Queensland

Parliamentary Debates
[Hansard]

Legislative Council

TUESDAY, 10 SEPTEMBER 1889

LEGISLATIVE COUNCIL.

Tuesday, 10 *September*, 1889.

Messages from the Legislative Assembly—Defamation Bill—Brisbane Water Supply Bill—Warwick Gas Company Bill.—Civil Service Bill—committee.—Companies Act of 1863 Amendment Bill—consideration in committee of Legislative Assembly's amendments.—Adjournment.

The PRESIDENT took the chair at 4 o'clock.

MESSAGES FROM THE LEGISLATIVE ASSEMBLY.

DEFAMATION BILL.

The PRESIDENT announced the receipt of a message from the Legislative Assembly, forwarding, for the concurrence of the Council, a Bill to amend the law relating to defamation.

On the motion of the HON. P. MACPHERSON, the Bill was read a first time, and the second reading made an Order of the Day for Tuesday next.

BRISBANE WATER SUPPLY BILL.

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

"The Legislative Assembly, having had under consideration the Legislative Council's amendments in the Brisbane Water Supply Bill—

"Disagree to the amendments in clauses 10 and 11, because it is expedient that specifications should be prepared and be transmitted to the Minister for his information, and that of any engineer employed to examine and report upon the plans, etc.

"Propose to amend new clause inserted to follow clause 29 by omitting all the words following the word 'Act' in the last line but one of the clause, because they appear to be unnecessary.

"Disagree to the proposed amendment in clause 52—

(1) Because the amendment interferes with the scheme of taxation of the Bill ;

(2) Because the scheme of taxation proposed would be inequitable ; and

(3) Because the amendment would seriously affect the revenue of the board.

"Propose to amend the new clause inserted to follow clause 107 by inserting the words 'or chairman' after the word 'member' in line 2 ; and by inserting before the last proviso the following words :—

'If it appears to the court or judge that some other person was duly elected to such office, the court or judge may declare such person to have been duly elected, and he shall thereupon be deemed to have been duly elected to such office at the time at which the person ousted was declared to have been elected.'

"And have agreed to the remaining amendments in other parts of the Bill."

On the motion of the MINISTER OF JUSTICE (Hon. A. J. Thynne), the consideration of the message was made an Order of the Day for to-morrow.

WARWICK GAS COMPANY BILL.

The PRESIDENT announced the receipt of a message from the Legislative Assembly forwarding, for the concurrence of ths Council, "a Bill to enable the Warwick Gas, Light, Power, and Coal Company, Limited, incorporated under the provisions of the Companies Act of 1863, to supply with gas or other light the town of Warwick and its suburbs, and for other purposes."

On the motion of the HON. B. B. MORETON, the Bill was read a first time, and the second reading made an Order of the Day for Tuesday next.

CIVIL SERVICE BILL.

COMMITTEE.

On this Order of the Day being read, the President left the chair and the House went into committee to further consider this Bill.

Postponed clauses, 43 to 47, inclusive, passed as printed.

On postponed clause 48, as follows :—

"The following shall be the scale of superannuation allowances payable under this Act :—

To any officer who has served fifteen years a superannuation allowance equal to one-fourth of his annual salary, with an addition of one-sixtieth part of his salary for each additional year of service, but in no case shall the superannuation allowance exceed two-thirds of his annual salary.

The superannuation allowance shall be computed upon the average annual amount of salary received by the officer during the whole period of his service. Such service shall, except as hereinafter provided, be service subsequent to the commencement of this Act.

"Provided that no officer shall receive or be entitled to any superannuation allowance or gratuity in respect of any salary received by him in excess of £1,000 per annum in the ordinary or of £1,200 in the professional division, and no officer shall be liable to contribute towards the superannuation account in respect of any salary in excess of such amounts."

The HON. B. B. MORETON said he noticed the superannuation allowance was to be equal to one-fourth of the annual salary. He presumed that was the salary at the time of the officer's retirement.

The MINISTER OF JUSTICE said it was not intended that the superannuation allowance should he calculated upon the amount of salary an officer was receiving at the time he retired. The scheme was to calculate the allowance upon the average contributions throughout the whole of the term of service.

The HON. B. B. MORETON said that, as he read the clause, the superannuation allowance was divided into two sums ; one consisted of one quarter of the annual salary, for the first fifteen years of service, and an additional one-sixtieth for each additional year's service. He took it that the one-sixtieth would be calculated on the general average, but the one-fourth would be a quarter of the salary the officer was receiving at the time he retired.

The MINISTER of JUSTICE said the contributions to the superannuation fund were based upon the salary received during the whole term of service. As a matter of necessity, the allowance must be in proportion to the amount contributed to the fund.

The HON. J. SCOTT said that, as he understood the clause, a man who had been in the service fifteen years might retire upon a higher allowance than a man who had been twenty years in the service.

The MINISTER OF JUSTICE said that was quite possible, because the basis upon which the allowance was calculated would be the proportion which the officer had contributed to the fund during the term of his service. An officer who had been in the service only fifteen years, might have contributed a very large amount to the fund, by paying on a salary of £600 a year during the whole of the term. He would have contributed quite as much as a man who commenced with £100 a year, and who worked up in thirty years to £600 a year. The average salary of the latter would be about £300 a year. There might be the question of accumulated interest to be considered, but that would not affect the average to any great extent. The scheme of the Bill was to make the fund a co-operative one, to be contributed to by all the officers in the service, and they were to draw their superannuation allowances out of it in proportion, as nearly as possible, to the amount contributed.

The HON. J. SCOTT said he would put a case before the Committee. Suppose a man received £300 a year for fifteen years, and £600 a year for another fifteen years, and retired after thirty years' service, and another man received £600 a year for fifteen years. What would be the difference in the position of those two men on retiring? It appeared to him that the man who had been in the service for a shorter period would have the larger allowance.

The HON. A. C. GREGORY said that if an officer received £300 a year for fifteen years, and £600 for another fifteen years, his superannuation allowance would be equal to about £225 per annum, or a little more, with the interest. He would be entitled to a higher rate of superannuation than the other man, because he had been in the service for thirty years, although it would be computed on a lower scale. In fact, the superannuations were based, not on the amount

paid in any one year, but on the whole amount of the contributions paid during the period of service. An officer who had been in the service fifteen years, drawing £600 a year all the time, would have a higher scale of average annual contribution, but, having been in the service half as many years as the other officer, his allowance would only be about three-quarters of that received by the officer who had been in the service thirty years. The object of the clause was to get over certain difficulties that arose under the Act of 1863. According to that Act, the superannuation allowance was based on the salary received at the time of retirement, and if an officer had been a great many years on a low salary, and jumped up to a high one a little while before retiring, he would get a great deal more superannuation than an officer who had been receiving a medium salary all the time. That was viewed as an inequitable arrangement. It was not of very much importance to the Civil Service, under the old Act, because the whole of the charge fell on the consolidated revenue, and if one officer had got rather more than might be deemed his share, his brother officers did not lose anything. Under the present scheme the Civil Service would be a co-operative association, and, like many mutual insurance companies, the loss, as well as the gain, would fall on the collective body; and it was desirable that no officer should be allowed to draw more than his share of the contributions. He thought the clause, as framed, was about as equitable as it could be.

The MINISTER OF JUSTICE said he might inform the Hon. Mr. Scott that an officer who had been fifteen years in the service at £600 a year would be entitled to a superannuation allowance equal to one-fourth of his annual salary —that was, his average annual salary—so that his allowance would be £150 a year. In the case of an officer who received £300 a year for fifteen years, and £600 a year for another fifteen years, his average annual salary would be £450 a year. For the first fifteen years' service he would be entitled to an allowance equal to one-quarter of his average annual salary—that was, £112 10s. He would also be entitled to an additional one-sixtieth for each additional year's service for another fifteen years, and that would be equal to another fourth of his annual salary, making a total superannuation allowance of £225 a year.

The HON. B. B. MORETON said he would like to know before going any further whether the Committee would be infringing the rights of another Chamber if they were to make any amendment in the Bill. He had read some remarks to the effect that they had infringed the rights of the other Chamber by making amendments in another Bill, and, as far as he could see, there was not much difference between that Bill and the one now before the Committee.

The MINISTER OF JUSTICE said it would be time enough to consider that question when an amendment was proposed.

The HON. B. B. MORETON said he did not see the use of proposing any amendment if they had no right to amend the Bill. If it was necessary to have an amendment proposed before the information he required could be given, he would move, as an amendment, that the word "annual" be omitted. But he thought it would be better to ascertain before any amendment was proposed whether the Committee had a right to amend the Bill or not.

The HON. W. FORREST said he thought the clause was not as clear as it might be. He had been trying to compute the superannuation allowances that would be paid to the officers instanced by the Hon. Mr. Scott, and, up to a certain extent, he agreed with the Minister of Justice; but when he came to the second part of the computation—namely, the addition of a sixtieth part of the salary, for each additional year's service, he did not calculate it in the same way. He ventured to say that if the problem were put before a number of people, with only the clause to guide them, there would be a good deal of difference in the calculations. It would take one-sixtieth of the salary received, during the second fifteen years, to make up the amount given by the Minister of Justice, but he (Hon. W. Forrest) took it to be one-sixtieth of the average annual salary, which would not bring it up to the amount stated by that hon. gentleman. The clause would be very much clearer if it were amended to read: "To any officer who has served fifteen years, a superannuation allowance equal to one-fourth of his annual average salary, as hereinafter provided." There could be no mistake then. He did not understand what was meant by "with an addition of one-sixtieth part of his salary for each additional year of service." Did that mean that part of his average salary, or of his highest salary, or of his last year's salary?

The HON. W. GRAHAM said the clause was perfectly clear. They had to consider that in connection with what came after, not with what went before. He took it that it meant all superannuation allowances should be computed upon the average annual salary received by an officer during the whole period of his service.

The HON. A. C. GREGORY said the clause stated that the superannuation allowance would be computed upon the average annual salary received by the officer during the whole period; and a great deal of misapprehension existed in regard to that amongst the Civil servants, owing to some of them obtaining possession of a defective copy of the Bill. The superannuation allowance was to be computed on the average annual salary, and the words "for the whole period" were added. One Civil servant told him that he had received £200 for two years, and £500 for seven years; and if they took the average of the rate of salary he would receive £350. Therefore, had the clause stopped at "average annual salary" there would have been a very grave inequality in its action; but it went on, "during the whole period of his service," which showed that all the annual salaries were to be added together and divided by the number of years of service, and which was a far more equitable and reasonable way of doing it. The second part of the clause had the effect in reality of governing all the conditions that might be derived from the first part, in regard to the period of fifteen years, and so forth.

The HON. B. B. MORETON said he hoped the Chairman would give him a reply as to whether the Bill was considered a money Bill or not—whether they were at liberty to make amendments in it or otherwise?

The CHAIRMAN said he did not think he was called upon at present to answer the question of the hon. gentleman. In regard to the hon. gentleman's allusion to former matters which had taken place, that hon. gentleman had upon two or three occasions asked him questions which required very serious consideration often to answer. When the proper time arrived, he would then, to the best of his ability, answer any questions put to him.

The HON. W. F. TAYLOR said he should like to have the difficulty solved. If there was a doubt as to whether it was a money Bill or not that doubt should be removed, because if it were a money Bill it was no use their wasting time in discussing that part of it.

The HON. P. MACPHERSON said the hon. gentleman could easily have the question settled at once by proposing an amendment.

The HON. B. B. MORETON moved that the word "annual," in the 4th line of the clause be omitted.

Amendment put and negatived.

Clause put and passed.

The remainder of the postponed clauses—49 to 69 inclusive—and the preamble, passed as printed.

On the motion of the MINISTER OF JUSTICE, the House resumed, and the CHAIRMAN reported the Bill without amendment.

The report was adopted; and the third reading of the Bill made an Order of the Day for to-morrow.

COMPANIES ACT OF 1863 AMENDMENT BILL.

CONSIDERATION IN COMMITTEE OF LEGISLATIVE ASSEMBLY'S AMENDMENTS.

On the motion of the MINISTER OF JUSTICE, the President left the chair, and the House went into committee to consider the Legislative Assembly's amendments in this Bill.

On clause 2—

The MINISTER OF JUSTICE said he thought the Committee might agree to the Assembly's amendments in that clause without any difficulty. The Mining Companies Act of 1886 was an extension of the Act of 1863, and the amendment was to include it as one of the Acts to which the provisions of the Bill should refer. There was another amendment, in the last line of the clause—namely, the omission of the word "petitioning" before, and the addition of the words "in question" after, the word "company." He moved that the amendments be agreed to.

Question put and passed.

On clause 7—

The MINISTER OF JUSTICE said the Legislative Assembly had transposed clauses 7 and 14, and the change was one which he considered a highly inconvenient one. If hon. members would look at clauses 5 and 6 they would see that clause 7, or clause 14 as the Assembly had made it, was really in the nature of an exception to them, and should naturally follow them in the Bill. The clause would be very much better where it stood, and he moved that the Legislative Assembly's amendment be not agreed to.

Question put and passed.

On clause 8—

The MINISTER OF JUSTICE said the Legislative Assembly had transposed that clause with clause 15, and had inserted the word "preceding" before the words "provisions of the Act" in the last line but one. He proposed to restore the clause to its original place, and moved that the transposition and the amendment be not ageed to.

Question put and passed.

On clause 16—

The MINISTER OF JUSTICE said the clause would be found, in the new numbering by the Legislative Assembly, as clause 48 near the end of the Bill. Its object was to extend the power to make rules, to making rules concerning matters dealt with in the Bill itself, and the transposition undoubtedly placed the clause in its proper position. He therefore moved that the Legislative Assembly's amendment be agreed to.

Question put and passed.

On clause 18—

The MINISTER OF JUSTICE said that clause was No. 17 in the new arrangement, and it had reference to resolutions which might be passed by a company for altering the amount of shares into which its capital was divided. The preceding clause provided for the subdivision of shares into shares of a smaller amount than was fixed by the memorandum of association; and there was a clause in the Act of 1863, giving power to subdivide capital into shares of a larger value than fixed by the articles of association. The amendment introduced into the clause by which the capital of a company could be increased or decreased, or by which the amount of the shares was reduced, although well-intended, made a great mistake, and a very serious mistake had been made in the framing of the amendment. In the first place, under the resolutions dealt with in the clause, the capital of a company was neither increased nor reduced, and the only change that was made was that the capital of a company might be divided into shares of a larger or smaller amount. He proposed that the Assembly's amendment in lines 5 and 6 be agreed to with the following amendment: That the words "increased or reduced, or by which the amount of the shares is reduced" be omitted, and the words "divided into shares of a larger or smaller amount" be inserted in their place.

Amendment agreed to.

On the motion of the MINISTER OF JUSTICE, the Assembly's amendment in line 9 was agreed to, and amendment, as amended, agreed to.

The MINISTER OF JUSTICE said the amendment made by the Assembly in the 1st paragraph of clause 21 was one that required consideration. The clause as it left the Council provided for the auditing of the accounts of banking companies registered as limited companies after the passing of the Act; but the amendment introduced by the Assembly made the system of audit provided applicable to all companies registered at any time, whether they were banking companies or not. It appeared to him that, in many instances, the compulsory adoption of the system provided would lead to considerable inconvenience, especially in the case of private companies, whose shares were not put on the market. The question was whether Parliament should insist on imposing a particular audit upon all companies irrespective of their business or trade, or whether they should limit it to banking companies. He was inclined to think that it would be better to let it apply only to banking companies, and not extend it to others. In the case of mining companies it might lead to considerable confusion; and in the case of private companies, composed exclusively of members of the same family, or relations, he thought it would be a matter of great inconvenience and difficulty. He thought they ought to be unwilling to introduce into the Bill anything that would be a source of objection to small companies, who availed themselves of the Act of 1863, for the purpose of carrying on their business. The amendment made by the Assembly was the insertion of the words "or other," in line 24 of the original Bill, and he moved that the Legislative Assembly's amendment, in line 24, clause 21, be not agreed to.

The HON. E. B. FORREST said that no one wanted to inflict a hardship on what the Minister of Justice had termed private companies; but he was disposed to think that the result of the hon. member's proposition would be to allow a great number of companies to escape that ought to be audited. The only reason he had urged for

leaving out other companies than banking companies was that it would be a matter of inconvenience to what he called private companies; but what they ought to consider was the protection of the public. He thought the amendment made by the Legislative Assembly was worth a good deal more consideration than the Minister of Justice appeared to have given to it, and he intended to vote for agreeing to the amendment.

The HON. B. B. MORETON said he thought it would be unwise to leave out the words "or other," because there was no knowing when those private companies would put their shares before the public.

The MINISTER OF JUSTICE said the articles of association and the scheme of the formation of nearly every company provided for a periodical audit; and, as a general rule, there was an attempt at having the accounts audited. The principle of the Companies Act had been to leave the management of the affairs of companies to be regulated by the shareholders themselves, and the justification for including a clause making an audit compulsory in the case of banking companies was the fact that banking companies occupied a very peculiar position, and it was wise to take such precautions that the confidence of the people in the great commercial institutions on which they depended should not be shaken. There was no doubt that the audit of banking companies should be placed upon a distinct basis, but that did not apply to private companies who had not the same peculiar trust or confidence placed in them by the public, and in his opinion it was over-legislating to insist that the system provided for banking companies should be made applicable to all companies.

The HON. P. MACPHERSON said he should vote for the amendment of the Legislative Assembly, because he saw no distinction between the accounts of a bank and the accounts of any other company that put its shares into the market. It was the best evidence of a company's stability to have its accounts properly audited and placed before the public. The Minister of Justice had rightly said that in almost all articles of association provision was made for auditing the accounts of the company; but he assumed that if the accounts were audited in pursuance of the articles of association that would be a complete performance of the duty imposed by the clause.

The MINISTER OF JUSTICE said the provision contained in the clause would override any provisions in the articles of association with regard to auditing accounts. It would make it compulsory on all companies to have a uniform system of audit; and no articles of association would excuse the non-observance of the system provided by the clause.

The HON. E. B. FORREST said he might remind the Committee that companies were coming into existence every year who were more or less banking companies, inasmuch as they received deposits from the public; and he did not think they should be left out. The difficulty was to make a distinction between them and what might be termed private companies. No one wanted to press hardly on companies which were to all intents and purposes private concerns; but there were many building societies that were neither more nor less than banks on a small scale, and they should be subject to the same system of audit as ordinary banking companies.

The MINISTER OF JUSTICE said he would refer hon. members to the section which now appeared as the 25th clause. That section made the usual publication of quarterly returns such as were published by banks compulsory on all banking companies registered under the principal Act, and the 2nd paragraph of the clause provided that—

> "In this section the term banking companies includes any company which receives money on deposit, whether such money is repayable on demand or not, or which carries on any other usual banking business, or of the name of which the term 'bank' or 'banking company,' or any like term, forms part."

He quite agreed that societies or companies receiving deposits, and holding themselves up to the public as banks, ought to be put in the same position as ordinary banking companies with respect to the audit of accounts; and he proposed, when the clause to which he had referred came under consideration, to move the omission of the word "section," in the 1st line of the 2nd paragraph, with the view of inserting the word "Act"; so that the clause now under consideration would apply to all those companies that did anything in the shape of banking business. He thought that would meet the difficulty, with which the Hon. E. B. Forrest was most impressed, with regard to companies generally; and it would allow trading and mining companies to work out their own audit according to their articles of association.

The HON. W. GRAHAM said he believed the accounts of every company should be audited; but he saw an objection to private companies being forced to make the audit provided by the clause. He knew companies consisting of only seven persons who had taken advantage of the Companies Act; and it was possible that sometimes their accounts might not be made up punctually. He was talking of private companies who did not put their shares on the market, and he thought a clause might be inserted providing that the proposed system of audit should be compulsory only on those companies who put their shares on the market for sale.

Question put and passed.

The MINISTER OF JUSTICE moved that the other amendments of the Legislative Assembly in the 1st subsection of the clause, be agreed to.

Question put and passed.

The MINISTER OF JUSTICE moved that the Legislative Assembly's amendment omitting the 3rd subsection be agreed to. The subsection stated that an auditor on quitting office would be re-eligible; but it could be very well left out, because it was a matter that could be dealt with by the articles of association.

The HON. W. G. POWER said he thought it rather hard to say that an auditor should not be re-eligible. He thought it would be sufficient to say that he should not be re-eligible for twelve months.

The MINISTER OF JUSTICE said he would be re-eligible if the articles of association provided that he should be re-eligible; and he would not be re-eligible if the articles provided that he should not be re-eligible.

Question put and passed.

The MINISTER OF JUSTICE said the only other amendment made by the Legislative Assembly in the clause was the insertion of a paragraph providing that "any company which makes default in complying with any of the provisions of this section shall incur a penalty not exceeding one hundred pounds, and every director, secretary, and manager of the company who knowingly or wilfully authorises or permits such default shall incur the like penalty." He wished to move that the amendment of the Legislative Assembly be amended by the insertion of the word "banking," before the word "company," in the 1st line of the amendment.

The HON. W. GRAHAM said he wished to know whether each director, together with the secretary and the manager, would be liable to a penalty of £100 in case of default?

The MINISTER OF JUSTICE said that each one would be liable.

Question put and passed.

On the motion of the MINISTER OF JUSTICE, the Legislative Assembly's amendment, as amended, was agreed to.

On the motion of the MINISTER OF JUSTICE, the Legislative Assembly's amendment in clause 22, lines 10 and 11, was agreed to, with the insertion of the word "banking" before the word "company."

The MINISTER OF JUSTICE moved that the Legislative Assembly's amendment in clause 22, lines 12 and 13, be agreed to, with an amendment substituting the words "at least two of the" for the words "the chairman of." It was quite possible that the chairman might not be available at the time for the purpose of signing the audit; and as the audit was made compulsory, and a penalty provided for default, it was not wise to provide that he should always be the director who must sign the balance-sheet. As a matter of fact, the chairman of directors when accessible always did sign the balance-sheet, and in the event of his absence it was signed by the acting chairman, who was not provided for by the Legislative Assembly's amendment, or by any other of the directors acting in his place.

The HON. J. C. HEUSSLER said it struck him that it would have to be signed by two directors. If they appointed a chairman *pro tem.* he could sign it.

The MINISTER OF JUSTICE said the title of "chairman" was given by the articles of association of most companies; but he did not know that all companies used it. He did not see that there was any particular advantage to be gained by indicating any particular director as the one who should sign the balance-sheet; any of the other directors could sign it just as well. The original clause said the whole of the directors should sign it, or at least three of them, and he proposed to meet the wishes of the Legislative Assembly by dividing the difference.

The HON. E. B. FORREST said there was no necessity for leaving the chairman in. The suggestion made by the Minister of Justice was a very good one. But in some cases there was a managing director, and where there was a managing director he should be called upon to sign the balance-sheet, because, as a matter of fact, he practically had charge of the whole concern, and was the man of all others who was responsible. He observed that the word "manager" was used, also the word "secretary" in addition to the "chairman of directors," and he thought the words "managing director" should be there also.

The MINISTER OF JUSTICE said he thought that in the case of banking companies, where there was a managing director, they could safely trust the rest of the directors to put upon him whatever responsibility there might be in regard to signing the balance-sheet. The public would expect to see the signature of the managing director, and he did not think any bank, or company giving itself that title, would omit to have the signature of the managing director on the balance-sheet. He would alter his amendment, and move that the words "at least one of the directors" be inserted. He thought that would meet all objections that had been made.

Question put and passed; and Legislative Assembly's amendment, as amended, agreed to.

New clause:—

The provisions of the Act of the Governor and Legislative Council of New South Wales, passed in the fourth year of Her Majesty's reign, and entitled an Act to provide for the Periodical Publication of the Liabilities and Assets of Banks in New South Wales and its Dependencies and the Registration of the Names of the Proprietors thereof, except the provisions of the fourth, fifth, sixth, seventh, eighth, and tenth sections thereof, shall extend and apply to all banking companies registered under the principal Act.

In this section the term banking companies includes any company which receives money on deposit, whether such money is repayable on demand or not, or which carries on any other usual banking business, or of the name of which the term "bank" or "banking company," or any like term, forms part.

The MINISTER OF JUSTICE said the clause referred to an Act passed in New South Wales, 4 Vic. No. 13, and provided for the periodical publication of the liabilities and assets of banks. He proposed to omit the word "section" in the 1st line of the 2nd paragraph and substitute the word "Act," to make that Act generally applicable to what were called banking companies in the Bill. He therefore moved that the amendment of the Legislative Assembly, the insertion of the new clause, be agreed to with the amendment he had indicated.

The HON. B. B. MORETON said it would be within the memory of most hon. members that during last week he had presented a petition to the House from the managers of several institutions, which came in under the term "banking companies," and that petition read as follows:—

"The societies and companies hereunder subscribed being engaged (*inter alia*) in the business of receiving deposits, either at call or for fixed periods, beg to petition your honourable House in the following matters:—

"1. In the Companies Act Amendment Bill now before your honourable House a clause has been added by the Legislative Assembly—namely, section 25, by which all institutions receiving deposits from the public will be compelled to balance their accounts weekly, and to furnish the proper department with returns compiled therefrom once every quarter, or, in default, to be held subject to heavy penalties.

"2. Your petitioners beg respectfully to point out that whilst they have every desire, and are anxious to have their financial standing and resources published as fully and widely as possible, the effect of the clause in question would be to place obstacles in the way of conducting their business which might prove insurmountable.

"3. The work of preparing a balance-sheet fifty-two times in the year is admitted to be very severe, even upon banks of issue, where the homogeneity of the accounts renders the task comparatively straightforward and simple; but in the case of your petitioners where the accounts are of so varied a nature—embracing as they do in most cases not only depositors, but land buyers and borrowers on mortgage—the process would be prolonged, difficult, and expensive, if not impossible.

"4. Inasmuch as the 43rd section of the Companies Act of 1863 provides for the publication of half-yearly statements of accounts by every 'deposit society' registered under the Act, your petitioners are humbly of opinion that the insistance upon the provisions of this clause would meet every requirement of the case. They would further draw attention to the fact that the schedule in connection with the Banking Act now proposed to apply to deposit institutions is quite inapplicable, the character of the businesses respectively carried on being entirely different.

"They therefore respectfully ask that the whole of section 25 may be deleted.

"And your petitioners will ever pray.

"[Signed by the following institutions:—Brisbane Permanent Building and Banking Company, Limited; South Brisbane Building Society and Deposit Bank, Limited; Metropolitan Freehold Land and Building Company, Limited; Queensland Deposit Bank and Building Society, Limited; Land Bank of Queensland, Limited; Imperial Deposit Bank Building and Investment Company, Limited; Freehold Bank and Building Society, Limited.]

"3rd September, 1889."

The reason they had asked for some consideration was that they were not like banks of issue. Their accounts were of a very varied nature and it would be very difficult for them to make up weekly statements. The Banking Company's Act distinctly stated that—

"At the close of business on Monday of every week every banking company shall prepare and make up a full and correct account and statement in writing, exhibiting the assets, property credits, and securities respectively belonging to every such banking company, firm, or individual banker as aforesaid, and also the respective debts, engagements, and liabilities of the same in the manner and form, and under the several heads respectively set forth in the schedule to this Act."

Then:—

"Be it enacted that from such weekly accounts and statements so directed, to be made up as aforesaid, there shall be prepared on the last Monday of each quarter ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, and the thirty-first day of December in every year by every such banking company, firm, or individual banker, as aforesaid respectively, a general abstract in writing of the average amount during such quarter of the respective assets, property, credits, and securities of every such banking company, firm, or individual banker, and of their respective debts, engagements, and liabilities, in the manner and form and under the several heads or titles specified and set forth in the schedule to this Act annexed, marked B, to which respective quarterly abstracts shall be subjoined a statement exhibiting the amount of the capital stock of every such banking company, firm, or individual banker as aforesaid."

Of course banks of the same nature and character as these who signed the position had not such a numerous staff as regular banks of issue had, and to carry out the spirit of that clause, that was to make weekly returns, would entail a very large expense in increasing the staff. He could only say further, that there was not the slightest wish, on the part of any one of those institutions, to hide anything of their financial position at all. It was not done for that purpose in any way whatever; but the petition was brought forward to show that they would be put to a very great expense indeed, and perhaps to a greater expense than they would be able to bear. But, at the same time, there were companies which would not come in under the Bill. There was the City and Suburban Building and Investment Society, which was registered under the Building Societies Act. That company took deposits; but would the clause affect it? Then there was the "Queensland Building and Land Society and Savings Bank," secretary, Joseph Pierson; the "Australian Mercantile Loan and Guarantee Company, Limited," which was apparently a Sydney company, it being incorporated under the Companies' Act of 1872. They were advertising for deposits at 8 per cent., 1 per cent. higher than any other society in town, save the next one, which was the "Victoria Mortgage and Discount Bank," in George street, which also advertised for deposits at 8 per cent., and he did not know under what Act that was registered. Some of those were registered under Building Societies Acts, and others under Friendly Societies Acts, and they would not come under the clause. It was, therefore, for the Committee to consider whether it would not be advisable to allow all those companies to make quarterly statements instead of weekly statements, and in that way meet the views of the petitioners.

The MINISTER OF JUSTICE said the hon. gentleman was quite right in saying that the clause would not apply to companies unless they were registered under the Companies Act. The objection which appeared to be raised to the adoption of the clause was probably the one of expense. If the directors of a company went into the business of receiving deposits, and that kind of thing to any extent, it was unquestionably their duty to keep their accounts in such a form that they could immediately ascertain what was their position. If that was done, as the hon. gentleman said he believed it was done, the making up of that weekly statement would be a very short and simple matter. There was no practical difficulty in regard to the subject; and if companies were going to assume a privilege, which was one hitherto confined to banking companies, they had no reason to complain if the ordinary duties of a banker were thrust upon them—namely, to make up weekly statements, not only for the security of their customers, but for the information of the public, and for the purpose of compiling statistics of their liabilities, deposits, and so on. At the present time he thought he was right in saying that the calculations as to the banking transactions of the people of the colony, which were gathered from the banking companies' statements, were very unreliable, because they did not show, by a long way, what the real banking transactions of the people of the colony were. It was essential for the information of the public and that of Parliament, that there should be detailed information from all institutions doing banking business. He thought that one statement was sufficient argument in favour of the clause—namely, that a company, which assumed to transact banking business ought to be prepared to comply with the ordinary rules affecting banking companies, and one of those rules was that there should be a quarterly statement made up from week to week. A company which was not in a position, at the end of the week to supply the simple form of balance of account, which was provided for by the Bill, was a very badly managed institution, and ought not to be allowed to carry on banking business. He trusted that hon. gentlemen would receive the clause favourably, because it was one which would tend to remove not only what might be a very serious danger to the public, but also to remove a very serious doubt as to the management of several growing and important institutions. He thought the hon. gentleman, and those who were inclined towards his opinion, looked at the question from a very short-sighted point of view. As soon as those companies were classed with the great banking institutions of the colony, in their quarterly returns, they acquired a position which they would never have acquired otherwise. He offered that as an argument in favour of those sound institutions, at the same time commending it to their favourable consideration, and he could tell them that, in his opinion, the adoption of the clause offered them an advantage which more than repaid any little expense or trouble which might be incurred in making up those accounts.

The HON. SIR A. H. PALMER said he did not rise in any way to oppose the proposition of the Minister of Justice, but he wished to draw his attention to the manner in which the clause had been drawn up. Most of them were legislating completely in the dark. They were asked to apply an Act of the Governor in Council of New South Wales, passed in the fourth year of Her Majesty's reign, with the exception of the fourth, fifth, sixth, seventh, eighth, and tenth sections thereof. He would like to know how any man in the country could get hold of that Act, and see what sections were to be in force, and what were not. They would be leading people into mischief, and it would be a very simple thing to point out the clauses that they wished to apply. Why should they go back to New South Wales? It seemed as though they were leaning on their nurse, or mother, yet. Besides that, it was not very easy, in many

places, to get hold of those Orders in Council, or to refer to them, if they had them; it took a lawyer to do that. It would be a very simple thing indeed to do as he suggested, and he had seen it done in other cases. They were asked to refer to an Act that was not easily obtainable, and he objected to Bills being drafted in that way. They ought to have a plain statement of what those provisions were, and it would cost nothing but a few lines of printing to show that. He hoped the Minister of Justice would postpone the clause and adopt his suggestion, and have the part of the Act which applied printed, so that they could see it—put it in the Bill in fact, and in every other Bill of the same sort. He had a great objection to that method of patching up Acts.

The HON. F. T. BRENTNALL said he hoped the Minister of Justice would accept the suggestion which had been made by the President, and also that he would go a little further, and amend the schedule for these societies. If they wanted to make those deposit banks and land banks responsible for making up correct weekly accounts —detailed statements of the same character as those which banks of issue were by statute compelled to make up—then they should not ask them to do things which did not come within their province, such as giving an account of their bullion and notes in circulation, when they had no such thing. They were not banks of issue at all, and, in that very important respect, they differed from the banks referred to in the Act passed in the fourth year of the reign of Her Majesty. They were simply deposit banks, and they did not interfere with the banking business of the country to such a serious extent as to make the quarterly statements of assets and liabilities, published, according to statute, by banks of issue unreliable. It was rather amusing for the Minister of Justice to suggest that to those who knew the extent of the business which was done by the whole of the deposit banks in Brisbane. He supposed all the deposits they held would be covered by £300,000, and what was that amount compared with the immense sums deposited in any single bank of issue in the colony. A great deal of difficulty had been raised, and a great deal of suspicion unnecessarily excited in the public mind, by debates which took place in Parliament about the unreliability, or even unsafety, of some of those deposit banks, and it would be found, if investigation were made, that the liability was not so serious as some people seemed to think. He did not advocate that unlimited powers of concealment should be given to those companies, rather that they should be compelled to publish periodical statements. He thought it would meet all the circumstances of the case, if they were compelled to publish quarterly statements —a full detailed statement of their assets and liabilities. He could not see who would be benefited by their making out weekly statements, and laying them on the office counters, or on the table of the board-room. They would simply be incurring a large amount of trouble, every Monday evening, and the public would not benefit in the slightest degree. He would urge that the suggestion of the President be adopted, and that at that late hour of the evening they should postpone the clause. If the clause was to be embodied in the Bill, they should know exactly what those companies had to do, and not refer them from one Act to another, which would confuse them and make their work more costly and more difficult than was absolutely necessary. The opinion had been expressed that there was a very serious danger in the accumulated deposits in those different banks. Where did that opinion arise? He was very much disposed to think that it was simply through jealousy on the part of some of the banks of issue, and that had been a reason for the insertion of the clause. There was not the reason for jealousy that some people thought there was, and he did not think, from his experience, that there was any reason for jealousy. He had had a little experience of the society which had the largest amount of money on deposit, and he could not see that there was any necessity for legislating in a direction which would embarrass the action of those deposit banks, as would be the case if they were compelled to incur the expense and trouble of making out weekly statements which would probably be seen by nobody but the clerks who made them out. He did not think they should be expected to publish any but quarterly statements, and they should be prepared in such a manner that they might be gazetted, if necessary, so that the public would have the full benefit of them, or they might be compelled to publish them monthly, but he could not possibly see why it should be necessary to have a weekly statement.

On the motion of the MINISTER OF JUSTICE, the House resumed, the CHAIRMAN reported progress, and the Committee obtained leave to sit again to-morrow.

ADJOURNMENT.

The MINISTER OF JUSTICE said: Hon. gentlemen,—I beg to move that this House do now adjourn.

Question put and passed.

The House adjourned at three minutes past 6 o'clock.