hardly kind that we should have such a rush of work at the end of the session. I have personally very strong grounds for complaining about it, because I have to attend at every committee, and it is one continual grind, as Mantalini said in that celebrated work of Dickens's, and I cannot stand the physical strain. I think the work of the country will be best promoted by an adjournment from to-morrow until the following Tuesday week.

The HON. W. FORREST said: Hon. gentlemen,—I think the Postmaster-General has given really the very best reason for adjourning from to-night that has yet been advanced. There is a tremendous amount of committee work to be done by members of this Chamber, and we have the most responsible and serious duty that has ever been before any committee yet, and I contend that it requires the whole of their attention. They have to bring before this House, as I hope they will, and as I believe they will, a report with regard to the enormous expenditure, that will guide this Chamber in coming to a correct conclusion. If the various committees will give that attention which they ought to these railway proposals, I defy them to attend to their other duties and their private affairs as well. There is nothing of the slightest importance to come before us to-morrow. There are merely formal matters that will go through quickly. The hon. gentleman suggested that we might not be able to get a House to-morrow.

The POSTMASTER-GENERAL: Yes, we will.

The HON. W. FORREST: And that being the case we will be compelled to meet next week.

The POSTMASTER-GENERAL: There will be a House to-morrow.

The HON. W. FORREST: It is possible that we may not have a House to-morrow, or if we do, that House may be of a different opinion from the House of to-night. I believe the adjournment will be carried to-night, and to-morrow hon. gentlemen might alter their minds and want to meet next Tuesday. The thing ought to be made a certainty. These committees ought to have most ample time allowed them, and an adjournment will not retard the general business of this House in the slightest degree; in fact, it will facilitate business, and enable the different matters to be attended to properly. I move that the House adjourn until Tuesday, the 16th instant.

The POSTMASTER-GENERAL: There is no committee work that debars us from meeting to-morrow.

Question—That the words proposed to be added be so added—put, and the House divided:—

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The Hons. A. J. Thynne, A. C. Gregory, E. B. Forrest, J. Taylor, P. Macpherson, G. King, W. Forrest, F. H. Hart, W. G. Power, F. T. Gregory, and W. F. Lambert.

NOT-CONTENTS, 13.

The Hons. T. Macdonald-Paterson, J. C. Heussler, D. F. Roberts, H. C. Wood, A. Heron Wilson, A. Raff, J. D. Macanish, W. F. Taylor, F. T. Brentnall, J. Swan, W. Horatio Wilson, F. H. Holberton, and W. Pettigrew.

Question resolved in the negative.

Question—That the House adjourn until to-morrow—put and passed.

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