

Queensland



Parliamentary Debates
[Hansard]

Legislative Council

WEDNESDAY, 17 NOVEMBER 1886

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LEGISLATIVE COUNCIL.

Wednesday, 17 November, 1886.

Message from the Legislative Assembly.—British Companies Bill No. 2.—Suspension of Standing Orders.—Extension of the Central Railway.—Additional Sitting Day.—Extension of the North Coast Railway.—Extension of North Coast Railway.—Liquor Bill—third reading.—Trade Unions Bill—third reading.—Bowen to Townsville Railway Bill—second reading.—South Brisbane Mechanics Institute Land Sale Bill—committee.—Building Societies Bill—committee.—Godsall Estate Enabling Bill—second reading.

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

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

BRITISH COMPANIES BILL.

The PRESIDING CHAIRMAN announced that he had received a message from the Legislative Assembly, forwarding, for the concurrence of the Council, a Bill to amend and declare the law of Queensland with respect to joint-stock companies incorporated in other parts of Her Majesty's dominions.

On the motion of the POSTMASTER-GENERAL, the Bill was read a first time, and the second reading made an Order of the Day for to-morrow.

SUSPENSION OF STANDING ORDERS.

The POSTMASTER-GENERAL moved—

That so much of the 111th Standing Order as requires that resolutions calling for the sanction of Parliament to the construction of railways and approval of plans, sections, and books of reference shall lie on the table for a period of one week before being referred to a select committee, be suspended during the remainder of the present session.

The HON. F. T. GREGORY said: Hon. gentlemen,—This motion is not altogether an innovation on the practice of the House. I believe that on a former occasion a similar proposal was made and acceded to, but at the same time it was distinctly pointed out then that it was only in very exceptional cases that it was at all desirable that the House should consent to any deviation from the method of procedure defined by our Standing Orders. If the usual rule in these matters is departed from it will very likely prove very prejudicial to the conduct of public business, because it will not give a fair chance for many of these lines getting that consideration which they ought to receive. In the present instance, I strongly protest against the proposal. We have a number of railways before us, and there is also a large quantity of other work to be attended to, and I do not think the lines should have been rushed in towards the close of the session in the way they have, or that we should be in any way hurried in consequence. I am quite sure that there is a considerable number of members present who at some detriment to their own interests or business are giving their time to the consideration of these measures, and it will be a great hardship to them and a great disadvantage if railways are rushed in one on the top of the other. And by suspending the Standing Orders any of the proposed lines might be forced through the House by a chance majority on the Government benches without having received fair consideration and discussion. I look upon the system of suspending the Standing Orders as a very pernicious one, and contend that it ought not to be sanctioned except in cases of particular urgency, or in the passing of the Appropriation Bill at the end of the session. On the present occasion there is no excuse for the motion made by the Postmaster-

General. We are already going on with the business at a very high speed, and now we are asked to go faster still. It certainly will not be very much to the credit of the Government if they try to force the House to dispose of the business before it with undue rapidity, and I sincerely hope the Postmaster-General will not press his motion to suspend the Standing Orders upon the House. I feel sure I am not standing alone in my objection to the proposal, but that there are many other members who see that very serious disadvantages will result from undue pressure and undue speed in dealing with the public business. No reason of any sort has been given for the motion, and therefore I assume that there is no reason to give. If the Postmaster-General is able to give a reason that will satisfy the House, I, for one, will be quite willing to listen to the hon. gentleman. But as the matter now stands, I strongly protest against, and shall certainly vote against, the suspension of the Standing Orders.

The POSTMASTER-GENERAL said: Hon. gentlemen,—With the permission of the House, I shall be very glad to say a few words in reply to what has fallen from the hon. member. The effect of suspending the Standing Orders, as proposed, will simply be to remove the necessity of the plans, sections, and book of reference of a railway lying on the table for a week. It has always seemed to me from the first time I read this Standing Order that the part which it is now proposed to suspend temporarily should be expunged, because when a committee is appointed to consider any plans, they have a fortnight to bring up their report, and it is very much better if the committee could get to work immediately they were appointed, or as soon as was convenient to them. The plans and book of reference could be examined by those hon. members who took an interest in them, while the committee are deliberating upon the matter referred to them. I have never seen any good reason why a week should elapse, between the receipt of plans and the beginning of the work of the committee, to whom the plans are referred. It has always seemed to me a waste of a week, for hon. gentlemen could easily make themselves acquainted with the details of the sections while the committee are at work, as the plans are always on the table of the House. Ample time would be allowed for that, as the committee would not bring up their report in less than a week; it is usually a fortnight, and yesterday we had to ask for an extension of time with regard to one railway which has been referred to a committee. I do not see that it would occasion any disadvantage to the public business if the motion for the suspension of the Standing Orders is accepted by the House. If I thought it would, I would be the last one to propose it. But I think the public business will be facilitated by the adoption of the motion.

The HON. A. HERON WILSON said: Hon. gentlemen,—I shall certainly support the Postmaster-General in this motion. I think there is not a single railway or plan that comes before this Chamber that every hon. member is not thoroughly acquainted with before the plans are laid on the table of the House. But even supposing there is something in the plans or details which an hon. member wishes to see there is plenty of time to consider that while the matter is before the select committee. But while I do not object to the motion, I do object to such a number of railway plans being forced upon us at the very tail-end of the session, as it does not give us a fair time to do work which we ought to have plenty of time to consider.

The HON. G. KING said : Hon. gentlemen,—I have no intention of opposing the motion of the Postmaster-General. I simply wish to draw attention to the fact that to-morrow we will be called upon to signify our approval of the construction of a railway involving the expenditure of something like £500,000, and we have never yet seen the report of the select committee. I think we ought to have time to consider the plans and the evidence obtained respecting the railway before we are asked to give our assent to a motion of that kind.

The HON. A. J. THYNNE said : Hon. gentlemen,—I was rather surprised when notice was given yesterday of the motion for the suspension of part of the 111th Standing Order. The matter is one of paramount importance to the public. I think the Standing Order was intended, and was carefully devised some years ago, for the purpose of preventing the hasty rushing through of lines of railway by both Houses of Parliament, and in suspending the Standing Orders we would be taking a very serious step indeed. It is well known that without this Standing Order a railway could be passed through both Houses of Parliament in the course of a day or two. Considering the way those matters have been dealt with hitherto, I regard it as a mere formality referring these railways to a select committee. If, however, we do away with the provision requiring railway proposals to remain on the table of the House for a week before they are referred to a select committee, we shall deprive the outside public, who might wish to offer evidence against the railway or to oppose it, of the opportunity of bringing forward that evidence or representing their views to the House. It has happened on many occasions in this House, even during the short time that I have been a member of it, that, while the plans have been lying on the table of the House, petitions have been sent in against them. At present it is well known that in accordance with the Standing Orders plans have to lie on the table for a week, and it is also well known that they are referred to a select committee who are allowed a fortnight to bring up their report. So that the Government must have known that it would be some time between a week and three weeks before railway plans sent up from the Assembly could be passed by this House. They have themselves to blame for having kept back the railway plans so long, and I think we ought to retain the practice that has hitherto been followed in this House in dealing with railway proposals. I do not know for what particular purpose or for what particular railway the suspension of the Standing Orders is proposed, but on principle I object to the motion as being a dangerous precedent to establish.

The HON. W. PETTIGREW said : Hon. gentlemen,—I think the House should pass this motion without much more discussion. There is only one line, so far as I am aware, that can be affected by it, and that is the proposed extension of the Central Railway, which seems to have passed the other House without any discussion at all. The members representing that part of the colony seemed to be very anxious to have it, and have spoken in favour of the extension on several previous occasions. I think the sooner we get done with the work of the House, at this season of the year, the better. I therefore hope that hon. members will allow the motion to pass.

The HON. F. T. BRENTNALL said : Hon. gentlemen,—The extraordinary phase of this discussion is that the Postmaster-General is opposed when he proposes to suspend a part of the 111th Standing Order in order to pass

the plan, sections, and book of reference of a railway which has been actually forced upon the Government. I say that most deliberately. The Government, I believe, had no intention—that is my conviction, after reading the debates in the other Chamber—of bringing forward this extension of the Central Railway this session if they had not been morally compelled to do it, and the very gentlemen who have compelled them to take that action are gentlemen who usually oppose their policy, and who sit in opposition to them. In this Chamber the order of debate is reversed. In order to oblige those gentlemen who wish to have the Central Railway extended without any more delay than is absolutely unavoidable, the Postmaster-General, on behalf of the Government, proposes to suspend this Standing Order so that the plan may not lie on the table of the House for the usual term of one week, but be handed over at once to the committee. I cannot understand the opposition coming from the source whence it does come, because the motion is really made to oblige gentlemen who are usually opponents of the Ministerial policy. I think, out of deference to the wishes of those members of Parliament, here or elsewhere, who desire to have the Central Railway extended immediately, that the objection to this motion of the Postmaster-General's should be withdrawn, and that the House should be allowed to suspend this Standing Order, so that we may, as readily as possible, complete the business of this House, and terminate the session.

The HON. J. TAYLOR said : Hon. gentlemen,—I shall vote against the Postmaster-General's motion. But there is a far more important matter that I wish to bring under the notice of this House. Yesterday the report of the select committee on the proposed extension of the railway from the Brisbane terminal station through Fortitude Valley to Mayne was brought up, and we are asked to discuss this matter, in which the expenditure of nearly half-a-million of money will be involved, to-morrow. Who has had time to read the evidence? It is not printed yet, I believe.

The POSTMASTER-GENERAL : That is not the question before the Chamber.

The HON. J. TAYLOR : Never mind ; I will go into this question. The Presiding Chairman will call me to order when I am out of order. I say it is shameful that we should be asked to pass that motion to-morrow when we only had the report laid before us yesterday, and it is not yet in the hands of hon. members. I object to this proceeding far more than to the motion for suspending the Standing Order requiring plans to be laid on the table for a week, and I shall do all I can to-morrow to get the discussion on the Fortitude Valley railway put off for another week, so that we may have time to consider the subject.

The HON. A. C. GREGORY said : Hon. gentlemen,—I strongly object to the suspension of the Standing Orders, as a general rule. It would appear in this case that the Postmaster-General has forgotten to inform us what is the real ground upon which he wishes the Standing Order to be suspended. It seems, however, from what has fallen from one hon. member on the other side of the House, that the motion is only intended to apply to one particular railway. If that be so, why does not the Postmaster-General tell us? We are not in a position to say what railways may be brought before us ; there might be a dozen more come up this afternoon to the House, and to ask us to suspend the Standing Orders generally is, I think, unreasonable. If there is an emergency with regard to any particular railway that the Government are anxious to press forward, then I say there would be some-

thing definite for us to consider, and I should be quite prepared to discuss the question on its merits; but to agree to the suspension of the Standing Orders as a general matter, when we might, for all we have any formal knowledge of, have a dozen railways sent up to this House from the Assembly, seems to me unreasonable and unconstitutional. If the Postmaster-General has any particular railway in view, why does he not inform the House what railway it is? I trust the hon. gentleman will afford us some explanation as to his object in proposing this motion, because it is quite possible that, if there is only one line, and we are sufficiently acquainted with its merits, hon. members may agree to the proposed suspension of the Standing Orders.

The POSTMASTER-GENERAL said: Hon. gentlemen,—I always think it is a work of supererogation to inform the House on matters of which every member is supposed to be perfectly cognisant. As to the object in proposing to suspend a portion of the 111th Standing Order, I gave hon. gentlemen credit for reading the business paper from day to day, and I think they must be aware that the motion could only apply to the Central Railway. I did not, however, think it necessary to inform the House that that is the only railway to which it will apply. The notice of the motion was given upon the heels of the receipt of the Central Railway plan from the other Chamber, and I thought it would be quite obvious to hon. gentlemen that it was intended to apply to the proposed extension of the Central Railway to the Thomson River.

The HON. W. F. LAMBERT said: Hon. gentlemen,—I am very pleased indeed to hear the explanation just given by the Postmaster-General, in reply to the remarks made by the Hon. A. C. Gregory and the other gentlemen who have preceded him in this discussion. I think when hon. gentlemen look into the information, which I have no doubt will be brought before them, respecting the proposed extension of the Central Railway, the plans of which have been laid on the table of the House, they will be satisfied that the line is one that will pay. It is a railway that has been heard of for years and years, and it will be a great benefit to the colony to extend railways to those plains in the West of Queensland. It will not require much on my part to prove to hon. members that it is a desirable railway to make, and I hope that no opposition will be given to it.

The HON. W. FORREST said: Hon. gentlemen,—I was very glad to hear the explanation given by the Postmaster-General. Through my only having returned to Brisbane last night, I did not know how many lines the motion was intended to apply to. I agree with the Hon. Mr. Gregory in regard to the evil policy of suspending Standing Orders unless in cases of great necessity; but in the present case I am inclined to accept the explanation of the Postmaster-General, and agree to the suspension of the Standing Orders in regard to this one line.

Question put and passed.

EXTENSION OF THE CENTRAL RAILWAY.

The POSTMASTER-GENERAL moved—

1. That the plan, section, and book of reference of the proposed extension of the Central Railway from 370 miles to 436 miles, in length 66 miles, as received by message from the Legislative Assembly on the 16th instant, be referred to a select committee in pursuance of the 111th Standing Order.

2. That such committee consist of the following members, namely:—Mr. Lambert, Mr. Power, Mr. Raff, Mr. Wood, and the mover.

Question put and passed.

ADDITIONAL SITTING DAY.

The POSTMASTER-GENERAL moved—

That, unless otherwise ordered, this House will meet for the despatch of business at 3:30 p.m. on Friday in each week, in addition to the days already provided by Sessional Orders.

Question put and passed.

EXTENSION OF THE NORTH COAST RAILWAY.

The POSTMASTER-GENERAL moved—

That the report of the select committee on the proposed extension of the North Coast Railway be now adopted.

The HON. F. T. GREGORY said: Hon. gentlemen,—I hope before this matter is disposed of hon. members will have had the report in their hands. Having been upon the committee myself, I can say that the report commends itself to the House; but that is no reason for hurrying the matter through, if hon. gentlemen have not considered it.

The POSTMASTER-GENERAL: The report was circulated yesterday.

The HON. F. T. GREGORY: I was given to understand that it had not reached the hands of several hon. gentlemen yet. As a general rule it must be impossible for hon. gentlemen to make themselves acquainted with the contents of reports in so short a time, but under the present circumstances I have a few remarks to make in regard to the evidence taken, which perhaps may facilitate business. The general policy of the line has been approved of on a former occasion, and the only question which came before the committee was whether the section referred to should go in the direction proposed or in some other—whether the route recommended was the best of two or three that had been from time to time suggested—best, not only in regard to being the most economical, but in regard to its likelihood of being superior to the heavy floods that prevail in that part of the country. Looking over the evidence it will be seen that the Engineer-in-Chief, Mr. Stanley, gave good and valid reasons why the present route should be adopted. While it will not require heavy and expensive cuttings, it will yet be kept as high as possible and superior to floods. After careful inquiry the committee are satisfied that everything has been done that can make the line a safe one, and at the same time keep the cost down as far as practicable. No doubt parts of the line will be unavoidably expensive, but the importance of a coast line generally is so great that its construction is fully justified. The line will bring the northern towns of the colony into connection with the metropolis. Another question is that although just now there is no immediate apprehension of any foreign aggression—the country being involved in no war—but in the event of such taking place, it is of the utmost importance that we should, without involving the country in any undue expenditure, do everything that lies in our power to facilitate the protection of our shores by running railways parallel with the coast, which would offer a means of support in cases of external attack. From this point alone I think we are justified in constructing the line in question, but in other respects it will be a line of considerable benefit to the commercial and trading community, in bringing us into connection not only with the town of Gympie, but with Maryborough, and ultimately with all the other lines along the Northern coast.

The HON. W. PETTIGREW said: Hon. gentlemen,—In regard to the route taken by this line, I may say that there is a great deal of flooded country near Gympie, and in order to avoid that there

will be great difficulties to contend with. So far as the committee can make out from the evidence, this is the best line possible under the circumstances. The engineers have to keep the line as low down as possible to suit the levels of the country, and yet at the same time keep above the flood mark. The highest flood known was 70 feet, and the liability of the country to be flooded is one of the greatest difficulties they have to contend with, and the engineers have taken the best route they possibly could under the circumstances. As has been said, the line will be a great advantage to the whole colony, as by the time the railway from Brisbane to Gympie is finished, that from Bundaberg to Gladstone, and quite possibly a railway from Gladstone to Rockhampton will be completed. At all events, from Gladstone to Rockhampton is not a very long passage by water, as it is all inside Curtis Island, and the water is smooth. Besides that, the line will open up a great deal of timber country which is of some consequence at the present time, and also a great extent of country fit for agricultural purposes, and I think, for these reasons, the report should be adopted.

The Hon. A. HERON WILSON said: Hon. gentlemen,—I hope the House will not offer any opposition to the extension of the main coast line. It is really a national undertaking, and a matter that will have to be attended to earlier or later, and the sooner we construct it the better for the sake of defence purposes. At the same time I consider it will be one of the best paying lines we have, and there is not the slightest doubt that a great majority of people would rather travel by rail than by steamers along our coast, and for that purpose alone the railway should be built. If anyone should object to this railway I think it should be myself, because, as a resident of Maryborough, I feel perfectly certain, in my own mind, that it will not improve or benefit that town. At the same time, seeing that it is a national line and one that we are bound to make at some time, I hope the motion will be carried without going to a division.

Question put and passed.

EXTENSION OF NORTH COAST RAILWAY.

The POSTMASTER-GENERAL moved—

1. That this House approves of the plan, section, and book of reference of the proposed extension of the North Coast Railway, section 5, from 98 miles, near Martin's Half-way House, Noosa road, to 115 miles 28 chains 72 links, at end of rails at Gympie station, in length 17 miles 28 chains 72 links, as received by message from the Legislative Assembly on the 26th October.

2. That such approval be notified to the Legislative Assembly by message in the usual form.

Question put and passed.

LIQUOR BILL.

THIRD READING.

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

TRADE UNIONS BILL.

THIRD READING.

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

BOWEN TO TOWNSVILLE RAILWAY BILL.

SECOND READING.

The POSTMASTER-GENERAL said: Hon. gentlemen,—I believe the substance of this Bill is pretty well understood by every hon. member of this House, and may be disposed of in a few words. Its object is to enable the Government

to consolidate the two sums mentioned in the preamble of £150,000 and £100,000, authorised by the Government Loan Act of 1882 and the Government Loan Act of 1884, respectively, to be raised for the construction of lines of railway from Bowen to Houghton Gap, and from Bowen to the Coalfields. Both of these projects have, I think, very wisely been allowed to lapse so far as they are a portion of the concrete policy of the colony. The object of the Bill is to utilise these respective votes for the construction of a railway from Bowen to Townsville by way of Ayr. It is believed, I think, on very good grounds, that it is the duty of the powers that be to endeavour that every line built on our coast shall be a link in the chain of railways that will ultimately run from one end of the colony to the other. I think that is a very wise aim to have in view, and this will undoubtedly form part of what will ultimately be a line of railway from Townsville to Adelaide, in South Australia. I beg to move the second reading of the Bill.

The Hon. A. C. GREGORY said: Hon. gentlemen,—The Bill now before us is an amendment upon one of the Appropriation Acts of 1884—an amendment, in fact, of the celebrated Ten-million Loan Bill. It is for the purpose of transferring certain sums of money which, under previous Loan Bills, were voted for two lines of railway—one from Bowen to Houghton Gap to join the Townsville and Charters Towers railway, and another which it was proposed should go from Bowen to the Coalfields—to the line which is now proposed to be constructed from Bowen by way of Ayr to Townsville. The history of these two lines is that originally, when Bowen had a great deal more influence and Townsville a little less, it was proposed to carry a line from Bowen to Ravenswood which was to drop into the Townsville line at a place known as Houghton Gap. However, the Townsville people became more powerful, and had more influence in the councils of the Government, and that scheme was not carried out. In order to satisfy the Bowen people, as the Government would not carry out the Houghton Gap line, for they flatly refused to do so, and the Bowen people became exasperated, the Minister for Works said, "Well, as you want a line, we will give you a line from Bowen to the Coalfields." The Minister, however, knew a little more than the Bowen people about the quality of the coal found at the place called the "Coalfields." He knew that the coal had all been burnt, and that it would require two loads of wood to burn one of coal. The Bowen people, of course, did not want a line to a place like that; they desired to obtain some of the traffic of the district back from the coast. However, there are the interests of Townsville, and there is the railway there, and the vested interests in that town are far more important than the interests of Bowen. The Government now propose to adopt a new line of policy, and that is to make a railway from Bowen towards Townsville by way of the township of Ayr, that place being in such a position that it will make it exceedingly difficult afterwards to deviate into the Ravenswood line, until you get a long way past Houghton Gap towards Townsville. But we are not at present considering that particular railway; we are simply dealing with the question of the appropriation vote. The Government could not transfer the money which has been voted for certain lines to any other lines without a Bill of this kind being passed by Parliament, and the measure being an Appropriation Bill it is not for us to do anything in the way of altering it; it would be highly inconvenient for us to attempt it, whatever our views upon that subject might be. The line alluded to in this Bill is not one that we are pledged to carry out,

any more than we are pledged to carry out any other line which was included in the Ten-million Loan Bill. Certain moneys were then set down on the Loan Estimates for particular purposes, but the Government are not authorised to apply that money for those purposes until we pass a vote approving the particular railway upon which it is proposed the money shall be expended. Our vote on that Bill did not in any way pledge us to pass these lines; in fact, some of us distinctly stated at the time that we did not consider ourselves pledged to support the particular railways specified in the Loan Bill, and that each railway would have to be dealt with and accepted or rejected on its merits, irrespective of the fact that we had passed a Loan Bill which provided funds for the construction of the lines proposed by the Government. If we pass this Bill we will simply have modified the Appropriation Act of 1884 and the Loan Bill of 1882. On the whole question as to whether the line proposed to be carried out should be approved, we shall have to decide when the circumstances of the case, the plan, section, and book of reference are submitted to the House. To some extent the line alluded to in this Bill will be part of what we may term the great coastal line. I think it is not probable that there will be communication between that line and the Southern Railway for a very long period of time. I think we can scarcely expect to see the coastal line extended beyond Rockhampton in our day. Still, as regards the policy of the whole matter, as far as it is in our power to foresee at present, I am of opinion that it is a prudent one to adopt, and I shall therefore not object to the line being carried from Bowen to Townsville. I do not think, however, that Ayr is the proper place to which it should go. But that is a question which we can discuss when the railway is before the House. The Bowen to Coalfields railway is a line which it would be simply throwing money away to construct, because it would lead to no place that would afford any great traffic. The coal is not worth working; there is no timber in the district, no minerals, and no extent of country available for settlement. Consequently there would be no use in leaving any money available for a line to the Coalfields. If it be proposed to take the line a little nearer the coast than Haughton Gap itself, it is useless to retain the vote for the Haughton Gap railway. I have been under the impression that what is termed the Haughton Gap line is not exactly the best line that could be adopted, and that it is possible a deviation somewhat towards the line referred to in this Bill would be a better one. Seeing that the Bill is simply an amendment of Appropriation Bills—that the question of the precise route of the railway will be a matter for future consideration, and that assenting to the measure will not pledge us to any particular line—I think we may pass the Bill, so as to allow the Government to make the surveys and obtain necessary information with regard to such a line of railway as will be acceptable to both Houses of the Legislature.

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

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

SOUTH BRISBANE MECHANICS INSTITUTE LAND SALE BILL.

COMMITTEE.

On the motion of the HON. A. J. THYNNE, the Presiding Chairman left the chair, and the House resolved itself into Committee of the Whole to consider the Bill in detail.

Preamble postponed.

Clauses 1 to 4 passed as printed.

The HON. A. J. THYNNE, in moving that the following new clause follow clause 4:—

It shall be lawful for the said incorporated society to borrow by way of mortgage on the security of the said lands and premises, to be purchased and acquired as aforesaid, such sum or sums of money as may be required to defray the cost of erecting, maintaining, or repairing the buildings erected or to be erected thereon, and the fittings and furniture thereof, and to give all necessary and legal deeds, documents, and guarantees, with power of sale by the mortgagee or mortgagees in case of default in payment of any moneys so secured for the full securing the principal moneys and the interest thereon. Provided always that the total amount of moneys to be borrowed by the said incorporated society on such security shall never exceed the sum of two thousand pounds (£2,000).

Provided further that no mortgagee or his or her heirs or assigns shall be bound to see to the application of any such loan, and in case of foreclosure and sale shall hold the said lands and premises freed and absolutely discharged from the trusts to which the same may for the time being be subject.

—said the amendment was taken word for word from the present Act relating to the Mechanics' Institute, with the exception that the power of the trustees to borrow was increased from £500 to £2,000. That, he thought, was a fair proportion of the value of the property, which was stated in evidence before the select committee to be worth £10,000. The sum of £2,000 would be required to enable the committee to make suitable arrangements for carrying on the institution when they sold their present premises.

Question put.

The HON. A. J. THYNNE said he would withdraw the new clause for the present, and submit it on the following day in an amended form.

Amendment, by leave, withdrawn.

On the motion of the HON. A. J. THYNNE, the CHAIRMAN left the chair, reported progress, and obtained leave to sit again to-morrow.

BUILDING SOCIETIES BILL.

COMMITTEE.

On this Order of the Day being read, the House resolved itself into a Committee of the Whole to further consider this Bill in detail.

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."

—in which it was proposed to omit subsection (d)—

The HON. A. J. THYNNE said that since the previous day he had given that matter some little consideration, and he thought he could offer one or two reasons, in addition to those he had already mentioned, in favour of the amendment. He would call the attention of hon. members to the fact that clause 41 of the Bill provided that after the Bill became law no building society should be formed or established except under the provisions of the Bill. It had been acknowledged in the discussion that societies could be formed as building societies with the power of buying, selling, and otherwise dealing in land under the Companies Act; and if they passed that clause with subsection (d) they would have this peculiar state of the law—that they would not be able in future to establish any building

society which would not have the power of buying or selling freehold or leasehold estate as part of its constitution. He thought that was going too far, and that it was not right that they should compel all building societies to be formed hereafter to be land-jobbing societies. But there was another reason which he would submit in favour of the amendment, and which he had not previously alluded to. It was this, that in the Bill there were certain privileges in the way of exemption from stamp duties and other matters given to building societies, and which could only be claimed by them on the ground that they were in their nature benefit societies and savings bank societies. Those privileges could not be claimed on the ground that the societies were land speculation societies, and he did not think it was right that societies speculating in land should be relieved from the burden of contributing towards the revenue of the country in the same way as other mercantile speculations. He thought they should allow building societies to be established purely and simply for the purpose of collecting funds and lending them on mortgage to their members, and not to enable them to incur any danger or risk such as would be incurred by land speculation.

The POSTMASTER-GENERAL said he understood the Hon. Mr. Thynne to say, in advancing arguments against the adoption of subsection (d), that that provision would make land-jobbing a part of the business of all future building societies.

The HON. A. J. THYNNE : A part of their constitution.

The POSTMASTER-GENERAL : Well, a part of their constitution. He wished to point out that it was optional for any society to do any of the several matters enumerated in subsections (a), (b), (c), (d). A society might operate with its funds in the manner specified in subsection (a), or (b), or (c), or any one or more of all the subsections. He thought hon. members should keep that in view. He wished also to take that opportunity, as he had not had the opportunity the previous afternoon, of testifying to the excellent results that ensued in Victoria under the operation of an Act, having precisely the same language as that which was objected to by some members of the Committee. There was no place in Australia where there was a larger number of wholesome homes and grounds, from the wage-earner to the merchant prince or squatting king, than in and about the city of Melbourne and its suburbs, and building societies had been a most important engine in bringing about so happy a result. Really it was a treat to drive round the suburbs of Melbourne and make inquiries, as most visitors did, as to what kind of population preponderated in any particular part of the suburbs where a large number of comfortable homes were to be found, and to have the answer that those were all working men's cottages. He had some knowledge of the results of the working of building societies in Melbourne, as he had some friends there who were intimately connected with the management of one or two of the largest and most successful institutions of the kind in Australia. Those gentlemen informed him that the most beneficial results had occurred from enabling building societies to purchase land *in globo* and cut it up, with due regard to its sanitary condition, and sell it again; that had been done with mutual advantage to the members who were merely shareholders, and to those who participated in the facilities given by the societies to acquire land and build houses for themselves. He believed that what had been

productive of so much good in that colony might very well be adopted here, and he sincerely trusted that the Committee would allow the clause to go as it stood.

The HON. W. G. POWER said he did not think any member had objected to building societies as building societies. The objection that had been raised was to allowing them to change the principle on which they were started. He had in his hands the rules and regulations of the Brisbane Permanent Benefit Building and Investment Society. The principle and objects of the society were set forth in rule 1, which stated that—

"This society is established on the permanent principle, its objects being to raise a fund for the purpose of enabling its members to purchase freehold land; to erect suitable cottages, dwelling-houses, and other buildings thereon; to provide the means for the profitable investments of small savings; and in cases of accidental death, to relieve the widows and families of deceased shareholders, by adding the interest and estimated profits of the current year, on the withdrawal of their shares at the time of death."

If they passed clause 23 as it stood, all that would be changed. It might be optional for a society to change their business, but it was possible for a change to be forced on the shareholders by the directors. The society to which he referred had been established since 1874, and as far as he knew it had worked very well, and had been the means of a good many houses being built in the suburbs, just as the societies alluded to by the Postmaster-General had been the means of a number of houses being built in Melbourne. At the same time there were, no doubt, many persons who were shareholders who would not join a society that was got up for the purpose of land speculation. He therefore hoped the amendment would be agreed to.

The HON. A. HERON WILSON said he had not much knowledge of the internal working of building societies, but from what he had seen of them he believed they were a great boon to the public. He had read over the speeches of hon. gentlemen in *Hansard*, and from what he had read and heard he considered that it would be much better to omit subsection (d), and leave buying and selling land to syndicates and land jobbers. He somehow thought that subsection gave too great powers to building societies, but at the same time, as the Bill was a very good one, and one that was so much wanted in this colony, if he thought the omission of the subsection would cause the Bill to be thrown out he certainly would not insist upon the amendment. He was of opinion that rather than do that it would be better to try the Bill for a year or two and afterwards amend it if found necessary. He hoped, however, that the hon. gentleman in charge of the measure would agree to drop that clause; it would do no harm to do so. It would be a great safeguard to small investors, and he knew there were a great many people who believed that building societies were a safe investment, and gave them a better percentage for their money than they could get at any banks but if such enormous powers as this clause proposed to give were bestowed upon them, he was afraid it would do more harm than good.

The POSTMASTER-GENERAL said an amendment had been proposed in the subsection, but he was not quite clear about it yesterday afternoon, and was not in a mood to criticise it closely. On referring to the clause, hon. gentlemen would see the words "buying, selling, and mortgaging leasehold estate." The first thing that took his attention was that no society could use its funds for the purpose of mortgaging, because the process of mortgaging was to produce

funds. On referring the matter to the gentleman in charge of the Bill, he had agreed in his view—namely, that the words “selling and mortgaging” should be omitted, and then there could be no objection to the clause.

The HON. G. KING said he would suggest striking out the word “mortgaging,” but retaining the word “selling.”

The HON. W. HORATIO WILSON said he had no objection to the word “mortgaging” being struck out, but he thought the word “selling” was just as much required in the clause as the word “buying,” because if under the Bill hon. gentlemen gave societies the power of buying lands, it was necessary to give them the power of selling again. It had already been pointed out that under section 25 the society had power to purchase land for the purposes of their business; but the clause was altogether apart from that, and the question before the Committee was whether societies should have the power to buy land in order to sell it—that was, to buy land for the purpose of cutting it up and reselling it to its members. It was for that reason he had pressed the clause upon the consideration of the Committee. It was quite right, as the Hon. Mr. Power pointed out, that there were societies such as the Brisbane and several others that did not buy and sell land. It was against their constitution. They did not want to do so, and it was only because he was looking to the future when societies might be formed not only for building purposes but for buying and selling land to their members, which he did not see any objection to at all, that the clause was inserted. He did not think hon. gentlemen need be alarmed at the prospect of any difficulty arising.

The POSTMASTER-GENERAL said the Hon. Mr. Wilson was under a misapprehension in regard to the word “selling.” If the word “mortgaging” went out, the word “selling” would have to go out. It was pointed out very clearly in the clause how funds were to be employed. No society or individual would employ funds in selling land any more than they would in mortgaging land.

The HON. W. G. POWER said he thought buying land was equally objectionable. It was only very recently they saw the directors of a company buying land for the purpose of selling it to their own company, and how were they to know that the same would not be done in regard to building societies? They should insist upon striking out the whole subsection. He felt stronger on the point than the hon. gentleman.

The HON. W. PETTIGREW said he was sorry the Hon. Mr. Wilson could not see that the House was decidedly against the retention of the subsection. He hoped the matter would come to a division as soon as possible, and have done with it. He had listened to the arguments on both sides, and found the majority of hon. gentlemen were clearly against allowing any society with the name of a building society to become a land-jobbing society. He thought in the interests not only of the members of building societies, but of other people who lent their money, that it was of the utmost consequence that building societies should maintain a good name; but let them enter into land-jobbing and they would have a bad name immediately. The sooner subsection (d) was out of the clause the better.

The HON. W. F. LAMBERT said that the working class had derived a great benefit from building societies, and he thought that those societies should not be allowed to deal in land, or traffic in land at all. If a man wanted to build,

he could apply to a building society who would lend him money, but societies should not be allowed to buy and sell land. He hoped the subsection would be erased from the clause.

Question—That the words proposed to be omitted stand part of the clause—put, and the Committee divided:—

CONTENTS, 6.

The Hons. T. Macdonald-Paterson, W. Horatio Wilson, J. D. Macansh, J. Swan, J. Foote, and F. T. Brentnall.

NOT-CONTENTS, 14.

The Hons. A. C. Gregory, F. T. Gregory, W. Forrest, J. C. Heussler, A. J. Thynne, A. Heron Wilson, G. King, W. Pettigrew, J. C. Smyth, W. F. Lambert, W. G. Power, F. H. Hart, H. C. Wood, and A. Raff.

Question resolved in the negative.

Clause, as amended, put and passed.

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.”

“And deposits with, or loans to, an existing society made before its registration under this Act in accordance with its certified rules, are hereby declared to be valid and binding on the society, although such deposits or loans may exceed the limit aforesaid; but all such deposits and loans shall be taken into account in determining the amount which any such society may legally receive on deposit or loan after being registered under this Act.”

“Any member or other person, or building 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 on the second reading of the Bill he intimated that he would move an amendment in the clause when it went into committee. The clause as it stood allowed building societies to lend money for an unlimited term—in fact, they could take money on interest, which was not desirable; but since he had expressed his opinion in regard to the clause, he had been requested to alter his amendment so as to make the time two months instead of three months. With the consent of the Committee, he would therefore move that after the word “interest,” in the 2nd line of the clause, there be inserted the words “for a term not less than two months.”

The HON. F. T. GREGORY said he concurred in the amendment of the Hon. Mr. Raff, with the difference that he preferred having the time three months. The term of two months was so short that it gave an opportunity for the evils complained of being felt more or less in carrying on the work of those societies. It was a very dangerous provision to allow societies to take loans for too short periods, and the matter before the Committee was not so much the policy of the amendment—which he thought was undoubted—as whether it was desirable to allow the limit to be so short a time as two months. He preferred to see the original period of three months. He would not then move an amendment upon the amendment before them, but would prefer to hear the opinions of hon. gentlemen on the subject before doing so.

The HON. A. J. THYNNE said he hoped the hon. gentleman in charge of the Bill would not object to the amendment. Practically it was

of little importance to the measure whether the amendment were introduced or not, since subsection (d) had been omitted. If the societies were societies which could buy land on terms, or borrow for land speculating, it would be of advantage to them to be able to raise money at call at a lower rate of interest than they could get it from banks; but that phase of operations was practically excluded from their scope, so that raising money in that way would be no practical advantage to them. He trusted the hon. gentleman would press his proposed amendment.

The HON. W. HORATIO WILSON said, of course, if the Committee were against him he would have to submit; but he would point out that there was a very large business done in that direction by building societies there, and as the deposits that were made at call usually were very small amounts, it was not likely it would make much difference. So far as the rules affecting deposits of the different societies had come under his notice, they showed that certain notice, three months, or six months, or twelve months even, had to be given in regard to those deposits. If the hon. gentleman would agree to one month it would be sufficient notice, and he might give way.

The HON. W. PETTIGREW said one month was altogether too short a time; two months was quite short enough time to get money. The Hon. Mr. Wilson said only small amounts would be lent, but very often large sums would be lent, and not small ones, and then difficulties might arise.

The POSTMASTER-GENERAL said he did not think any limit would have the slightest effect upon the operations of those societies. They could drive a coach-and-four through the clause without the least trouble. It would be very easy, although two months was put on the deposit receipt, to make subsequent agreements as banks did at present. It was futile to think that the amendment would prevent societies receiving deposits in the slightest degree. It would be better to leave the clause as it was, or accept the Hon. Mr. Wilson's suggestion of one month. The clause, as proposed to be amended, might have the effect of keeping some societies within the two months' limit, in the same way that a policeman's presence had the effect of deterring a would-be thief from abstracting a packet from a shop door.

The HON. A. J. THYNNE said he thought the amendment would have a very great effect upon depositors, and would prevent them lending money to societies. It would be a good thing to stop that depositing at call, because it was just in the time of temptation when building societies might be induced to offer high rates of interest for moneys called, and imagined themselves clear of their difficulties, that they were really going much deeper into them. It would be better if the operations of building societies were restricted in some way, and they were not subject to the risks of ordinary banking institutions.

Question—That the words proposed to be inserted be so inserted—put and passed.

The HON. A. RAFF said he had another amendment to propose in the clause. The clause allowed building societies to borrow to the extent of three times their paid-up capital, and he proposed to limit the amount to twice the paid-up capital, subscriptions and accumulations thereon. The Victorian Act, upon which the Bill was founded, allowed three times the amount; but hon. gentlemen must bear in mind that there were facilities in Melbourne for obtaining money that did not exist here. In Brisbane there were only two local monetary establishments, and one of them was of very

recent date, while in Melbourne there were a large number of local banks and monetary institutions for lending money. He did not suppose there would be the least necessity in Victoria to limit the amount to twice the capital. His object in proposing the amendment was to make the shareholders certain that the directors would not borrow over the amount that they would be at any time able to obtain from local institutions if they were pushed. He moved that after the word "exceed," the word "twice" be substituted for the words "three times."

The HON. W. HORATIO WILSON said he could not agree with the amendment for several reasons, one of which was that in the Victorian Act clause 26 contained exactly the same words as were contained in the clause under notice. Though the Hon. Mr. Raff thought that in Victoria there were greater facilities for obtaining money, it must be remembered that they were legislating for the future as well as for the present, and that there would be equal facilities in Queensland for building societies to obtain as much money as they required. He thought the proportion of three to one was not inconsistent with safety, and it was doubtful whether any of the principal building societies would come under the Bill if the amendment were passed. However, that was for the societies to consider. From the annual report of the Brisbane society to which he had referred on the second reading of the Bill, he found that the society held £130,000 on deposit, and the capital now paid up was £95,000, so that if the amendment were carried it would only be able to receive £190,000 on deposit or £60,000 beyond their present figures. During last year they received £75,000 and paid back £35,000. Now, that was where the inconvenience and loss of business would come in. Any time the deposits exceeded £190,000 they would have to suspend business until sufficient repayments were made, and even when such repayments were covered with fresh deposits they would still be unable to enter into fresh loan transactions. His desire was that the Bill should be such that societies would be anxious to come under its operation, and not be restrained from doing so by any provisions that might interfere with the manner in which they at present conducted their business.

The HON. W. G. POWER said it was a very curious proposition that a man with £1 in his pocket should be able, on the security of that £1, to borrow £3 from the public. If a bank started business with £10 shares, half the amount of each share was left uncalled as security, otherwise they would not get money on deposit. If power were given to borrow to three times the extent of the capital, depositors would have no security, though they might think they had, and they could easily be duped by the directors. He thought the provision should be eliminated.

The POSTMASTER-GENERAL said the hon. member thought it a very queer thing that a man with £1 should be able to borrow £3.

The HON. W. G. POWER: Yes; on the security of £1.

The POSTMASTER-GENERAL said that the societies of Queensland should be restricted to a smaller minimum borrowing power than subsisted in other countries, and that the proposition should be seriously supported, was to him a most astonishing thing, as he had always believed that men who had attained to the position of councillors had sufficient faith in the country of their adoption to believe that its securities were equal to anything in Victoria or New South Wales. But it appeared now that Queensland was to be classed as only two-thirds

of the value of Victoria—a proposition indicating such a want of confidence in the country as had never before been expressed. Were the men of Queensland less honest than those in Victoria? The Hon. Mr. Power stated that he would rather have the clause struck out altogether—he would rather have the borrowing power unlimited; but it was desirable that there should be a limit. The hon. member also referred to banks, but neither banks nor private individuals were limited at all as to the amount that might be loaned to them on their paid-up capital. If the hon. gentleman would like a few figures—and if the consideration of the clause were deferred—he would show him to-morrow that the banks borrowed—

The Hon. W. G. POWER: All they can get.

The POSTMASTER-GENERAL: All they could get, as the hon. gentleman observed. And what better were banks than building societies? A bank was a corporation formed for the purpose of getting as much money as possible at the cheapest possible rate and lending it out at the dearest rate. Comparing the transactions of the two institutions, he would ask whether the gentlemen who had the management and working of building societies were not as capable as those who had the management of banking institutions? Building societies would not condescend to do the business that some banks did; and he hoped the Committee would see that the borrowing powers of building societies were not restricted to anything below the limit in a country—Victoria—that was not, in his opinion, to be compared to Queensland in its resources and prospects.

The Hon. A. J. THYNNE said that in Great Britain the borrowing powers of a society were limited to two thirds of the amount secured to the society for the time being by its mortgages, and the amendment proposed was practically the same provision as was contained in the English Act. In England it had been found difficult to ascertain from time to time the exact amount due on mortgages, and equally difficult to ascertain the amount a society might borrow; but under the clause now proposed, it would be easy to ascertain the exact amount of the existing paid-up capital, and consequently the amount that might be borrowed. The question seemed to him to be one as to what was a reasonable margin of security for the borrower and for the lender, and he thought that few men of ordinary business caution would be tempted to lend more than two-thirds of the value of the security. The amendment was, in his opinion, a very liberal one. The example set by Victoria was one which some people might be tempted to follow; but if it had a tendency towards reckless borrowing, which he was afraid was the case, he thought it should not be followed; and he did not consider that a comparison between the resources of Victoria and those of Queensland was at all apposite to the discussion. Banks had been said to borrow all they could get; but what bank would command public confidence if the amount of its subscribed capital had been fully paid up? In a building society there was no uncalled capital. Members might pay if they chose; but if they were in difficulties they might cease their payments, and there was nothing but the assets of the society for the creditors to fall back upon. There was, therefore, an immense difference between banking institutions and building societies. He did not think the Postmaster-General meant to say that building societies ought to be allowed to borrow all that they could get without restriction.

The POSTMASTER-GENERAL: No!

The Hon. A. J. THYNNE: The hon. gentleman referred to individuals without sufficient clothing to cover their points of development—

he referred to their readiness to borrow to an unlimited amount, but he did not think that the hon. gentleman meant that remark to apply to building societies. He hoped the amendment would be carried.

The Hon. J. C. HEUSSLER said that hitherto the banking institutions carrying on business in Australia and elsewhere had been considered pretty safe, which must be attributed to good management in general, but he did not think it was a prudent state of things that they should be allowed to carry on their operations without any limit. According to good economy the business of banks should be limited in proportion to the paid-up capital, and to their nominal capital. In consequence of the absence of that limit many banks in England, America, and Australia had overgrown their business to an enormous extent, and it would be better if each bank did less business and there were more banks. People would then have more safety in banking institutions than they had at the present time. With regard to bank reserves, there were two reserve funds; one was always used in the common business, and the not paid-up capital did not stand in any proportion to the liabilities which the bank incurred. Bank shares grew to an enormous value because they made up to 20 per cent. and more, but if they had not the large use of the money of the public to work on they could only make about 10 per cent., and that would be quite enough. It would be much more sound business if those bank shares were to have only a premium of a moderate character, and if there were more banks than there were at present.

The Hon. W. FORREST said he had not intended to speak on the Bill, nor would he have spoken but for the comparison drawn between banks and building societies. There was no parallel between the business conducted by the two institutions, and he was surprised that it should be necessary to explain the difference. A bank borrowed money for considerable periods—generally from six months to two years—and did business in short-dated bills; whereas a building society would have been able to take deposits at call but for the amendment of the Hon. Mr. Raff, and even now would be able to take three months' deposits and lend money out on securities for terms extending to fourteen years. If a building society borrowed to a considerable extent, to two or three times its capital, for a short time only, and it was called upon to pay back the money borrowed, it could not realise upon the securities it held. What would be the result? Although the society was really solvent, yet owing to the nature of its business it would be actually ruined by being pressed. He thought the amendment proposed by the Hon. Mr. Raff was a wise and judicious one, and he was very much guided by the arguments of the hon. gentleman, as well as by the opinions of the Hon. Mr. Pettigrew. Both those gentlemen were cautious, prudent business men, and had had considerable experience of building societies, and he would sooner accept their opinions on that matter than the views of men who had had no experience of building societies.

The Hon. A. RAFF said the hon. gentleman in charge of the measure had stated that the amendment would limit the operation of building societies. It was not his wish, in moving the amendment, that societies should be limited in their operations, nor did he believe it would have that effect. If a society saw its way to borrow an additional sum of money, all the directors had to do was to issue fresh shares, and they could then borrow a proportionate amount. It would not, therefore, limit the operations of societies. He was quite sure the

Postmaster-General misunderstood his object in introducing the amendment. It was not from any want of confidence in the resources of the colony at all, nor in the borrowing powers of individuals. The amendment was introduced from a wish to secure investors from being brought into difficulties by directors over-borrowing at a time when they might not have facilities for repaying the money immediately, the consequences of which might be disastrous to building societies for a considerable time.

The Hon. W. G. POWER said his objection to the clause as it stood was that building societies had not been started for borrowing money, but that people by clubbing together might invest small sums and lend them also to members for their mutual advantage. It took about fourteen years to pay off a loan obtained from a building society, so that, as had already been pointed out, there was no analogy between building societies and banks. He would like the hon. gentleman in charge of the Bill to explain whether in the event of a mortgage being foreclosed after a man had been paying his fortnightly subscriptions for seven or eight years, the person holding the mortgage would be able to make the owner of the property pay the full amount endorsed on the mortgage.

The Hon. W. HORATIO WILSON said he had answered that question on a former occasion, but of course he had no objection to answer it again. At the same time he would remind the hon. gentleman that it was not pertinent to the clause. They were at present discussing whether building societies should borrow to the amount of twice or three times their capital, and it was not convenient that anything extraneous should be imported into the discussion. Nevertheless, with regard to the question put by the hon. gentleman, he would state that if a mortgagor having borrowed money from a building society, and his security was afterwards pledged to the bank, there would be notice on the face of the document that the mortgage was being paid off, and under those circumstances the bank could only claim the amount actually due by the mortgagor, and the latter could obtain his security from the bank, on payment of the money he had borrowed.

The Hon. W. G. POWER said he had seen a great many deeds mortgaged to building societies, and the endorsement on them was that the money lent on the mortgage was to be paid back according to the rules of the society. Had the bank to read up the rules of a building society and see what the member who had given the mortgage owed? He thought they could not make the thing too clear.

The POSTMASTER-GENERAL said it was just as well the hon. gentleman had raised that point, and he might add to what the Hon. W. Horatio Wilson had said by way of explanation, that when a bank received the security given by a building society it took the contract as it subsisted between the borrower and the lender, and the bank, holding that as security for advances to the society, was exactly in the shoes of the society with respect to the man who had borrowed the money. It could not claim the money due on the mortgage a moment earlier than it was payable to the building society; in fact, the mortgage might pass through a hundred or a thousand hands, and the borrower was in the same position as he would be had it remained in the hands of the original mortgagee.

The Hon. A. J. THYNNE said he thought there was one point on which the Postmaster-General had not expressed himself very fully. If the security held by the building society was transferred to a third party, and the borrower

continued paying his money to a building society, although the society was reaping no benefit from the security there might be a very awkward question arise as to whether the payment to the building society should be considered as paying off the mortgage. He did not think the point was quite as clear as the Postmaster-General seemed to imagine it was.

The POSTMASTER-GENERAL said he quite apprehended the point to which the Hon. Mr. Thynne referred. A very awkward question might arise, as the hon. gentleman had said, but if the bank remained silent and did not give notice to the mortgagor, they knew very well what the result would be. A question might arise as to whether the payment made to the building society under those circumstances should be considered as going to pay off the mortgage, but he would be very sorry for the bank that attempted to get money in that way.

The Hon. W. HORATIO WILSON said they might depend upon it that members of building societies knew their business very well. The rules were always carefully framed, and he had observed that by the rules mortgages of societies, as a general thing, were not deposited in banks even for safe custody. The societies were very careful to insist that they should be put in a safe and locked up.

Question—That the words proposed to be omitted stand part of the clause—put, and the Committee divided :—

CONTENTS, 7.

The Hons. T. Macdonald-Paterson, H. C. Wood, W. Horatio Wilson, F. H. Holberton, W. Pettigrew, J. C. Heussler, and A. Heron Wilson.

NOT-CONTENTS, 10.

The Hons. W. G. Power, F. T. Gregory, A. C. Gregory, W. Forrest, A. J. Thynne, G. King, F. H. Hart, A. Ralf, W. F. Lambert, and J. D. Macaush.

Question resolved in the negative.

Question—That the words proposed to be inserted be so inserted—put and passed, and clause, as amended, agreed to.

On clause 28, as follows :—

“A registered society may from time to time, unless its rules otherwise direct, invest any portion of its funds not immediately required for its purposes in the public funds, or in or upon any Government debentures, stock, or securities, or in or upon any debentures, stock, or securities payment of the interest on which is guaranteed by authority of Parliament.”

The Hon. W. HORATIO WILSON said if hon. members would look at that clause they would see that the investment of funds of a society was restricted to the public funds, Government debentures, stocks, or securities, payment of the interest on which was guaranteed by the authority of Parliament. He proposed to amend the clause by inserting the words “on deposit in any bank or banking company, or” in the 3rd line after the word “purposes.” That would enable building societies having any surplus funds to deposit them in a bank at interest.

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

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 he did not see why the statement of accounts prepared by the secretary should not be verified by affidavit. The quarterly statements of all banks were verified in that way, and he did not see why the same principle should not apply to building societies.

The HON. W. HORATIO WILSON said he could see no objection to the proposition of the Hon. Mr. Power, and he would, therefore, move that the clause be amended by the insertion of the words "verified by the statutory declaration of the secretary and" before the word "attested," in the 8th line.

Amendment agreed to.

The HON. W. HORATIO WILSON said, as a consequential amendment, he would move the omission of the words "countersigned by the secretary of the society and" in the 10th line. There was no necessity for that if the secretary had to make a statutory declaration.

Amendment agreed to.

Clause, as amended, put and passed.

On clause 39—"Receipt to operate as recognisance"—

The HON. W. G. POWER said he had a question to ask, and that was, in the event of a bank or other institution holding a great number of deeds as collateral security, would a mortgagor, by paying up the balance of his loan, get his title back? However, as the question had already been answered, he would let the clause go.

Clause put and passed.

On the motion of the HON. W. HORATIO WILSON, the House resumed, and the CHAIRMAN reported the Bill with amendments.

The report was adopted, and, on the motion of the HON. W. HORATIO WILSON, the third reading of the Bill was made an Order of the Day for to-morrow.

GODSALL ESTATE ENABLING BILL.

SECOND READING.

The HON. F. T. GREGORY said: Hon. gentlemen,—It will hardly be necessary for me to say much in regard to this Bill, especially as it has been so very fully and carefully revised in the other branch of the Legislature. The object of the Bill, as will be seen by the evidence taken by the select committee, is to enable the trustees in the estate of the late Richard Godsall, to raise money upon a part of the estate to pay certain liabilities which were left as encumbrances upon other parts of the estate by the testator. There have been a number of similar cases before this House already—so similar, that really, with the exception of the names, and the specific property referred to in the Bill, they are almost identical. I can mention, at any rate, two such Bills—one which was passed by this House a year or two ago, was the Tooth Estate Enabling Bill, and, at a later period, the Noble Estate Enabling Bill. The circumstances which have necessitated this measure

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have resulted from a very common mistake, which men fall into in drafting their wills—when at the time they did so they had certain liabilities and encumbrances upon their property, which, no doubt, at the time, they believed they would be able to clear in their lifetime, and consequently made no provision to enable their executors or trustees to deal with the property, so as to allow them to clear off the liabilities in the way which would least tend to the embarrassment or injury of the estate. In the present case there are certain liabilities which the testator had, and those provisions not being in the will, the trustees found that they could neither borrow more money upon the properties already mortgaged, no matter what their value might be, nor could they sell or mortgage any other part of the property for the purpose of raising money to pay off the liabilities. In the present instance the object of the Bill was to enable the executors to relieve the life-tenant of the very heavy liability of continually paying the interest upon certain mortgages which are set forth in the preamble of the Bill. They were unable to obtain further advances with a view either to paying off existing mortgages, or, as they fell due, of meeting the demands of the mortgagee except by the sale of the property. The evidence goes on to show that this will be highly prejudicial to the estate and injurious to the interest of the life tenant. Under these circumstances, there was nothing left but to obtain the power of an Act of Parliament to enable them to meet these requirements. The object of the Bill is not in any way to enable the trustees to make away with any portion of the property, but merely in the most judicious way to obtain, by mortgaging or selling a part of the estate, a release from the heavy interest they are now paying under existing mortgages. A portion of the estate at present is returning no income whatever, and the object of the trustees is by the realisation of a portion of this property to immediately relieve the remainder of the estate of its liabilities. But, seeing the condition of the money market just now, and that the condition of the value of land is such as to make it exceedingly undesirable that they should be forced to take immediate action in regard to the actual disposal of the property, as they would lose profits which otherwise they might obtain by the sale of the real estate at a period when it would be much more judicious to realise. The Settled Land Bill, which was passed a short time ago by this Chamber, was expected to prove sufficient to enable trustees to work under it; but upon the matter being submitted to counsel's opinion it was found that it did not provide for such a case, and consequently there was no alternative left but to adopt the course the trustees were now taking to obtain an Act of Parliament to enable them to go so far outside the four corners of the will of the testator as would enable them to settle the accounts of the estate by sale or mortgage. I may state that the Bill has had most thorough investigation in the other branch of the Legislature, and has been under the careful revision of no less than two gentlemen learned in the law, Queen's counsel, who had every possible assistance from a number of gentlemen and business men, so that the question has been so thoroughly sifted that I cannot venture myself to touch it in any way. However, it may so happen that by some possible oversight, which I do not think has taken place, there may be some imperfection in the measures, and I am prepared, when the Bill is in committee, to carefully consider any propositions that may be made, although I sincerely trust such will not be made as we are approaching the end of the session, and unless

there is a vital or essential point brought up, I hope that the Committee will not alter the Bill, as it would necessitate its being returned to the other branch of the Legislature, and perhaps it might not become law during the currency of the present session, which is now so nearly drawing to a close. There is one matter to which I may refer in committee—namely, the limitation placed on the borrowing powers in clause 1; and I may now say that the sum of £7,000 will be ample to meet all requirements, including the paying-off of all existing mortgages. In clause 2 ample provision is made for the preservation of the estate for the benefit of the life-tenant, and also the remainder-men. I move that the Bill be now read a second time.

The Hon. F. H. HOLBERTON said: Hon. gentlemen,—I trust this Bill will be passed without any alteration whatever. With regard to the sum of £7,000, I think there can be no doubt that it will clear off all liabilities. There is a large amount of landed property at present not realising anything. It is not possible to lease it on terms sufficient to pay the rates. There are three mortgages—one to a private firm, who are not pressing, but would like to have their money; another to the Union Bank, in the shape of an overdraft, and the bank want their money; and another to the Bank of New South Wales, which matures in January. It is held as collateral security for a loan at $6\frac{1}{2}$ per cent., and it is not likely that the mortgage will be renewed by the bank at that rate. I think the relief asked for in the Bill may gracefully be accorded by this Chamber without any opposition, and I hope the Bill will be passed as it came from the other House.

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

Committal of the Bill made an Order of the Day for to-morrow.

The House adjourned at twenty-six minutes past 8 o'clock.
