

Queensland



Parliamentary Debates
[Hansard]

Legislative Council

TUESDAY, 2 AUGUST 1892

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LEGISLATIVE COUNCIL.

Tuesday, 2 August, 1892.

Absence of the Solicitor-General.—Sale of Bread Regulation (Amendment) Bill: Message from the Legislative Assembly.—Crown Lands Bill: Message from the Legislative Assembly; First reading.—Electoral Districts Bill: Message from the Legislative Assembly; First reading.—Elections Bill: Third reading.—Copyright (Fine Arts) Registration Bill: Third reading.—Mining Companies Act Amendment Bill: Second reading.—Factors Bill: Committee.—Adjournment.

The PRESIDENT took the chair at 4 o'clock.

ABSENCE OF THE SOLICITOR-GENERAL.

The PRESIDENT said: I have to inform the House that I have received a message from the Solicitor-General, saying that it will be impossible for him to be present in this House till half-past 4 o'clock. I therefore, with the consent of the House, wish to intimate that I will resume the chair at half-past 4 o'clock.

The PRESIDENT resumed the chair at half-past 4 o'clock.

SALE OF BREAD REGULATION
(AMENDMENT) BILL.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

The PRESIDENT announced the receipt of a message from the Legislative Assembly, intimating that they had agreed to this Bill with certain amendments, in which they invited the concurrence of the Legislative Council.

On the motion of the SOLICITOR-GENERAL (Hon. T. J. Byrnes), it was ordered that the message be taken into consideration to-morrow.

CROWN LANDS BILL.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

The PRESIDENT announced the receipt of a message from the Legislative Assembly, inviting the concurrence of the Council in a Bill to further amend the Crown Lands Acts 1884 to 1891.

FIRST READING.

The SOLICITOR-GENERAL moved that the Bill be now read a first time.

Question put and passed; and the second reading of the Bill made an Order of the Day for Tuesday next.

ELECTORAL DISTRICTS BILL.

MESSAGE FROM THE LEGISLATIVE ASSEMBLY.

The PRESIDENT announced the receipt of a message from the Legislative Assembly, inviting the concurrence of the Council in a Bill to amend the Electoral Districts Act of 1887 by dividing the electoral district of Burke.

FIRST READING.

The SOLICITOR-GENERAL moved that the Bill be now read a first time.

Question put and passed; and the second reading of the Bill made an Order of the Day for Thursday next.

ELECTIONS BILL.

THIRD READING.

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

COPYRIGHT (FINE ARTS) REGISTRATION BILL.

THIRD READING.

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

MINING COMPANIES ACT AMENDMENT BILL.

SECOND READING.

The HON. A. J. THYNNE said: Hon. gentlemen,—This Bill is unique in one respect, and that is in its shortness, the practical part of it consisting of only two lines; but it is a measure dealing with a matter of some importance in connection with no liability companies. Under the Mining Companies Act of 1886, for the first time in this colony, it was made possible to incorporate companies on what is known as the no liability system. That is, the subscribers, or shareholders, pay up as long as they choose, and if after a certain period they fail to pay calls they cease to be shareholders. It enabled people to undertake mining work without taking upon themselves the great responsibility which they might otherwise have incurred under the limited liability system. The principle has not been adopted on some gold-fields, but on others it has been used a good deal. One of the conditions under which a no liability company may be formed is contained in clause 11 of the Act of 1886, which says that the provisions of that Act and the principal Act shall apply to no liability companies with certain modifications, the first of which provides that it shall be necessary that 5 per cent. of the nominal capital shall be actually paid up in cash prior to registration, and a statutory declaration shall be made by the subscribers to the memorandum of association verifying such payment, and shall be filed with the registrar at the time of registration. That condition requires a thing that is practically impossible, because, in the first place, until the memorandum of association is registered the company is not in existence, and there is no one who can receive the capital on behalf of the company. There is no one who can call it up, and no one to whom it can be paid. I may explain that up to the present time in this colony the system has been simply to hand over a cheque to some one who is intended to be a member of the company, and he makes a declaration that he holds the amount necessary to be paid up; but it is paid away almost immediately, perhaps returned to those who paid it. At any rate it gives no security, and is no advantage or benefit to the company or the people dealing with it, so men have to make a statutory declaration of something that is legally impossible. What is proposed in this Bill is to repeal that condition. Since I introduced the measure I have been spoken to by several people concerned in mining and the forming of companies under this no liability system, and it has been suggested to me, as a very desirable addition to this Bill, that we should adopt a provision which is in force in New South Wales, and I think some other portions of Australasia, and which requires that orders for goods or requests for the payment of money, or, in some cases, contracts for the employment of miners, shall in all cases be written on paper bearing the name of the company, with the words "no liability," also that the words "no liability" shall be written across it in some coloured ink, so that people cannot help knowing the kind of company they are dealing with. The Act I refer to in New South Wales provides that if the secretary, or manager, or director of a company gives an

order otherwise than on paper of this kind he is personally responsible. There was a case in connection with the Running River Gold Field, where a no liability company is in existence, in which many people have lost their wages; so that I think some little precaution of the nature suggested will be a very useful addition to this measure, and I propose to circulate an amendment embodying it before the Bill goes into committee. I move that the Bill be now read a second time.

The SOLICITOR-GENERAL said: Hon. gentlemen,—I am quite with the hon. member in supporting this Bill. If the mining industries of the colony are to be carried on at all there must be some change in the mode in which they are started at present. Although it might be a good thing for individual members of the community if they never heard of a mine, still it is a good thing for the country that mines should be developed, and it is pretty well understood that they must be developed by companies. But they cannot be developed by companies situated as they are at present, because a great many of the companies with a liability by which the shareholders are liable to pay the uncalled capital that have been floated recently in Brisbane are nothing less than swindles, and I unhesitatingly say so. When the Croydon field was started a few years ago the place was filled up with swindles, and people who never owned the mine they worked are now called upon to pay enormous sums in the shape of uncalled capital. If mining is to be carried on by companies, we must work this system of no liability companies, and must adopt some system like that pointed out by the hon. member, because at present the system is either impossible or founded upon an evasion of the Act. If the Act be strictly complied with, there is nobody to receive this 5 per cent. This 5 per cent. is supposed to be some pledge of *bona fides* or guarantee; but what is the good of a guarantee that can be repaid five minutes afterwards? The sooner the principle is recognised, as it has been recognised in the southern colonies, that no liability companies are no liability companies, the better. People will then know that they must not give these companies credit or they will run the risk of not being paid. They must go in for cash transactions, because they will know that shareholders may at any moment say, "So far have we gone, and no further will we go." Shareholders should be allowed to say, when they have got to the end of their purse or their information, "We will have no more of that mine." At present shares in a mine with an uncalled capital of 10s. per share are a perfect millstone. In regard to the amendment suggested by the hon. gentleman, I do not see much in that. It is for the further protection of the public that people dealing with a company should have their attention directed to the fact that they are dealing with a no liability company. I have no objection to it; but it seems an unnecessary precaution. Still, it might be useful. I have much pleasure in supporting the Bill, and hope it will be carried into law.

The HON. T. MACDONALD-PATERSON said: Hon. gentlemen,—Personally I have to thank the Hon. Mr. Thynne for having brought this measure forward, because it will be productive of great benefit to the community. At present the demand of 5 per cent. referred to by the hon. gentleman is a deterrent to many enterprises that would otherwise be undertaken. With respect to the suggestion made by some persons interested in this measure that the words "no liability" should be distinctly written across all documents for orders for goods or money, I would remind the hon. gentleman that the present Act provides that the words

"limited" or "no liability" shall be part of the title of any such company, and I take this opportunity of saying that frequent cases have come under my notice during the past few years in which the word "limited" has been contracted to "Ltd.," at the end of the title. I may point out that any curtailment of the word "limited" is a breach of the law, and yet, strange to say, the practice of contracting it is on the increase. The word "limited" is part of the name of a company, and if hon. gentlemen who have not been aware of that will refer to the Act, they will find that that word must be "the last word in such name." The present law is quite sufficient to meet the suggestion. It might not be inappropriate, also, to mention that some members of limited companies think it a sufficient compliance with the Act to place the word "limited" over the door of the office; but that word should appear in all the company's bills of exchange, notices, advertisements, &c. There are large numbers of people who do not know what "Ltd." means. Recently, when at Charters Towers, I asked an old miner what it meant, and he said he thought it meant pounds, shillings, and pence; possibly, he was not far out. I think the Bill will make a great improvement, and promote mining enterprise.

Question put and passed.

On the motion of the HON. A. J. THYNNE, the committal of the Bill was made an Order of the Day for Thursday next.

FACTORS BILL.

COMMITTEE.

On the motion of the SOLICITOR-GENERAL, the House went into committee to consider the Bill.

The various clauses of the Bill were passed as printed.

The House resumed; and the CHAIRMAN reported the Bill without amendment.

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

ADJOURNMENT.

The SOLICITOR-GENERAL said: Hon. gentlemen,—In moving that this House do now adjourn I wish to say that I intend to-morrow to move the second reading of the Land-grant Railway Bill; and as the debate will probably last some time, I propose to sit on Thursday this week. I hope hon. gentlemen will be present in their places to-morrow and also on Thursday, in order that the debate on that Bill may be proceeded with, and also in order that, if there is an amendment made in the Electoral Districts Bill, the other House may have an opportunity of considering it this week. I move that this House do now adjourn.

Question put and passed.

The House adjourned at three minutes past 5 o'clock.
