Queensland

Parliamentary Debates
[Hansard]

Legislative Council

THURSDAY, 4 NOVEMBER 1886

LEGISLATIVE COUNCIL.

Thursday, 4 *November*, 1886.

Messages from the Legislative Assembly—Warwick to St. George Railway—examination of members of of the Legislative Assembly—Bowen to Ayr Railway —Cooktown to Maytown Railway.—Message to the Legislative Assembly—Warwick to St. George Railway—examination of members of the Legislative Assembly.—Reports from Select Committees. —Liquor Bill—committee.—Message from the Legislative Assembly—Warwick to St. George Railway—examination of members of the Legislative Assembly. —Building Societies Bill—committee.—Message from the Legislative Assembly—Employers Liability Bill.—South Brisbane Mechanics Institute Land Sale Bill—second reading.—Adjournment.

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

MESSAGES FROM THE LEGISLATIVE ASSEMBLY.

Warwick to St. George Railway—Examination of Members of the Legislative Assembly.

The PRESIDING CHAIRMAN announced the receipt of the following message from the Legislative Assembly :—

"Mr. Presiding Chairman,

"In answer to the message of the Legislative Council, dated 3rd November instant, requesting leave for Francis Kates, Esquire, and Jacob Horwitz, Esquire, members of the Legislative Assembly, to attend and be examined before the select committee of the Legislative Council on the proposed line of railway from Warwick towards St. George, the Assembly acquaint the Council that leave has been granted to their said members to attend and be examined by the said committee if they think fit."

Bowen to Ayr Railway.

The PRESIDING CHAIRMAN announced the receipt of a message from the Legislative Assembly, forwarding the plans, sections, and book of reference of the proposed line of railway from Bowen towards Ayr, for the approval of the Legislative Council.

Cooktown to Maytown Railway.

The PRESIDING CHAIRMAN announced the receipt of a message from the Legislative Assembly, forwarding the plans, sections, and book of reference of the proposed extension of the Cooktown to Maytown Railway, for the approval of the Legislative Council.

MESSAGE 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 James Campbell, Esquire, and James Lalor, Esquire, members of the Legislative Assembly, in reference thereto, request that the Legislative Assembly will give leave to its said members to attend and be examined by the said committee, on such day and days as shall be arranged between them and the said committee."

Question put and passed.

REPORTS FROM SELECT COMMITTEES.

The POSTMASTER-GENERAL laid upon the table the reports of the select committees upon the proposed deviation of the Northern Railway to Hughenden, the Fassifern branch line, and the proposed line of railway from Cloncurry to Normanton, together with minutes of evidence in relation to each. He moved that the papers be printed.

Question put and passed.

LIQUOR BILL.

Committee.

On the motion of the POSTMASTER-GENERAL, the House went into committee to consider this Bill in detail.

Clauses 1 to 4, inclusive, put and passed.

On clause 5, as follows :—

"The Governor in Council may by proclamation appoint any town or other place to be a place at which liquor may be disposed of by wholesale.

"Any town or other place heretofore proclaimed by the Governor in Council as a town or place at which liquor may be disposed of by wholesale shall be deemed to have been appointed under this Act as a place at which liquor may be disposed of by wholesale until the proclamation has been revoked or rescinded."

The Hon. A. J. THYNNE said he wished to make a few remarks upon that part of the Bill, because it appeared to him that an erroneous statement had been made in another place as to what would be the effect of the provisions dealing with the sale of liquor by wholesale. It had not been put forward in the other House that that portion of the Bill would impose a license fee upon people who heretofore were not obliged to pay a license for the sale of beer and porter by wholesale. At the present time, and for many years, any person was allowed by law to sell beer or porter by wholesale without having to pay a license, either as a wholesale wine and spirit merchant or as a publican. Wholesale wine and spirit merchants were registered under a special Act of Parliament, which did not extend in any way to the sale of beer and porter by wholesale. He did not know that the provision would affect many people in the colony, though it would affect some. He thought it was a pity that the effect of those provisions upon the people to whom he had referred had not been considered, and that no attention had been called to it in another place, when it might perhaps have been better dealt with than in that Chamber. He did not think there were a sufficiently large number of persons affected by it at present to justify him in moving any amendments in these clauses; but he thought it his duty to call attention to it, so that not only the members of that House, but also the public who might be affected unwittingly by that part of the Bill, should be informed of the operation of those clauses.

The Hon. F. T. GREGORY said it was quite true that the provisions of that part of the Bill would have the effect described by the Hon. Mr. Thynne, but as to the number of persons whom it would affect being limited, he was not quite so sure about that. He would mention a case where it would strike one that those provisions would at once operate. An ordinary licensed auctioneer might be called upon to sell off the private effects of a person who might be, say, giving up housekeeping, and who might have, amongst other effects for sale, some wine and beer. As the auctioneer would not be licensed under the provisions referred to, the sale of such things by him might be prohibited. He was not aware that there would be any very great hardship under that part of the Bill, but it might

form a trap for licensed auctioneers. Perhaps a further reference to the subsections of clause 60 of the principal Act might throw a little more light upon it.

The HON. A. J. THYNNE said he thought the alteration in the law would only affect beer and porter, and not wines or spirits or any other liquors. That would prove a hardship in the case of grocers, who had been in the habit of supplying cases of ale or porter containing more than two gallons, which they were perfectly justified in selling. But they would not be justified or allowed to do so if the clause were passed. That was a matter to which he wished to call particular attention, and unless public attention was drawn to it in a very marked way, many persons would be, as he had said before, unwittingly led into breaches of the law. Whether it was a judicious alteration or not was a matter he would leave for the consideration of other members of the Committee.

Clause put and passed.

Clauses 6 to 16, inclusive, passed as printed.

On clause 17, as follows :—

"The Governor in Council may direct that, in addition to the quarterly meetings of licensing authorities prescribed by the fourteenth section of the principal Act, monthly meetings of the licensing authority of any district shall be held for the following purposes, that is to say—

(1) The consideration of applications for the transfer of licenses;

(2) The granting of billiard or bagatelle licenses to a person to whom a licensed victualler's license is transferred at the same meeting;

(3) The consideration of applications for authority to carry on business under the provisions of the fifty-sixth section of the principal Act;

(4) The consideration of any application the hearing of which is adjourned from a quarterly meeting.

"Every monthly meeting shall be held at ten o'clock in the forenoon of the first Wednesday in the month, and at the place appointed for holding quarterly meetings.

"When monthly meetings have been directed to be held in any district, any of the matters hereinbefore specified may be entertained and disposed of by the licensing justices at any such monthly meeting, and the principal Act shall, as to such matters respectively, be read and construed as if the term 'monthly meeting' were used therein instead of the term 'quarterly meeting' wherever the latter term is used therein with reference to such matters respectively."

The HON. A. J. THYNNE said that was a clause in which he proposed to make some alterations, and he would suggest to the Postmaster-General that the consideration of it might be postponed. He understood that anything which was not of a formal nature would not be gone on with to-day. He had not prepared his amendments yet, anticipating that the Bill would not come on, or at least that those parts of it on which there might be a discussion would be allowed to stand over until the next sitting day. The amendment he proposed was to assimilate the monthly meetings in every respect with quarterly meetings, and not have a distinct class of business done at each, as it was almost sure to lead to a great many mistakes being made through misapprehension as to the dates upon which applications should be made. He proposed to extend the operation of the clause so as to have monthly meetings in such places as the Governor in Council might appoint them to be held in, such meetings to have the power of doing all business which was done at the ordinary quarterly licensing meetings; that was the intention of the Government when the Bill was originally introduced. He was not prepared to go on with his amendment, and trusted that the Postmaster-General would allow the clause to stand over.

The POSTMASTER-GENERAL said he was not able to assent to the proposition of the hon. gentleman, because it was the policy of the Government to keep the clause exactly as it was. If the hon. member protested he would press the matter to a division.

The HON. A. J. THYNNE: Do I understand that the hon. gentleman refuses to allow the clause to stand over?

The POSTMASTER-GENERAL said he did refuse, because there was no hint whatever given yesterday about those matters at all. He was quite prepared to take the sense of the Committee upon the matter. There was nothing contentious in the clause. The hon. gentleman contended that the quarterly meetings should be assimilated to the monthly meetings, but the Government did not think so. It was not intended to have the whole of the business of the quarterly meetings distributed over twelve meetings instead of four.

The HON. A. J. THYNNE said that if the Postmaster-General refused to accept his suggestion to postpone the clause until next sitting he should be justified in future in not accepting the hon. gentleman's assurances as to the course of business. Yesterday he distinctly called the attention of the House to that clause, which was the only one he spoke upon. He called attention to the fact that he should propose that amendment.

The POSTMASTER-GENERAL: I did not hear it.

The HON. A. J. THYNNE said the hon. gentleman must have been very inattentive to the debate, because his remarks appeared fully in *Hansard*. The Postmaster-General was present in the House when he spoke, and gave his assurance that any question that there would be any discussion upon should be postponed. He (Hon. Mr. Thynne) assumed that that would be the case; and now the hon. gentleman said that the policy of the Government was so-and-so, and his suggestion could not be accepted. No doubt the Postmaster-General wished to carry his Bills through, but it was not the proper way to carry Bills through by not allowing facilities for discussion by a full committee on every question brought forward, especially when such facilities had been promised. He trusted that the Postmaster-General would not further object to his request, as he should feel very sore if he did.

The POSTMASTER-GENERAL said he thought the hon. gentleman must have misunderstood him. He referred yesterday to matters which had been suggested as debatable, and he recollected that the hon. gentleman had referred to that particular clause, but he thought he was going to make some trivial verbal amendment in its phraseology, such as he usually attempted; but the amendment the hon. gentleman suggested was something beyond that, and it was not desirable to accept it. He did not think the Committee would agree that quarterly business should be distributed over the whole twelve meetings, and being of that opinion he was quite prepared to join issue with the hon. gentleman at once. If the Committee thought the clause should be deferred, the hon. gentleman would carry his point. There would be some conveniences through having monthly meetings, and that was what the clause was inserted for, but it was not intended to adopt the suggestion of the Hon. Mr. Thynne.

The HON. F. T. GREGORY said he thought there was some misapprehension on the part of the Postmaster-General. Yesterday there was no doubt it was distinctly understood, at any rate by members on his side of the House, himself amongst them, that if any clause was likely to

result in a discussion, the Postmaster-General would raise no objection to its being postponed. He did not know what was the exact nature of the Hon. Mr. Thynne's amendment; he only knew that that hon. gentleman wished to call the attention of the Committee to the fact that the business of licensing courts could be done monthly instead of quarterly. He was quite satisfied that the Hon. Mr. Thynne did understand the hon. the Postmaster-General in the way in which he stated: that any clause of the Bill should be postponed if there was likely to be any discussion upon it; but there was no agreement come to as to any particular clauses which should be so postponed. He himself raised an objection to clause 18, and he had already explained personally to the Postmaster-General the course he proposed to take, and the Hon. Mr. Thynne would have done the same, but he was not aware that there was any necessity for it; if he had it was quite possible that some understanding would have been arrived at. As it was, the Postmaster-General ought to allow the Hon. Mr. Thynne's objection to hold good, and postpone the clause. He did not think any time would be lost, and an opportunity would be given for the matter to be considered upon its merits. If it was decided that the amendment was a good one it would be accepted without any further trouble, and if the Committee were satisfied that it was unnecessary no doubt it would not pass. He hoped the Postmaster-General would see his way to allow the clause to be postponed.

The POSTMASTER-GENERAL said he would let the Hon. Mr. Thynne see what his language was. An hon. gentleman had just handed him the report of what he (the Postmaster-General) said, and he found that he observed yesterday afternoon—

"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."

He thought the House should decide what should be debatable matter. He did not think it was desirable, to alter the Bill or to alter the principal Act either, in the direction suggested by the Hon. Mr. Thynne. His view and that of the hon. gentleman were before the Committee, and if the Committee thought it was a debatable matter it would stand over under the agreement of yesterday afternoon; but he would not take upon himself to decide as to whether it was debatable or not. It was merely a question of difference of opinion, but by all means let debatable matter be held over.

The HON. A. J. THYNNE said he did not understand the position taken up by the Postmaster-General in the matter. In the first place, he did not recollect his having called attention to the clause. Then he said he expected it was some verbal alteration which he (Hon. Mr. Thynne) proposed to make, and how the hon. gentleman could entertain that idea he did not understand. Afterwards the hon. gentleman said he referred to such matters as had been decided by the Committee to be debatable matters. That was a very peculiar way of getting out of the difficulty. Many hon. gentlemen were absent in consequence of the arrangement which the hon. Postmaster-General put forward, and it would seem rather ridiculous for them to say that only those matters which were decided, upon division, to be debatable should be postponed. He repeated that he thoroughly understood, and every other member of the Committee who had any interest in the matter also understood, that any clause might be postponed at the request of any hon. member who desired to make an amendment upon it. It would only make him exceedingly cautious in future in accepting any arrangement which the Postmaster-General offered to the House. If the hon. gentleman insisted upon going on with the clause, he would move an amendment which would bring him to the point one way or the other.

The POSTMASTER-GENERAL said the hon. gentleman who generally represented hon. gentlemen on the other side did not expect that the amendment of the Hon. Mr. Thynne in the clause would be such as would require it to be held over, because in a conversation with him that afternoon that hon. gentleman used words to this effect: that the amendment he proposed would enable the Bill to go through. So that the hon. gentleman must have held the view he held. It was true that the Hon. Mr. Thynne spoke on the clause—he remembered it now—but he understood that the amendment he referred to was of a comparatively unimportant character, and that he would be prepared to move it that afternoon. He repeated that there was nothing debatable in the suggestion; but in view of the slight misunderstanding which had arisen between the hon. gentleman's view of what he said, and what he actually did say, if the Committee had no objection, he would move that the discussion of the clause be postponed.

Question put and passed.

The POSTMASTER-GENERAL said he hoped the hon. gentleman would see that his amendments were circulated in time, so that hon. gentlemen would have a day or two to consider them.

On clause 18, as follows:—

"From and after the first day of March, one thousand eight hundred and eighty-seven, the exemption contained in paragraph (*e*) of the sixtieth section of the principal Act shall extend and apply only to persons selling liquor in a club which is a *bonâ fide* association or company of not less than fifty persons, and with respect to which the following conditions exist, that is to say,—

(1) The club must be established for the purpose of providing accommodation and meat and drink for the members thereof, upon premises of which such association or company are the *bonâ fide* occupiers;

(2) The accommodation must be provided and maintained from the joint funds of the club, and no persons must be entitled under its rules to derive any profit, benefit, or advantage from the club which is not shared equally by every member thereof;

(3) It must be proved to the satisfaction of the licensing justices, at a quarterly meeting, that the club is such an association or company as in this section is defined, and that the premises of the club are suitable for the purpose.

"Upon such proof being made the club shall be registered by the clerk of petty sessions, for which registration a fee of five pounds shall be paid.

"Upon the complaint of an inspector the manager, steward, or other person conducting or managing a club, may be called upon to show cause before justices why the registration of the club should not be cancelled. And upon the hearing of the complaint, if it is proved to the justices that any of the conditions of this section are no longer fulfilled by or with respect to the club, the registration shall be cancelled and the exemption aforesaid shall no longer extend or apply to persons selling liquor in such club."

The HON. F. T. GREGORY said as he had shadowed forth yesterday, when the Bill was on its second reading, he would move a formal amendment in regard to the clause. After careful consideration of the whole structure of that clause, he had no desire to interfere with it, but only to add at the end the following proviso, which he would move as a substantive motion:—

Provided that this section shall not apply to any *bonâ fide* club in existence at the time of passing of the principal Act.

He thought that would obviate any mutilation of the clause, and in reality it would not alter the

principle of the Bill, but would do away with what had been considered by a number of members of the Committee an objection to the clause as it now stood.

The POSTMASTER-GENERAL said he simply rose to say that he saw no objection whatever to the proposed amendment.

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

On clause 19, as follows:—

"From and after the first day of July, one thousand eight hundred and eighty-seven, a wine-seller's license under the principal Act shall authorise the holder thereof to sell colonial wine only. And the term 'wine,' when used in the principal Act with reference to the holder of a wine-seller's license, shall from and after that day be deemed and taken to mean colonial wine only.

"On and after the said last-mentioned day it shall not be lawful for a licensed wine-seller to sell any wine other than colonial wine.

"'Colonial wine' means and includes any wine, cider, or perry, the produce of fruit grown in any Australian colony, and which wine, cider, or perry, does not contain more than thirty-two per centum of proof spirit."

The HON. W. G. POWER said he would ask the Postmaster-General what was the meaning of "colonial wine"—Queensland wine or Australian wine?

The POSTMASTER-GENERAL: Australian wine. Hon. gentlemen would see on page 5 that it was confined to the Australian colonies. As a matter of fact, he should define colonial wine to mean wine from any British colony. However, the clause only referred to wines which were the product of any Australian colony.

The HON. A. J. THYNNE said there might be a very peculiar result from that provision. Wine-sellers would be able to preserve their invoices for a great number of years, and say to a customer, "I can show you a very old wine," although it might be only diluted brandy, kept for a number of years; and when the invoices were asked for they would say, "This is a '48 wine," or "This is a '64 wine," and so on. It was almost a farce to introduce the clause, and he did not think it was worth while discussing it, as its provisions offered no protection whatever, but afforded every inducement for evasion.

The HON. J. C. HEUSSLER said he thought the clause should be very definite about colonial wine. He knew a good deal about wine, and recollected tasting some wine at the Exhibition which was just like German hock. It was Australian wine and was exactly the same as the hock he had in his own cellar. He did not think he could distinguish which was which. Of course he had no objection to the clause. He might only say that wine-sellers should afford better accommodation, so that people could sit and drink their wine quietly; that was his idea of wine-selling. The present mode did more harm than good, and it would be better if they educated their own people to be of such strength of mind that they would not take more than was good for them. He believed in having proper accommodation and nice tables, to chat over their glass of wine or beer or spirits. That would be a more happy state of things than existed at present in the colonies or in any of the English dominions. He was referring to the continent of Europe, where there were no restrictions as a rule in regard to the sale of wine. Perhaps the people there drank more than the English people.

The HON. W. G. POWER said he saw a quantity of wine in a recent exhibition that came from Roma, and he thought it would compare favourably with any sherry that came into the colony. It was made at Bassett's at Roma, he thought. There were "cider" and "perry" mentioned in the clause, but he did not think any cider or perry were made in the Australian colonies from apples or pears. The cider sold in Brisbane was only good for the patent medicine vendors. They were the people who made most profit out of it.

Clause put and passed.

The remaining clauses of the Bill and the schedules were passed as printed.

On the motion of the POSTMASTER-GENERAL, the House resumed, the CHAIRMAN reported progress, and the Committee obtained leave to sit again on Tuesday week.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

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

The PRESIDING CHAIRMAN announced the receipt of the following message from the Legislative Assembly:—

"MR. PRESIDING CHAIRMAN,

"In answer to the message of the Legislative Council, dated 4th November instant, requesting leave for James Campbell, Esquire, and James Lalor, Esquire, members of the Legislative Assembly, to attend and be examined before the select committee of the Legislative Council on the proposed line of railway from Warwick towards St. George, the Assembly acquaint the Council that leave has been granted to the said members to attend and be examined before the said committee, if they think fit.

BUILDING SOCIETIES BILL.

COMMITTEE.

On the motion of the HON. W. HORATIO WILSON, the House went into committee to consider this Bill in detail.

Clauses 1 to 11, inclusive, put and passed.

On clause 12, as follows:—

"The rules of every building society established under this Act shall set forth—

(1) The name of the society and chief office or place of meeting for the business of the society;

(2) The manner in which the stock or funds of the society is or are to be raised; the terms upon which paid-up shares (if any) are to be issued and dealt with, and whether preferential shares are to be issued, and if so, within what limits (if any); and whether the society intends to avail itself of the borrowing powers conferred by this Act, and if so, within what limits, not exceeding the limits prescribed by this Act;

(3) The purposes to which the funds of the society are to be applied, and the manner in which they are to be invested;

(4) Whether shares may or may not be withdrawn, and if so, upon what terms, and the terms upon which mortgages may be redeemed;

(5) The manner of altering and rescinding the rules of the society and of making additional rules;

(6) The duties and powers of, and manner of appointing, remunerating, and removing, the committee of management, auditors, and other officers;

(7) The manner of calling general and special meetings of the members, the quorum necessary to constitute such meetings, and the mode of voting and number of votes to be given by each member at such meetings;

(8) The mode of drawing and signing cheques, drafts, bills of exchange, promissory notes, and other negotiable instruments, for and on behalf of the society;

(9) The security to be given by any paid officer of the society having the receipt or charge of any money belonging to the society;

(10) Provision for an annual or more frequent audit of the accounts, and inspection by the auditors of the mortgages and other securities belonging to the society;

(11) Whether disputes between the society and any of its members, or any person claiming by or through any member, or under the rules, shall be settled by reference to arbitration, or how otherwise;

(12) Provision for the device, custody, and use of the seal of the society, which shall in all cases bear the registered name thereof;
(13) Provision for the custody of the mortgage deeds and other securities belonging to the society;
14) The fines and forfeitures to be imposed on members of the society;
(15) The manner in which the society, whether terminating or permanent, shall be terminated or dissolved."

The HON. W. PETTIGREW said he would like to have a little more information upon subsection 12 of the clause. It was a new thing in connection with building societies so far as he was aware. He had not seen anything of the sort done here. He did not know what was the use of bothering with a seal; it would incur a great deal of needless work in connection with the society, and he would like to have some information as to why that subsection was introduced.

The HON. W. HORATIO WILSON said the reason for the subsection was of course because the scheme of the Bill was to incorporate building societies. It was therefore necessary to have a common seal. The consequence would be that in all transactions of a serious nature, in which building societies would have to take part, the seal would require to be used. It was simply to assimilate building societies with corporations. The seal would only be used in the same way as it was used by companies under the Companies Act of 1863. The subsection was absolutely necessary.

The HON. W. G. POWER said he would like to know how far the power of the directors of a building society would go under the 13th subsection of the clause in the direction of giving deeds as a security to a bank for advances, for instance. A man might be paying off his liability under a mortgage for years, and he might find that his mortgage and deeds were deposited with a bank, and the bank would not give them up unless they got the full amount endorsed on the back of the deeds. What remedy would a man have if a society treated him in that way? It was quite possible that deeds and mortgages would be deposited in great number in banks, because now it was proposed that societies should be permitted to take large sums of money on deposit, and some provision should certainly be made for the protection of their members.

The HON. W. HORATIO WILSON said the object of the 13th subsection was simply to give the society the power to make rules for the custody of the mortgage deeds and other securities belonging to the society. The whole matter referred to in the hon. member's remark would be covered by that. When the rules were prepared safeguards would, of course, be made with regard to the securities and deeds. It was for that purpose the subsection was placed there, to compel societies to make a rule to the effect named.

The HON. W. G. POWER said the limit of the powers they would have in that respect should be defined.

The HON. W. HORATIO WILSON: The rule would provide for that.

The HON. W. G. POWER said the directors should be compelled to make rules to provide for that, and the clause did not compel them to do so.

The HON. W. HORATIO WILSON said they would have to do so for their own safety, and they must make rules necessary for the good government of the society, and that would be one of them.

The HON. A. C. GREGORY said it would be better to deal with that question under clause 22 and other cognate clauses, providing for the manner in which they might deal with property held for the time being under mortgage. They might place some restriction on the use of deeds and property in the charge of the society; but the question the hon. member raised would be better dealt with under some of those clauses than under the one under discussion.

The HON. G. KING said the scope of the Hon. Mr. Power's question was rather beyond subsection 13 of that clause. The hon. gentleman, he thought, wanted to know whether a society could raise money upon the deeds of borrowers from the society by lodging them in a bank, and he then raised the question as to what security the borrowers from the society would have if their deeds could be dealt with in that way.

The HON. W. HORATIO WILSON said his answer to that was, that if a society had the custody of documents under those circumstances it could not in any way prejudice the rights of the mortgagor.

The HON. G. KING said he thought the hon. gentleman was wrong. If those securities were in the hands of the bank for advances made by the bank to the building society the mortgagor would be in a very poor position, because his property would be responsible generally for the amount of money borrowed by the society in their business.

The HON. W. G. POWER said he was still of opinion that a bank, being the holder of mortgages or deeds as securities for advances to a society, would see that the full amount endorsed on the mortgage or deeds was paid. He was, however, quite satisfied with the Hon. Mr. Gregory's proposition to deal with the matter later on.

The HON. F. T. BRENTNALL said the clause under consideration empowered building societies to make certain rules, or rather rules for certain objects; and subsection 13, to which the Hon. Mr. Power had referred, was intended to empower a society to make rules for the custody of mortgage deeds and other securities belonging to the society. If the Bill passed, he took it, it would be entirely within the power of any building society to make such rules for the protection of the mortgagor as might be necessary, and he thought the fear expressed by the Hon. Mr. Power could be amply provided for by the society, because in the clause they proposed to give them the power of doing that—the power of specifying by rule where their mortgage deeds and other securities were to be deposited, and what was to be done with them; into whose custody they should be placed, and within what limits the custodians should act with them. The clause under consideration proposed to put it into the hands of building societies to make rules to say what should be done with their deeds and security. That he believed was the object of this subsection in particular.

The HON. J. SWAN said that if hon. gentlemen opposite who had taken objection to the clause had themselves taken the trouble to read the rules of existing societies they would not have talked as they did.

The HON. W. G. POWER said it was all very well to say that a society could make rules, but the Bill ought to provide that every building society should make rules for the purpose stated in the subsection to which he referred. They knew very well that at meetings of the members of those societies, though there might be a large number of members present, the business was

carried on by perhaps three or four, and the others looked on and took no part in it. They ought, under the Bill, to compel the directors or the principal members of building societies to make the rules he referred to, as the bulk of the shareholders were often quite satisfied to do whatever they were told.

The HON. W. HORATIO WILSON said he would point out to the hon. gentleman that the clause was imperative. It said "The rules of every building society established under this Act shall set forth," etc.

The HON. W. G. POWER: Yes; but I want it to set forth more.

The HON. F. T. GREGORY said the contention raised by the Hon. Mr. Power was with regard to the dealing with the deeds and securities, and not alone with respect to their safe custody. The rule might provide that they should be kept in some bank in an iron safe and so on, and that would be within the limits of subsection 13 of the clause, but the subsection would certainly not apply to dealings with them in the business sense of the word. However, the matter would be better provided for in another clause.

Clause put and passed.

Clauses 13 to 22, inclusive, put and passed.

On clause 23, as follows :—

"A registered 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 registered 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."

The HON. A. C. GREGORY said that subsection (*d*) of the clause provided that a building society under the Bill might employ its funds for buying, selling, and mortgaging freehold or leasehold estate. He thought that went beyond what might be considered the reasonable functions of a building society, and he therefore considered it would be preferable to omit that subsection. Before he moved a substantial resolution, however, on the matter, he would like to hear any reasons that might be given for the retention of that part of the clause.

The HON. W. HORATIO WILSON said he thought the subsection should be retained, because in the first place it was a very useful one, and gave building societies an opportunity of doing a great deal of good for their members. If that clause was retained in its present form it would enable building societies to buy small blocks of land, as they were in the habit of doing at the present time, he believed, and sell them again in allotments to their own members, and also at the same time lend them money to build cottages upon them. That seemed to him to be legitimate business for building societies to do. If hon. gentlemen expunged the subsection it would simply throw building societies into the hands of limited companies, and there would not be such safeguards around societies of that kind as there were in that Bill. The clauses of the Bill had been drafted for that very purpose, to throw as much of a safeguard around the transactions of building societies as possible. One society at present in existence transacted that kind of business, and he held a rule in his hand which referred to it as one of the objects of the society—

"To purchase either by public auction or private sale, land in blocks or otherwise, and thereon to build cottages, dwelling-houses, or other buildings; or to lay out such land in building allotments; or partly to lay out the same in building allotments, and partly to erect cottages, dwelling-houses, or other buildings thereon; or to purchase cottages, dwelling-houses, or other buildings, and to sell in such manner, and on such terms and conditions, as may by the board of management be considered advisable."

If the clause before them were expunged, that society would very likely not come under the Bill, as they were at present registered under the Friendly Societies Act. They would be taking away from members of a building society the advantages which the Bill afforded, if they were to do anything which would prevent that society coming under the Bill. Those were, he thought, good reasons why the subsection referred to should be retained. He did not believe there need be any fear of the power conferred by that provision being abused, because the business transacted by those societies was for the benefit of their members. He knew, as a matter of practice, societies of the kind were in the habit of buying unsold blocks of an estate which had been cut up, and some of which had been sold, and reselling them to their members at a very slight profit and very much to the advantage of their members, because if the society gave £20 for allotments they were in a position to resell them at a small advance—say £5 or so—to their members, who had the great advantage of being able to pay for them by instalments. That, he thought, was a very strong reason why the transactions now taking place concerning the buying and selling of land by building societies should be continued.

The HON. A. RAFF said that at first he was inclined to be unfavourable to that subsection, and although he was not favourable to building societies being allowed to deal with lands altogether in the way suggested by the Hon. Mr. Wilson, he thought it would hamper them very much if they were to withdraw that subsection. He knew of one building society that had bought freehold land, had erected premises upon that freehold, had mortgaged that freehold land for an advance upon the premises, and were deriving a revenue through subletting a portion of it and keeping a portion of it as their premises. If they took out the subsection referred to they would prevent building societies from being able to acquire property of their own for purposes of their own business.

The HON. A. J. THYNNE said he did not know whether the Hon. Mr. Raff had referred to clause 25 of the Bill. If he did he would see that that clause met the objection he spoke of, because it provided that building societies might purchase freehold or leasehold property for the purposes of their business premises, and by striking out subsection (*d*) of clause 23 building societies would not be prevented from obtaining freehold or leasehold property for the purpose of their business premises.

The HON. W. G. POWER said building societies ought to be assisted in every way, but the Bill made them bankers, which he did not think they ought to be. Building societies, as originally stated, never contemplated anything of the sort. It was proposed by the Bill that they should be able to borrow money up to three times the amount of their capital, and there was no security given to the public as other banks had to give. He did not think it was desirable that that power should be given. He believed some societies now borrowed money

from the public who had actually no security, as he had been informed, for the money they deposited. He had also been told that when they came to the end of the term they could not always get their money back.

The HON. F. T. GREGORY said clause 25 seemed to imply that it was not the intention that building societies should purchase. It said that a registered society, although not empowered by its rules to buy freehold or leasehold estate, might purchase for purposes of its own, the implication being that although it was not a mandatory clause, the supposition was that they should not be empowered to buy.

The HON. A. C. GREGORY said the explanation which had just been given showed him that there really was some ground for seriously considering the necessity for amending the subsection. It was perfectly true that a society might be conducted upon equitable principles; but buying land and selling it in subdivisions were not the proper functions of a building society. They might be very proper functions for what they might call "land syndicate societies"—they would be exactly the thing to suit them—but they were dealing with building societies. They knew that the history of building societies was nothing more or less than the principle that those who had money to lend would lend it to those who had not—a sort of joint club to purchase land to build houses upon. But there were two distinct classes of persons concerned in them—those who wanted to borrow money and those who were prepared to lend it upon certain terms. That was the real origin of building societies. But the present Bill proposed to take them outside of that altogether and gave them new functions beyond what were considered to be the legitimate business of building societies. It had been urged that certain societies did certain things which would not be allowed if the subsection were struck out. As he understood it, the Bill had been brought in, to a great extent, to legalise what were now highly irregular proceedings on their part. Those associations which were properly and strictly building societies should attend to building society business. Any other associations for any other purposes had abundant power to form themselves and to incorporate themselves under other Acts. Certainly it would be wrong to introduce such provisions in the present Bill.

The HON. J. C. HEUSSLER said he agreed with what had fallen from the last speaker, and he would even go a little further. Buying land and selling it out again to members of the society might be a very good thing; but if the country was in the height of a land fever, as it had been, and as it might be again, and the directors of a society were quite sure that land must go higher in price than they were paying for it, and a collapse came, and the land might go down in value 100 per cent., where would the funds be which they were allowed to borrow under the Bill? It was contemplated that they should be able to borrow three times the amount of their capital; but if they went into such speculative business, it would be very unsafe to give them that power. He fully agreed with the Hon. Mr. Gregory and other gentlemen of his opinion that there should be a restriction. There was another point which struck him, and that was that these societies should have some sort of power to sell land, because some persons might not be able to pay up their contributions, as sometimes happened. In such cases a society should be able to dispose of those properties which fell upon its hands; but the power with regard to buying should not be granted.

The HON. G. KING said that if the society were to purchase land with its own capital there could be no possible objection to it; but when they gave them the power of mortgaging it would be upon the security of the borrowers, who paid by instalments and handed their deeds over to the society in the same way that land might be mortgaged to a bank or any person who would lend money to purchase it. It was not at all a safe business for the borrower.

The HON. A. J. THYNNE said in subsection (*b*) there was a point that required some consideration, and which was as follows :—

"For making advances to members and other persons, and to corporate bodies, upon the security of freehold or leasehold estate by way of mortgage."

It seemed to him that the inclusion of other people than the members was going a great deal too far. If it was a building society at all, or justified the ownership of such name, it ought not to go into the open market and deal with borrowers and lenders who were not members of the society. Every loan that they made ought to be made to members of the society, and not to people outside their own rules and regulations, or to corporate bodies over whom they had no control. He thought the clause had been pretty well discussed; but it had better stand over until a more convenient day, when they would be able to get through it without much difficulty. He thought those words "other persons and corporate bodies" ought to be omitted.

The HON. W. HORATIO WILSON said he would accept the suggestion that the clause should be postponed. That was the arrangement: that if there were any contentious clauses they should not be taken that afternoon; but he would point out, in the first place, that those words had been imported into the section from the English Act and from the Victorian Act. The words in the Victorian Act were "to make advances to members and other persons, and to corporate bodies, upon the security of freehold or leasehold estate by way of mortgage." The system had worked exceedingly well there, and he would just draw the attention of hon. gentlemen to it. He moved that the clause be postponed.

Question put and passed.

Clauses 24 and 25 passed as printed.

On clause 26, as follows :—

"A registered society may receive deposits or loans, at interest, from the members or other persons, or from any building society 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 under this Act.

"Any member or other person, or building society or friendly society, depositing or lending money with or to a registered society, 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."

The HON. A. RAFF said that hon. members had in their hands the amendments he suggested when the Bill was being read a second time, and he did not think he need go into any argument with regard to them. Would the hon. gentleman in charge of the Bill move that the clause be postponed?

The HON. W. HORATIO WILSON said if that was one of the clauses which needed discussion, he would postpone it, and he would take the opportunity of saying that when they came to other clauses, if any hon. gentlemen wished to have them postponed for future consideration, he would have much pleasure in doing so. He moved that the consideration of clause 26 be postponed.

Question put and passed.

Clauses 27 and 28 passed as printed.

On clause 29, as follows :—

"Every paid officer of a registered society having the receipt or charge of any money belonging to the society shall give security in such manner as the rules of the society direct, and in such sum as the committee of management require, for rendering a just and true account of all moneys received and paid by him on account of the society, and for payment of all sums of money due from him to the society at such times as its rules appoint or as the committee of management may require."

The HON. W. G. POWER said he would like the hon. gentleman in charge of the Bill to tell them if there was any provision as to how long an officer should be allowed to keep the funds of a society without paying them into the bank.

The HON. W. HORATIO WILSON said the officers of the society were of course subject to the directions or orders of the directors, or the committee of management, and the rules of the society would also point out very distinctly, or should do so, what the officers' duties were. Of course, the matter that the hon. gentleman referred to would decidedly be provided for.

The HON. W. G. POWER asked if there was any penalty for directors not compelling the manager of a society to deposit money. Suppose there were any losses, how would they be made up if they went beyond the amount of guarantee given by the officer in charge of the money? Would the directors be at the loss, or would the shareholders?

The HON. W. HORATIO WILSON: That is not provided for in the Bill.

The HON. W. G. POWER said he did not see why directors should not be compelled to see that their rules were carried out. He believed, as a rule, they were paid for their trouble, and surely it was not too much to ask that they should compel their officers to do their duty. There were many officers who did not do their duty, and pay the money into the bank. He did not know it from personal knowledge; but in various institutions, even in banks, there were a great many defalcations. Only the other day he saw that there was a pretty well-to-do man in Melbourne arrested for making away with the moneys of a bank, and they should compel the directors of these societies to see that business was properly carried on, or else they should pay a penalty.

Clause put and passed.

Clauses 30 to 33, inclusive, passed as printed.

On clause 34, 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. And the society shall, at the request of the registrar, furnish to him such further information and particulars with respect to any such account and statement as he may from time to time require."

The HON. W. G. POWER said his objection again came in. The clause said that an account was to be made up up to a certain period, and such statement was to be attested by the auditors, to whom the mortgage deeds and other securities belonging to the societies should be produced. Supposing those deeds were pledged to a bank, how were they to be produced before the auditors? He did not think they ought to be allowed to pledge the deeds at all. There should be a provision prohibiting directors from pledging deeds belonging to their subscribers.

The HON. A. C. GREGORY said that if they looked into the actual practice of a great many of those institutions they would find that they did deposit the deeds, which they received as security, in banks, and he apprehended that as a legal question the directors would be personally liable for having misappropriated the property of the society in doing so. The question ought to be very carefully looked into, as it was one of very great importance and one that should not be lost sight of in dealing with the Bill.

The HON. W. G. POWER said: Perhaps the Hon. Mr. Wilson will propose that the clause stand over.

On the motion of the HON. W. HORATIO WILSON, the consideration of the clause was postponed.

Clauses 35 to 38, inclusive, passed as printed.

On clause 39, as follows :—

"When all moneys intended to be secured by any mortgage or further charge given to a society registered under this Act have been fully paid or discharged, the society may endorse upon or annex to such mortgage or further charge a receipt under the seal of the society, in the form specified in the third schedule of this Act, and such receipt shall operate as a release and discharge of the mortgage or further charge and debt, and also, if so expressed, of all further charges relating to the same land dated subsequently to the mortgage or further charge on or to which such receipt shall be endorsed or annexed and prior to the date of the receipt, and, in the case of land not subject to the provisiont of the Real Property Act of 1861, shall operate to vess the estate of and in the property therein comprised in the person for the time being entitled to the equity of redemption, without any reconveyance or reassignment whatsoever, and so that the person for the time being entitled to the equity of redemption, if he was the original mortgagor of the property, shall hold the property to the same uses and upon the same trusts, so far as they have not been varied or altered, upon which he held the property before the mortgage, and if he is not the original mortgagor of the property, shall hold the property to the same uses and upon the same trusts upon which he held the equitable estate."

The HON. W. G. POWER said he would ask the Hon. Mr. Wilson to postpone the clause, which was in connection with the question he had previously raised.

The HON. W. HORATIO WILSON said he hoped the hon. gentleman would not ask him to postpone the clause unless it was likely to be contested or discussed, because it was a simple clause providing for the release of securities. Supposing that a man paid off his mortgage, he would want to have his release. However, if the hon. gentleman wished, he would postpone the clause.

The HON. W. G. POWER said his objection came in, because if a number of deeds were pledged to a bank, a man might have paid off all his liabilities, but want his deeds back again, and the bank might say, "No, we will not give up this deed; you owe us a certain amount of money, and we consider this deed as one of our best securities." It would be better to postpone the clause.

On the motion of the HON. W. HORATIO WILSON, the clause was postponed.

Clauses 40 and 41 passed as printed.

Clause 42—"Penalty for breach of the Act"—

The HON. W. G. POWER said he thought the penalty of £100 was not sufficient in the case of a registered society for not furnishing correct accounts.

Clause put and passed.

The remaining clauses of the Bill and the schedules were passed as printed.

The House resumed, and the CHAIRMAN reported progress, and obtained leave to sit again on Tuesday, 16th November.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

EMPLOYERS LIABILITY BILL.

The PRESIDING CHAIRMAN announced that he had received the following message from the Legislative Assembly :—

"The Legislative Assembly, having had under consideration the Legislative Council's message of the 2nd November instant, relative to the Employers Liability Bill, beg now to intimate that they do not insist upon their disagreement to the omission of clause 6."

SOUTH BRISBANE MECHANICS INSTITUTE LAND SALE BILL.

SECOND READING.

The HON. A. J. THYNNE said: Hon. gentlemen,—This matter does not call for any remarks from me, so I simply move the second reading of the Bill. I propose, in committee, to ask permission to insert a new clause giving certain powers, of which I will give notice.

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

On the motion of the HON. A. J. THYNNE, the consideration of the Bill in committee was made an Order of the Day for Tuesday, 16th instant.

ADJOURNMENT.

The POSTMASTER-GENERAL said: Hon. gentlemen,—Without notice, I beg to move that this House do now adjourn until next Tuesday week.

Question put and passed.

The House adjourned at 6 o'clock.