

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

MONDAY, 26 NOVEMBER 1894

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you had promised me Monday for my resolution for payment of members. I feel certain you will agree with me on recalling the circumstances to your recollection.

"The supporters of my resolution elected a committee, whose action they agreed to endorse. Last Tuesday at 3:30 G. Thorn and myself interviewed you in the House to ascertain if you were disposed to place a sum on the Estimates to prevent the wishes of a majority of the Assembly being defeated by the action of the Council. This you declined. I then asked if, in the event of my moving a resolution to that effect, you would make it a party question. You said, 'No; but we will vote against it as we did before.' I accepted this decision and crossed over to Powers. Powers and myself agreed that it would be useless to proceed unless you gave us a Government day, as the brief period available on a private members' day would be fatal to any prospect of success. I therefore recrossed the House and asked you for a day, and you suggested that Thursday or Friday afternoon would be sufficient. I replied that meant that it would be talked out. You then urged as an objection to giving me a Government day that you desired to finish on Friday week. I answered, 'Why not sit on Monday and give me that day, to which you replied, 'I have no objection.' I then said, 'Is it understood that I am to have Monday?' and you answered 'Yes.' I thanked you, and, as I was leaving, you remarked, 'I don't suppose they will object to Government business going on afterwards.' I assured you your courtesy in giving Monday would be reciprocated. I then gave notice of motion for Monday, which notice, by the way, was altered by Bernays to 'next sitting,' as he was not aware that you were going to sit on that day. The conversation is clearly remembered by Thorn, who sat behind you, and I was specially careful to guard against a repetition of a previous misunderstanding under somewhat similar circumstances—misunderstandings doubtless attributable on your part to the preoccupation of many responsibilities.

"J. HAMILTON.

"P.S.—I may mention that your motion for Monday's sitting was allowed by members to go as 'formal' on the strength of your promise to me, for they realised that when a private member is promised precedence on a Government day no intimation to that effect appears on the notice-paper."

That is my position. I have seen the Premier since, in company with Mr. Thorn, and the Premier denies having made me that promise. I will leave it to the House to form their own opinion on the matter.

The PREMIER (Hon. H. M. Nelson): Part of what is contained in this letter is, of course, correct. Mr. Hamilton has interviewed me; and I believe, although I did not take notice of it at the time, the hon. member for Fassifern was also present. The interview took place in this way: I was attending to the business of the House, and the two gentlemen came behind me and had some conversation with me. As to what took place with Mr. Powers, the hon. member for Maryborough, and other members of the House, I, of course, have no cognisance whatever. But the hon. member for Cook will, I think, admit that when the question was put to me I stated distinctly and emphatically that no Government time would be given up to any such motion. I have told him that invariably. That is the position I am in now. As to promising to postpone Government business for the sake of that motion, hon. members will see at once that the thing would be absurd.

Mr. DANIELS: Did you promise it?

The PREMIER: I distinctly deny having made any such promise. I have stated what I did say to the hon. member for Cook, that I would give up no Government time on any occasion.

Mr. DANIELS: Monday was not a sitting day at that time.

The PREMIER: For the hon. member's information I will repeat what I said. I distinctly and emphatically told the hon. member for Cook that I would give up no Government time—and that applies to Monday as well as any other day—for the discussion of this motion. It was suggested at the time that it might forward business if we sat on Monday. I said

MONDAY, 26 NOVEMBER, 1894.

The SPEAKER took the chair at half-past 3 o'clock.

LOAN BALANCES DIVERSION BILL.

THIRD READING.

This Bill was read a third time, passed, and ordered to be transmitted to the Legislative Council for their concurrence.

QUEENSLAND COAST SURVEY BILL.

THIRD READING.

This Bill was read a third time, passed, and ordered to be transmitted to the Legislative Council for their concurrence.

MOTION FOR ADJOURNMENT.

PAYMENT OF MEMBERS.

Mr. HAMILTON: I beg to move the adjournment of the House.

The SPEAKER: I may inform the House that I have received a notice from the hon. member for Cook, which reads as follows:—

"I beg to give notice that I intend to move the adjournment of the House for the purpose of debating a matter of urgent public importance regarding the promise made to me by the Premier to allow my resolution re payment of members to precede Government business to-day."

Not less than five hon. members having risen in support of the motion,

Mr. HAMILTON said: I regret very much having to bring forward this motion, but I am forced to do it on account of a statement I see in *Hansard* and various papers, made by the Premier on Thursday. I did not catch his remark at the time, but I see it is reported that the hon. gentleman was surprised that I should assert that he had promised me Monday for the discussion of the payment of members resolution; and I see statements in various papers to the effect that he denied the statement I had made. On reading those remarks in the papers, I wrote a letter to the Premier, which he received this morning, a copy of which I will now read—

"Brisbane, 26th November, 1894.

"DEAR NELSON,—*Hansard* reports you to have said last Friday that you were surprised to hear me say that

'Yes, we will sit on Monday;' but to say that that was making a promise to allow payment of members to take the place of Government business is absurd. I made no such promise, and I distinctly deny having made any such arrangement. If the hon. member was so particular about this matter he should have addressed me in writing—

Mr. HAMILTON: I always will in future.

The PREMIER: Instead of having an informal discussion in the Chamber while the business of the House was going on. That would have been a better way of conducting the business than the way he took. There is another point in what he said which I must notice. He says that on account of some things he said to other members, my motion on Friday for the Monday sitting was allowed to go as "formal."

Mr. DUNSFORD: That is a quibble.

The SPEAKER: Order!

The PREMIER: I am only pointing this out, and I intend to follow it up with this observation if hon. members will be patient: They had an opportunity then to move that so much of Monday as, say from 3 o'clock to 6 o'clock, should be devoted to private members' business.

Mr. DUNSFORD: They took your word for it as sufficient.

The PREMIER: I have told you what my word was—that no Government time would be given up.

Mr. DUNSFORD: I for one doubt it.

The SPEAKER: Order!

The PREMIER: I do not expect the hon. member to believe me; I have no hope of it. I don't wish him to believe me, and I am not asking him to believe me. I am telling the House what I said emphatically and distinctly and what the hon. member for Cook has himself admitted I said, only a few minutes ago.

Mr. HAMILTON: What did I admit?

The PREMIER: The hon. member admitted that I told him distinctly that no Government time whatever would be given up for the discussion of this business.

Mr. HAMILTON: Yes, but I said Monday, which was not a Government day.

The PREMIER: The hon. member has admitted that and he cannot get out of it.

The HON. G. THORN: I am very sorry this misunderstanding has occurred. I was alongside Mr. Hamilton at the time the interview occurred, and I understood the Premier distinctly to say that no Government time would be given up. Mr. Hamilton then suggested Monday as a Government day, and the Premier said "All right; I have no objection if we have Monday appointed an additional sitting day." The Premier also said he would not make the question a party question, but he would oppose it. I told the hon. member for Cook, and other members, that the practice of the House, from time immemorial, is that redress of grievances should take place before supply is granted, and they may prevent the final Appropriation Bill from passing until private members' business is all disposed of. I said also that the practice of the House for the last twenty-eight years has been for the Premier for the time being to allow private members a day or even days to dispose of their business before the passing of the last Appropriation Bill is attempted. The Government business now on the paper might all be disposed of this afternoon if the Appropriation Bill is not pressed until private members are given an opportunity to dispose of their business. I believe that under the new Standing Orders there may be great difficulty in the passing of an Appropriation Bill.

The SPEAKER: Order! I will ask the hon. member to confine himself to the subject under discussion.

The HON. G. THORN: I will. I say the statement made by the hon. member for Cook is in my opinion substantially correct, and I am sorry the Premier cannot see his way to allow private members a day to dispose of their business, and particularly of this business of payment of members.

Mr. HAMILTON, in reply: The Premier states that part of what I said is correct. Every word of what I said is correct, and I took particular notice of it, because on a previous occasion I asked him to give me a Friday evening, and he said he could not give a Government day. I suggested that it would expedite business if he could, and he asked me if I could guarantee that it would. I said I could give him no such guarantee, but he subsequently informed me that I could have the next Friday evening. At the same time he said "Mr. Stevens' motion comes on in the afternoon and you may start in the afternoon." I said "It is immaterial whether I do so or not, because his motion will not take long." When that Friday arrived I was informed that the Premier would not give me the evening, and I determined that on the next occasion I would be particularly explicit and have no mistakes made and no misapprehension. That is why I recollect so well every word that was said. The hon. gentleman states that he never gave way, and yet on Tuesday, 21st August, he let me bring the payment of members business on, and allowed it to take precedence of Government business. The Premier says I have admitted that he told me distinctly that no Government time would be given up for my motion. The Government days were Tuesday and Wednesday, and Thursday and Friday evenings, and he said, "I want to finish on Friday week." I then said, "Why not sit on Monday, and give me that day," and the Premier said, "I have no objection." I was not satisfied even with that, and therefore said, "Is it understood that I am to have Monday?" He replied, "Yes;" and as I was leaving he said, "I don't suppose they will object to Government business going on afterwards." I could not recollect that if it never occurred, nor could the hon. member for Fassifern. I went straight over to Mr. Powers, and repeated the words to him. I was most particular to do so, and had the Premier not made that promise I would not have given notice of my motion for Monday. No one in the House dreamt that we were going to sit on Monday until I gave the notice, and even Mr. Bernays did not know of it, and altered the notice to "the next sitting" in consequence.

The SPEAKER: I must inform the hon. member that that was done under instructions from me; otherwise the notice would have been informal.

Mr. HAMILTON: I do not blame Mr. Bernays for doing it. I am showing that nobody knew about the Monday sitting until I put the motion on the paper, and I did not know about it until the Premier promised me that day. The Premier asks why did not members ask for a portion of the sitting when he proposed that the House should sit on Monday. They did not ask for it because they believed the word of the Premier, as I had told them what he had said. On all other occasions when the Government agreed to give private members a day there was no notice of the fact on the business-paper. When, on the 16th August, the Premier agreed to give me an opportunity to bring on my business on the Friday, there was no intimation of that on the paper, and when the Premier gave his promise in this instance I relied on it. The hon.

gentleman says that I should have written him. I will take very good care to write to him whenever I wish to get a promise from him again.

Question—That the House do now adjourn—put and negatived.

QUESTION.

"MAORI" CONSULTATIONS.

Mr. HARDACRE asked the Colonial Secretary—

Has his attention been called to the peculiar and suspicious circumstances of a recent consultation promoted under the name of "Maori;" and, if so, is it the intention of his department to take any steps to inquire into its genuineness?

The COLONIAL SECRETARY (Hon. H. Tozer) replied—

Yes, but only by the hon. member himself. Proper inquiries are now being made.

AGRICULTURAL LANDS PURCHASE BILL.

THIRD READING.

On this Order of the Day being read,

The SECRETARY FOR LANDS (Hon. A. H. Barlow) said: When this Bill was under discussion in committee we adopted an amendment incorporating conditional selections in its provisions. As originally introduced, the Bill made provision for purchased lands to be taken up under unconditional selection only, but some hon. members thought it desirable that conditional selections should also be included, and we made an amendment to that effect. We certainly did not see in the hurry of drafting that amendment what far-reaching consequences it would have, and it is necessary to supplement it by another amendment which has been printed, and is now in the hands of hon. members. I therefore ask the House to waive the question of notice, and allow me now to move that this Order of the Day be discharged from the paper with a view to recommit the Bill for the purpose of reconsidering clauses 14 and 17 and to insert a new clause to follow clause 13.

Mr. ARMSTRONG: I have only just received a copy of the amendment, and I must candidly confess that I do not thoroughly understand it. I should like to know whether it deals with the question of altering the tenure of all holdings under Part IV. of the principal Act. If it does, I think we should have further time to consider the matter.

The SECRETARY FOR LANDS: The amendment has nothing whatever to do with the main principles of the principal Act. It applies to nothing else but lands purchased under this Bill.

Question put and passed.

RECOMMITTAL.

The SECRETARY FOR LANDS said, as hon. members would see by the 7th clause of the Bill, the scheme was to purchase land by debentures having a currency of twenty-five years, but to sell the land upon twenty years' terms—building society terms. The Bill as it originally stood applied only to unconditional selection, but a majority of hon. members thought there was no reason why it should not apply to conditional selection as well. The effect of unconditional selection might be to transfer land from one dead hand to another, whereas the object of buying it was to rescue it from the dead hand. It was therefore determined by the Government that conditional selection should be grafted on to the Bill, and that was done in a way on Friday night. At that time no one—not even the most practised lawyer—could have seen the effect of what had been done. The term of a conditional

selection was fifty years, and the rental which could be applied as purchase money was only five or ten years, according to the occupation. If a person had a conditional selection having a currency of fifty years, and he resided personally for five years, or if two or more successive owners resided for a period of ten years, he could apply for a freehold title, provided he had made the required improvements. It was only that portion of the rental that was counted as purchase money, and if the Bill remained as it stood the result would be that the purchaser would have to pay £7 12s. 10d. per cent. per annum for forty or forty-five years, as the case might be. It was therefore necessary to provide that, as regarded land coming under this Bill only, the term of a conditional selector should be brought down to twenty years, and that all payments of money should be considered as part payment and interest thereon, so that at the end of twenty years the conditional selector would be free, just as at the end of twenty years an unconditional selector would be. The only difference would be that the unconditional selector would be charged one-third more than the conditional selector. It was hoped that a residential population would be established upon the land, which would thus be prevented from going back into the dead hand. The new clause would put the conditional selector in a perfectly equitable position; he would have to pay less than the unconditional selector, and all the money he put in would be applied to the extinguishment of the debt, which would be finally cleared off in twenty years. He therefore moved the following new clause to follow clause 13:—

"In the case of land subject to the provisions of this Act, selected by conditional selection under Part IV. of the principal Act, the term of the lease shall be twenty years instead of fifty years as therein provided:

"Provided always that if the prescribed conditions of improvement and occupation are duly fulfilled, all sums of money which have been paid as rent in respect of the holding shall be credited to the lessee in part payment of the purchasing price and interest thereon."

Mr. FISHER said there could be no doubt as to the necessity of the clause in the case made out by the Secretary for Lands, but the present position was due to the action of the Government in bringing in a very important measure and hurrying it through in the last days of the session. The Opposition had allowed the Government to go on with the business without saying a word, although there had been many opportunities for speaking. They desired that all measures should be considered as fully as possible, but after sitting so late their faculties could not be acute enough to grasp matters of this kind, and he hoped that no other defects would be found; still they had no guarantee that they were not there.

The SECRETARY FOR LANDS said this was a far-reaching section the effects of which no person could possibly foresee. He was satisfied that if the Chief Justice himself had been there he could not have formulated a new clause in such a short time to meet the case. He assured hon. members that the new clause was necessary.

Mr. BELL said the clause was very similar in principle to an amendment he had moved on the Land Bill, which he personally brought under the notice of the hon. member in charge of the Bill, and which the hon. gentleman said he was going to accept. However, he did not accept it, and he was not prepared to censure him for not doing so, because he had to exercise a very lengthened effort to get the Bill through.

The SECRETARY FOR LANDS said this amendment provided for what was intended by the amendment moved on Friday night; but the latter did not fully express what was wanted.

Mr. McDONALD protested against important measures being rushed through at the end of the session.

Mr. CROSS said the passing of the Bill would make the Government of Queensland known as the "turtle Government." The Chief Secretary, the hon. member for Balonne, and the hon. member for Rockhampton, Mr. Archer, and several other members opposite had previously opposed this Bill with all the bitterness of partisanship, but now they had turned turtle. They would also be known as the "turtle Government" because, like the turtle, they laid a multitude of eggs which were perfectly useless.

New clause put and passed.

On clause 14—"Annual rent"—

The SECRETARY FOR LANDS moved the omission of the words "by the lessee of any such farm," with the view of inserting "under this Act by the lessee of any agricultural farm, whether by conditional or unconditional selection."

Mr. HARDACRE asked the Minister to explain the result of the amendment.

The SECRETARY FOR LANDS again explained the reason why the amendment was necessary; and stated further, that instead of leaving these amendments to be inserted in another place, where they would probably have been open to dispute on the ground that they interfered with money matters, he thought it best to recommit the Bill for the purpose of making the amendments here.

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

Clause 17 passed with a verbal amendment.

The House resumed; the CHAIRMAN reported the Bill with further amendments; and the third reading was made an order for to-morrow.

RABBIT BOARDS ACT OF 1891 AMENDMENT BILL.

COUNCIL'S AMENDMENTS—COMMITTEE.

The SECRETARY FOR LANDS moved that the amendment made by the Council in clause 13 be agreed to. It was taken from clause 19, and brought into its proper place in clause 13. It made a retiring member eligible for re-election or reappointment.

Amendment agreed to.

The SECRETARY FOR LANDS moved that the amendment of the Council in clause 17 be agreed to. Instead of an absolute prohibition about scalps, the destruction of rabbits, skins, and so on, the Council had inserted an amendment providing that it should not be allowed without a license from the central board. The amendment was a reasonable one.

Mr. McDONALD thought that the amendment was a reasonable one, even though it did come from the Council.

Amendment agreed to.

The SECRETARY FOR LANDS moved that the new clause inserted by the Council to follow clause 17 be agreed to. It had been inserted at his request, because under the principal Act one board might make two levies. They were elected in March, and they could make a levy during the remainder of that year, and another in the beginning of the new year; so that their successors would not be able to make a levy at all. The new clause enacted that the year during which they might make a levy should begin on the 1st of April, and end on the 31st March next following.

Mr. CORFIELD was glad the hon. gentleman was inserting the amendment, because in the North Gregory it had already occurred that two

levies had been made in one year, the result being that the rate for the year had been 10s. for every twenty head of stock, while under the Act it should have been only 5s.

Mr. LEAHY had no objection to the new clause. He thought it was a desirable clause to have in the Bill; but he rose to elicit an expression of opinion from the hon. gentleman in charge of the Bill, or from the Attorney-General, on another important question. He might be out of order in referring to the matter, but it was of such importance that he wished to call attention to it. The Bill had been run through rather hurriedly in the early hours of the morning, and there had been no time to think of the matter then, and that was his excuse for referring to it now. Clause 10 of the principal Act of 1891 said that a board, when elected, should be properly constituted after it had been gazetted by the Minister. The Bill proposed that only one-third of the members of the board should retire annually, and as most of the boards were composed of six members, four of them would not retire at all.

The CHAIRMAN: I would remind the hon. gentleman that he can only discuss the clause inserted by the Legislative Council, which is now before the Committee.

Mr. LEAHY said he understood that, but he asked permission to refer to the matter merely to get an expression of opinion on the subject. He was not discussing the clause.

The CHAIRMAN: Is it the pleasure of the Committee that the hon. member discuss clause 10 of the principal Act?

HONOURABLE MEMBERS: Hear, hear!

Mr. LEAHY asked if the two members who retired annually would be able to take their seats like members of a divisional board, or if they would have to wait until they were gazetted by the Minister.

The SECRETARY FOR LANDS regretted that as he had not received a legal education he was unable to give the information the hon. gentleman asked for.

Mr. LEAHY: Perhaps the Attorney-General can give it?

The ATTORNEY-GENERAL said that he could not be expected to carry all those things in his head. He would advise the hon. gentleman to tell the boards on whose behalf he had spoken to refer the matter to their solicitors.

Mr. LEAHY said that was nice advice to come from the hon. gentleman. What was he there for?

The ATTORNEY-GENERAL asked if the hon. member thought he sat there to give advice to every hon. member who chose to submit a case to him? He was not capable of giving an opinion off-hand on a question of that kind suddenly sprung on him in Committee.

Mr. LEAHY said that it was a very important matter, and he would ask the hon. gentleman what he was there for if it was not to give legal advice in matters of that sort?

The ATTORNEY-GENERAL: I am here for many other purposes than that.

Question put and passed.

Clause 19 passed with verbal amendment.

Mr. STEVENS said he would take that opportunity of pointing out a defect in the working of the Marsupial Act, which was proving a very great hardship. Under that Act only persons owning a certain quantity of stock were eligible for election to the boards. There was a piece of country lying between the Logan and Albert which was infested with marsupials, and it was impossible to form a board of qualified men in the district, as those who were qualified

declined to sit on the board, and the consequence was that £70 which was lying to the credit of the board could not be used. The farmers were subject to the incursions of the pest, and they had no remedy unless they turned out and shot the marsupials themselves, and it took them all their time to work their holdings without doing that. It seemed a ridiculous thing that money should be lying to the credit of the board, and that it could not be made available.

Mr. DANIELS would like to support what fell from the hon. member for Logan. It was known that small farmers could not be elected to the marsupial boards, and the marsupials were eating out a lot of them. The squatters had the farmers round them as a sort of selva, and they were eaten out before the marsupials reached the squatters. He hoped an amendment would be made in the Act allowing for the representation of the small farmers.

Mr. ARMSTRONG said the question had been brought under the notice of the Colonial Secretary, and nothing could be done because the qualification in the Act was too high. He hoped some good would result from that discussion, and that an amendment of the Act would be brought down next session.

Mr. STEVENS said he had repeatedly pointed out that defect in the Act, and it would be a very good thing for many parts of the colony if the Colonial Secretary could see his way to introduce some measure dealing with the matter.

The COLONIAL SECRETARY said he had not caught what the hon. member said. The Rabbit Boards Bill was not under his control, but if hon. members were referring to marsupials, they came under his department, and if complaints were placed before him he would do his best to remedy them.

Question put and passed.

The House resumed; and the Bill was ordered to be returned to the Council with a message intimating that the House had agreed to their amendments with a further amendment.

RAILWAYS CONSTRUCTION (GUARANTEE) BILL.

SECOND READING.

The PREMIER: This is a Bill to enable the Government to construct railways under guarantee by local authorities. It is a matter which has been frequently brought before the public on the ground, mainly, that it would facilitate settlement. For years back some local authorities have been offering the Government to guarantee interest upon the construction of railways after the expenses in connection with the work have been taken into account, but it has been found that the local authorities have no power to give any such guarantee. This is a Bill to enable them to do so. There are many small branch lines which would be very useful indeed to the localities in which they might be constructed, but which it would be difficult to get constructed except under the process indicated here. I might mention, as an example, the four miles from Hendon to Allora, which the Allora corporation have frequently offered to guarantee. There is also a railway from Maryborough to Pialba; another from Ipswich to Tivoli, to open up some coal country in that direction; and another from North Pine to Redcliffe—all of which might, and probably would, have been constructed before this if the local authorities had had power to give the necessary guarantee to the Government. The proposal is that a local authority may, either by itself or in conjunction with other local authorities, or with any private individual or firm, give a guarantee

for the construction of a railway. The rate of interest to be charged on the construction is left blank in the clause. I propose to fill up the blank with the word "four," making the rate of interest to be guaranteed 4 per cent. The railways proposed to be constructed will, of course, be the same kind of railways we have now. They will be constructed by the Commissioners; they will not belong to the local authorities, but to the Commissioners on behalf of the State. They will also be worked by the Commissioners. It is provided that when they begin to pay, and there is some profit, the surplus profit shall be devoted to recouping the guarantors for any deficiency there may have been during the first year or two when the line was not paying. After that, when the railway becomes a thoroughly good going concern, paying its way, it will be an ordinary State railway belonging to the main lines of the colony. One concession is made to the local authorities in this way: That we do not begin to charge anything until the railway is open for traffic. The accounts will be kept from the time the railway is opened and in case of a deficiency—supposing the line does not pay its working expenses and 4 per cent. on the cost of construction—the deficiency will be made up by the local authorities, or the guarantors, whoever they may be. Provision is then made whereby every guarantee shall be obtained in exactly the same way as if the local authorities were wanting a loan. They must go through the usual process of getting the consent of the ratepayers before they can pledge the ratepayers towards making good the guarantee. Very much the same machinery is provided as is provided in the case of a loan to a local authority. The right of appeal is provided in a similar form as under the Valuation Acts, with the addition that in the event of any person appealing against the valuation of another person's land he shall give notice to such other person as well as to the local authority. The Bill provides, further, that when a railway is earning a surplus, and that surplus has been paid in to the local authority, the local authority shall then repay to the ratepayers the proportionate amount of money they may have contributed under the Bill. The whole matter is very simple, and the principle will, I think, be admitted to be a sound one. Any other provisions that may be necessary can be made by regulation, for which authority is taken in the last clause; such, for instance, as what is to be considered profit and what loss. It is better to do so than to put them in the Bill itself. I do not know that there is anything further I need say at present; and I move that the Bill be read a second time.

Mr. POWERS: I had hoped the hon. gentleman, in introducing this Bill, would have given us further information about it. I admit that the Bill has been looked forward to for some time, but I think the hon. gentleman himself will admit that it will need some important amendments in committee before it can be of any use—before the local authorities which want to take advantage of it can do so. I believe in the principle embodied in the Bill, and also that the vote of the ratepayers should be taken upon it; but if it does take a little time, it is such an important measure that it should not be rushed through with unnecessary haste. The local authorities who have been watching for this Bill will want to know how it is proposed they should proceed under it. I think it will be a disappointment to them to find that they must go in for expensive lines, to match the existing system of railways, although they might be able to build branch lines in a cheaper way sufficient to carry the anticipated goods and passenger traffic. Under the Bill they will have to face the difficulty at once, that the railways

must be constructed under the Government specifications, on similar lines to what we have now. That is a very important matter. The Pialba line, to which the hon. gentleman referred, is one that I know the local authorities are very anxious to build. In calling for tenders for a line from the Burrum line to Paterson, on the Burrum River, they could get tenders to build the line for about £1,500 a mile, but on the Government specifications it could not be built for less than £2,500 a mile; and the question is whether the hon. gentleman has made up his mind that nothing but the Government specifications as used up to the present must be accepted by the local authorities.

The PREMIER: No.

Mr. POWERS: I hope not. These branch lines have been very expensive indeed, and they are likely to be so unless the local authorities have some voice in this matter. There is no provision in this Bill for a survey of any of these lines—who it is to be done by, at whose cost, or whether it is to be made before or after the vote for the guarantee is taken. It will be a very simple matter for those who have surveys made, but I ask information upon these points for the sake of those who have not. As the hon. gentleman put it, the ratepayers are asked whether the guarantee shall be given; but it is not the ratepayers of the local authority who are asked, but the ratepayers resident within what the local authority moving in the matter may choose to call the “benefited area.” That will be the difficulty—to define the “benefited area”; and it appears that the local authority is to decide that, and not the persons who will be called upon to vote upon the question of the guarantee. Again, in the case of the Pialba railway, the Maryborough Municipal Council are asked to join the Burrum board in the guarantee; and a difficulty in that way arises which may apply to other cases as well. In this particular case will the municipality of Maryborough come within the “benefited area” if the Maryborough council joins the local authority in the guarantee? Will the people of the municipality become liable to taxation to meet the guarantee? There is nothing in the Bill to say whether they will or will not; but if they do not, in what way can the guarantee be recovered from the Maryborough council except by the taxation of the land “within the benefited area”? We know that there are many local authorities that might be willing to give guarantees to get railways built, and if they fix a “benefited area” which could not bear the extra taxation we may perhaps safely leave it to Parliament not to approve of the construction of the railway under such circumstances. Then how is the amount of guarantee to be ascertained? Before the ratepayers are asked to pledge themselves, how are they to know what the cost is to be? They cannot know it unless there is a permanent survey made in the first instance; and is the Government going to conduct the permanent survey? Even with a permanent survey we know the estimate of cost is always exceeded.

The PREMIER: That cannot happen now very well.

Mr. POWERS: It is always happening, and we have continually to pass some additional sum on the Estimates for “extras.”

The PREMIER: Not lately. The Cairns Railway contract, you must remember, was made in 1887.

Mr. POWERS: We have had an additional appropriation for Willcocks and Gibbs’ contract for “extras,” and they seem always to be a part of a railway contract. As the whole cost will fall upon the local authorities and not upon the State, the question of management arises. A guarantee

is going to be given for the interest, no matter what the cost, working expenses, or revenue may be; and the Commissioners, left entirely free, may not be as careful as they would be under other circumstances. Some of the local authorities ask, and; I think, reasonably, under the circumstances, that, though the Commissioners will build the line, they should themselves be appointed a board of advice in its control, and I ask if the Government would not be prepared to go so far as to say that if there was a deficiency in the working of the line the local authority should be empowered to ask the Commissioners to run it for a year on special rates. If the Bill is passed, local authorities interested will be able to go on with the preliminaries during the recess. They will first have to find out whether a particular line is a Government proposal. If it is they can ask for the cost, and then take a vote of the ratepayers. All that can be done during the recess. I would like to ask whether the Government will tell the local authorities whether the railways they will suggest are Government proposals or not? The hon. gentleman mentioned four or five, and I presume that, as he mentioned them, they would be Government proposals; but there are lots of others, and it appears to be the first step to ascertain whether a line would be a Government proposal. Then the cost could be found out, though not until the survey is made. I do not know whether the hon. gentleman intends that the survey shall be made at the cost of the State, or whether a guarantee must first be given.

The PREMIER: The survey will be reckored in the cost of construction.

Mr. POWERS: Will the Government make the survey beforehand?

The PREMIER: The survey must be made first.

Mr. POWERS: Then it will be a matter between the Ministry for the time being and the people as to whether a survey should be made. The Government, I understand, do not propose to submit any plans now for the purpose of enabling guarantees to be made and lines to be proceeded with during the recess. I think the local authorities should know that, however anxious they may be to build these lines, no step will be taken until after the loan is obtained out of which the line will have to be paid for and until after Parliament has approved of the lines; so that practically no steps will be taken in this matter till about this time next year, and then only after the loan is floated and the plans are approved by Parliament. Therefore, those who are hoping that something may be done immediately in the way of constructing cheap lines on the guarantee principle will be disappointed. My objection to the measure is that it does not contain provisions which will allow it to take effect quickly, and become a really workable measure, and although we are near the end of the session, still, I hope that the Government will give the suggestions I have made their consideration. The betterment principle I approve of. Some lands which are not near a railway will be benefited very little, while those near a station or terminus will be greatly benefited, and the clause providing for a benefited area exactly meets that difficulty. The proposal to submit to the ratepayers the question of giving a guarantee by the local authority I am entirely in accord with, but I think the great difficulty in the matter is that only those ratepayers living in the benefited area will have votes, while the local authority for the whole division or subdivision will be the guarantors, and the Bill makes no provision for allowing two or more local authorities to combine with a view to assist in such works if they wish to unite for that purpose.

Mr. BELL: I take a very great interest in this measure, because it deals with a question which has occupied in a considerable degree my consideration. I refer to a line of railway from the town of Dalby to the farming district of Maida Hill and on towards Bunya Mountains. That line occupies a peculiar, and, I believe, an unparalleled position—one which, I hope, for the credit of the colony will very rarely occur again. That railway was approved of by this House, the money for its construction was voted, and tenders were received. All the Ministry of the day had to do was to accept a tender, and the line would have been constructed in a very short time. But a Ministerial crisis arose, and the tender was not accepted. So far as I know the position of this line is unparalleled to that extent.

Mr. AGNEW: There are some worse than that.

Mr. BELL: I am very sorry to hear it. However, in my district a measure of this sort is looked forward to with much expectation, and I believe in other districts too, which are not in a very forward state with regard to their local railway conveniences. We should approach the idea of constructing branch lines with as little as possible of that prejudice which undoubtedly attaches to branch lines through the annual reports that have hitherto been submitted to us by the Railway Commissioners. We are told that the reason our railways do not pay is very largely owing to branch lines—that they are the dead weight which prevent a more profitable condition of things being shown in the books of the department, and we are by inference advised that the less we have to do with branch lines the better. If that idea is dominant in our minds when we are considering this Bill, we shall pass a measure which will be imperfect and perhaps impracticable, and one probably that it would be better we should not pass. We should remember that in constructing branch lines we are giving to a large number of isolated communities that communication by rail which in this nineteenth century has become not so much a luxury as a necessity, and that wherever there are large bodies of men carrying on agricultural or other pursuits we should, if practicable, put them in railway communication with the chief markets. We should put aside from our minds as much as we can the fact that there is a stigma attached to branch lines, and recollect that it is our duty to do all we can to give those little knots of Queenslanders who are working with might and main, in remote parts of the colony, access to the chief markets of the country. I notice that clause 3 provides that if the earnings of a guaranteed railway amount to "less than a sum equal to the cost of maintaining and working such railway during such year, together with interest during the same year at the rate of per cent," the deficit shall be made up by the local authority. I shall suggest in committee—

The SPEAKER: The hon. member will be in order in discussing that point in committee, but he is not in order in discussing it now. It is purely a matter of detail, which must be dealt with in committee.

Mr. McDONALD asked whether the hon. member was in order in referring to a clause of the Bill at all on the second reading?

The SPEAKER: The hon. member will be in order in referring to a clause inferentially, but he is not in order in discussing it unless it contains a principle.

Mr. BELL: I merely wish to express the hope that the interest that is to be met will be cut down as low as possible. I have heard it suggested that it should be 4 per cent. I hope we shall fix it at 2½ per cent.

The SPEAKER: The hon. member is out of order. That is purely a matter of detail, which must be debated and decided in committee.

Mr. BELL: I am afraid, then, that I shall be out of order in making any further observations on that point, but I think I have said enough to convey to the House what I mean.

Mr. FISHER: That is a vital principle of the Bill.

Mr. BELL: I think it is a vital principle; but this is not the time to discuss it. Another point, and perhaps the crux of the whole measure, is this: An estimate is to be made of the net earnings, and I want to know how the profit is to be allocated to the branch railway. If we proceed upon the method now prevailing here, and calculate the earnings upon the mileage system solely, I am confident there is not the slightest chance of any branch lines in this colony paying. I have taken some pains to inquire into this matter, and I think my conclusion is correct.

Mr. POWERS: The Isis line pays.

Mr. BELL: I should like to have some information upon that point. What I mean is that, if a branch line of railway is constructed and it merely gets credit for the traffic that passes over it and the main line on the mileage basis there is no branch line that will pay.

Mr. POWERS: The Isis pays upon that basis.

Mr. BELL: The Isis line is very favourably situated, but it would be very difficult to find more than two or three lines that will pay upon that basis. The majority of lines that will be constructed under this Bill will not pay upon that basis. I would go further, and say that many branch lines in Great Britain worked in conjunction with trunk lines there would not pay either upon the mileage basis. At all events, we shall throw unnecessarily great burdens upon those local bodies who are adventurous and brave and patriotic enough to undertake the construction of railways under this Bill if we merely credit them with the earnings upon the mileage basis. I hope in committee we shall make clear the method upon which they are to be credited with their earnings, and we should follow as closely as possible the system in operation in Great Britain. The stations of arrival and departure get some allowance, which is supposed to clear away the expense of loading and unloading, and after that they are credited upon the mileage basis. Unless we are as favourable and lenient as we can be to these local bodies, we shall have one of two things: either we shall have very few railways constructed, which we should very much regret, or the lines when constructed will hamper the people who guaranteed them, and be financially unsound. I observe that by a later clause of the Bill it is provided that where there is any profit it shall be returned to the ratepayers. I regard that as a provision that will be unworkable. Probably we might in a practicable way be able to return the money to the subdivision of the board that is within the benefited area, but I can hardly conceive of this House passing that part of the Bill. Another idea occurs to me in connection with this. If possible I should like to see the hon. member in charge of the Bill give the local authorities some influence in determining the cost of the line. The line I have in my mind, in my own district, is one that, so far as engineering difficulties and natural advantages are concerned, should be one of the very cheapest lines in the colony. For serving the convenience of the inhabitants and developing the trade of the district, a line built upon the simplest plan would be sufficient; but I very much fear that if this Bill passes, and the line is built upon the guarantee system, the local authority and the people concerned will have little effective

voice in securing that the line is built at a minimum of cost. I hope the hon. member in charge of the Bill will see whether some provision cannot be inserted in the Bill to give the local authority that voice. Another matter is this: As the local authority has to pay on the demand of the Railway Department, there ought to be some provision enabling the authority or some of its representatives to have access to the books of the department connected with the particular branch line. I am not disposed to deify our Queensland local bodies. If they do not discharge their duties in a particularly bad way, I never heard that they discharged them in a particularly good way. I have never seen anything in them which led me to think that as a whole they are very brilliant. Of course there are some brilliant exceptions, perhaps in my own district, but there are not so many as to make us anxious to give them a direct voice in the management of a branch railway. I understand that is the view of the hon. member for Maryborough; but the local authorities should have the fullest opportunities for seeing that the lines are built as cheaply as possible. A provision might be inserted allowing the local authorities to make special agreements with the Commissioners. We may do one of two things—either allow the local body to agree with the Commissioners as to the amount of earnings they are going to receive, or put in a hard-and-fast clause defining the amount of profit and earnings which are to be allowed to the local authority. That is the crux of the whole question. Unless I am mistaken a local body cannot of its own direct initiative have a branch railway constructed without getting the consent of the Railway Commissioners. I am not particularly pleased that that should be the case, because I can imagine a condition of things under which the construction of a branch railway might be of very great convenience to a number of settlers in a district more or less remote from a main line, and yet be not advantageous to the Railway Department. It might mean the loss of a certain amount of traffic that now goes beyond the point where the branch line would junction with the main line; and in such a case the Commissioners would oppose the construction of the branch line; and in so far as this Bill gives a kind of veto power to the Commissioners to decide whether the branch line shall be constructed or not, I disapprove of it; and, speaking generally, I think the more we clip the power of the Commissioners in matters of this kind the better. However we may pass this Bill, I think it is probable that it will inaugurate a better state of things. Under this measure there is some chance of the construction of branch lines; under the old condition of things there is a very limited probability in the immediate future of any of those lines being built. I hope we shall amend the Bill in one or two particulars when we get into committee. I hope especially that when the Bill becomes an Act the hon. gentleman who administers the Railway Department will second with all his might the desire of local authorities to have railways, because I am certain that the only way we can really develop the colony is by putting railways into every corner whenever we get the chance.

Mr. ANNEAR: I am glad the Government so late in the session have introduced this Bill, and I trust that it will meet with the approval of the hon. member for Leichhardt, seeing that it approaches the system we have heard that hon. member so eloquently set forth from time to time—namely, the betterment principle. I trust also that the Bill will become law this session. The Colonial Treasurer, in introducing the Bill, referred to the line from Maryborough to Pialba. I may say that there are nine miles

already constructed—the section from Maryborough to Colton, on the Bundaberg line—and there are only fourteen miles to be constructed. My colleague and the hon. member for Dalby expressed the hope that lines constructed under this system would not be of an expensive character; but if they are to carry passengers at the same rate as they are carried between Brisbane and Sandgate they will have to be of as permanent a character as that line. Over 30,000 people in the district would use the Pialba line to get to the seaside, because it is the best seaside resort in Australia; but if people are going to live there, it will be necessary to have rapid communication with Maryborough, so that they can travel the twenty-two miles in one hour. No tramway of a light character will do that. Unlike the hon. member for Dalby, I am pleased that the Bill provides that these railways shall be a part of our present system, because I have yet to learn that any of the railways constructed since the Railway Commissioners entered on their duties have failed to carry out what was represented by the promoters. The lines submitted to Parliament during the last four or five years have, in most cases, been constructed under the estimated cost. It would be impossible to construct branch lines if they were to be severed from our present system, because there would have to be separate rolling-stock, separate locomotives; it would be difficult to get men accustomed to the work; and everything would have to be of such a character that the lines could never be worked except in conjunction with the existing lines. I believe I am correct in saying that the plans of the line from Colton are ready, and I see no reason why they should not be laid on the table and tenders called in a few months. I am not going to allow the hon. member for Dalby to make the assertion he made in reference to the local authorities. He can refer to his own, but he must not refer to the local authorities in my district, who have always paid their liabilities and kept faith with every engagement they have made.

Mr. BELL: I wish to make a personal explanation. When I spoke I was not in the least thinking of local authorities in connection with their liabilities; I merely said I knew nothing of the local authorities in the colony that made me think they were, as a body, pre-eminently fitted for the management of railways.

Mr. ANNEAR: I understood the hon. member to say he had not much faith that local authorities would be able to carry out these lines and be able to keep faith with the public creditor. I know that the Burrum board are very much interested in this line; and there is no board in the colony that has carried out better work; and the leading men there are advocating this line.

Mr. McDONALD: Is it the construction of railways?

Mr. ANNEAR: One man could construct railways if he had a chance. It is hoped by those who are willing to guarantee the construction of that line that something of a permanent character will be done this session. I have every confidence that this line would pay, and that there would be no deficit for the local authority to make good. I believe the estimate for the sugar season of 1896 is that there will be 5,000 acres under cane in the district through which this line would run. I see the Colonial Secretary looking at me. If he were to rise he could give the House information of a more weighty character than I can as regards the great necessity there is for this line. Not only the people of Maryborough, but all those in the electorate of the hon. gentleman would use this line to get to this seaside

resort; and I am confident that the passenger traffic over it would pay of itself. I congratulate the Government on bringing in the Bill.

Mr. HARDACRE: Unlike some hon. members who have spoken, this Bill will not directly benefit my constituency, but it will affect very beneficially the colony as a whole. I rise, however, on this occasion to congratulate the Government upon at last having learned a little from the Labour party. It can no longer be said that this side of the House—the Labour party especially—is not educating the Government. Without any desire to take any undue credit to myself, I may say that this is a principle which I endeavoured to get embodied in the Sugar Works Guarantee Bill last session. Although the Government then opposed the principle, they have adopted it here. When in committee on that Bill I proposed a betterment tax, and I said—“The Treasury would be provided with funds, and the cost of the land would be lessened to the sugar-grower; in fact, the proceeds would provide a fund to defray any liability which might be incurred through the default of other companies.” When speaking on the second reading of the Bill, I more distinctly enunciated the principle. I then said—

“A betterment tax would provide a revenue to defray the risk and loss which will undoubtedly fall upon the Government when the mills become the property of the State. Wherever we have public expenditure, we find that it enhances the value of the land where the expenditure is made. If we take this value for public purposes, we shall have provided a fund whereby we can further encourage industries without any loss to the State, and with great advantage.”

This side of the House can lay claim to credit for the adoption of the betterment principle, although it is not embodied in the Bill in its entirety. The Bill before us is somewhat of a hybrid production, and any fault in it lies in the fact that the betterment principle has not been wholly adopted. The local authorities will guarantee to make good any loss on the working of the railways; but it would have been much better if there had been a permanent levy on the enhanced values of property, because, if a railway has enhanced the value of property, the value which has been made by the expenditure of State money should belong to the State and not to the individual who happens to be the owner at the time the railway is made. The sudden and irregular levying of a tax when there is a loss on the railway will have an injurious effect upon farmers and others in the vicinity. They may have made all their arrangements in connection with their businesses, and may have anticipated making both ends meet, if they have not anticipated making a profit, when suddenly, under this Bill, a new tax is levied upon values. An unexpected call is made upon them, which puts them out in their calculations, and does them serious injury. However, such as the Bill is, I am very thankful for it, and I only hope that something better will come of it in the future. This is the first time in our legislative history that the betterment principle has been distinctly recognised, although I think something of the kind has been put into Bills in other colonies. Possibly this principle might contain a solution of the railway freight problem. If we obtain a guarantee for the cost of the construction of railways from local authorities who will benefit by their construction, why may we not carry the principle a little bit further and obtain a guarantee from certain local authorities for the initial loss which may arise to the Railway Department in consequence of the reduction of railway freights? That would be largely availed of if a Bill similar to this, and dealing with that question, was introduced. I am very pleased with the Bill, which I believe will have a good effect. It will prevent

log-rolling and the political corruption which has taken place with regard to railways in the past, and in connection with the £10,000,000 loan. Had this principle been in force in the past, we should have been in a financial position to carry out further public works without increasing the public indebtedness.

The Hon. G. THORN: I am not opposed to this Bill; but I think the hon. member for Dalby will be very much disappointed if he thinks that the Dalby-Bunya Mountain line will be constructed on the guarantee principle, because it will never pay. I may also inform the hon. member for Maryborough that, if the Pialba and Urangan line is built, it will make Urangan the port for Wide Bay, and great injury will be inflicted upon the rising town of Maryborough. There is one other matter I wish to mention, and it is very important. Who is to decide what railways should be constructed on the guarantee principle, and what lines are to be undertaken by the Government? That is the whole question. If I were Secretary for Railways I should be very loth to construct any railways under this Bill, because I might be accused of corruption. If a railway is required by a member of the Opposition side of the House he might be told that that could be constructed on the guarantee principle; but if one was required by a Government supporter, that could be constructed by the Government. I think no Commissioner should decide this question. It should be a matter for a board of works. I think that is the greatest danger in the Bill, and I wonder the hon. gentleman who has introduced it has not discovered that before. All Ministers may not be as incorruptible as the present Secretary for Railways, and it is possible the greatest corruption may be practised by the Secretary for Railways for the time being. There were three lines brought before this House last week, one of which was a little line from Childers to Cordalba. If the hon. gentleman had this Bill in contemplation, why did he not provide for the construction of that line on this principle? I know of other lines that would have paid better, although I do not wish to say a word against it. How is it that other lines that we know would pay 300 or 400 percent. were not brought down? Coal railways will always pay, but very few agricultural lines will, unless they are in sugar-growing districts. I remember when the late Premier arrived from the old country he said he had a scheme for constructing railways without borrowing money. How is it that the Acting Secretary for Railways has not obtained the scheme from him? I imagine what it is, although I am not in the secrets of the Cabinet; but I think the Secretary for Railways should let the House know. When the Loan Bill comes before us I shall have something more to say on the question of railways, and if I am as well then as I am now it will take some time to get that Bill through, and we may be here for the next twelve months.

The SPEAKER: Will the hon. member confine himself to the question before the House—the second reading of the Bill?

The Hon. G. THORN: I have said all I wanted to say. I am very anxious that public works should be resumed, but if this Bill passes I am afraid the agricultural districts will not fare in the way they should, and there will be very little chance of getting any railways.

Mr. STEVENS: I am glad to see this Bill introduced for two reasons. I know the residents in some districts have very wild ideas as to the cost of railways, and I think it would be advisable to introduce a clause authorising the Government to make trial surveys at the cost of the country before the provisions of this Bill are put into force, so that the districts may know what the actual cost will be. I do not think any

district should be put to the trouble and expense of a survey and then find the railway was altogether beyond their means. I think also this Bill is a distinct step in the direction of the betterment principle. I am not going to speak on that now or say whether I approve of it or not, but every railway constructed under the provisions of this measure will bring the betterment principle nearer, and districts which in future want railways will have to construct them at their own cost.

Mr. PHILLIPS: I hope this Bill will be successful, but I am afraid the amount of business that will result from it will not be very great. At the same time I think it will give the Government a very handy answer to give to districts that want railways. It will be a very convenient weapon in the hands of a Secretary for Railways who is asked to construct railways that it is known will not pay. I have made a number of surveys for local authorities, and I have invariably found that it would not pay to build railways of the ordinary type. I can mention one or two instances. A permanent survey was made of a branch line to Redcliffe. The estimated cost by the department was £55,000. I was asked by the people of the district to report on that route and any alternative route I could find, and I found that by starting two miles further up the line from the North Pine station I could get a line, previously surveyed by the department, which, I am convinced, could be built for £18,000. I am finding no fault with the Government survey; it is an excellent survey, but it involves an expensive line. I do not think local authorities will be disposed to pay interest upon the most expensive routes, and it is likely that some trouble will arise under that head. The department will say, "This is the route approved of by our engineers; it is the best route, and the one we think ought to be adopted." The local authorities would reply, "We have been advised by so-and-so, engineer, that a better route can be found, and we think that ought to be the route." At once there would be a difference of opinion, and between the two probably nothing would be done. I may also refer to a proposal to build a branch railway from Eumundi, on the Gympie line, to Noosa, a watering-place. A survey was made by the department, and I believe the cost of the fourteen miles between the two places would be £70,000. I was asked to advise on the subject, and I found that the only possible chance of getting railway communication which would leave any margin of profit at all would be by reducing the gauge to 2 feet 6 inches with sharp curves. I found that by that means it was just possible it would be a workable and payable line; but that would involve a departure from the standard gauge of the colony. It is more than probable that no business will result in that direction. I should like to say a word on the question of interest. Every person in the colony is a shareholder in our railways, but only a proportion of the shareholders are customers of the railways. The shareholders have to make good the losses, and those losses during the last five years have amounted to £2,000,000, or very nearly £1 per head per annum for every individual in the colony. It is hardly fair that people who are called upon to guarantee interest and working expenses of branch railways, should also have to contribute to the losses on the main lines. Therefore, from that point of view, some compromise should be come to, and a less interest than 4 per cent. charged. The hon. member, Mr. Annear, referred to the necessity of building strong, substantial lines. That is, of course, a desirable thing, provided there is sufficient traffic to make them remunerative. I will quote briefly the result of the working of three branch railways to

watering-places within the last twelve months. The Emu Park railway, at Rockhampton, involved the country in a loss of £7,980—I am including interest and working expenses. The branch to Cleveland—a first-class line, as good as good can be—involved the country in a loss of £10,750. The line to Southport—not at all a bad line, quite good enough—involved the country in a loss of £27,390. I do not think the people of those districts, if it came to a question of guaranteeing the loss on those railways, would willingly undertake it. They might perhaps have been induced to make a guarantee some years ago, but I am certain they would groan under it now very greatly indeed. Although I have no objection to the Bill, yet for the reasons I have given, I do not think it will be of much use to the country, and it will offer a handy weapon to any Secretary for Railways who objects to the construction of any particular line.

Mr. DUNSFORD: An important measure like this ought not to have been put before us so late in the session. The Bill proposes two innovations in railway construction, and members will not be able to give that time to their consideration which they would have done had it been introduced earlier. It is certainly a Bill of great importance. It introduces the thin end of the betterment principle, which I am pleased to see, and the thin end of municipal as against State construction of railways. It may be said that it is not proposed to take out of the hands of the State the control of any railways constructed by municipal guarantee, but it appears to me that where the responsibility falls upon the local authorities to them also, as a matter of course, should fall the control. Anyhow, it seems to me that the control should follow the responsibility. Another point is that a few property-owners in the district may veto the expressed wish of the rest of the people, although the railway may be absolutely necessary, not only in the interests of the local community, but in the interests of settlers further out. I think this principle is wrong altogether. I think we should have gone right in the other direction. Railway construction should be essentially a national duty, and an intercolonial duty, I think. All over Australia we find railways built on different gauges. They should be under central control, and this proposal is to make them still further matters of local control. Why should a few people living in any district say that a railway should not be built there? Yet under this Bill they will have that power.

An HONOURABLE MEMBER: A majority.

Mr. DUNSFORD: Yes, within a certain area. Why should they have the power to say whether a railway that will enhance the value of property there should be constructed or should not?

An HONOURABLE MEMBER: They will have to pay for it.

Mr. DUNSFORD: The very fear that they may have to pay for it may prevent its construction, though the people as a whole may desire that it should be constructed. Take the Bowen railway, for instance, to connect Bowen with the Northern line. That railway is asked for by the people of Ravenswood, Charters Towers, Hughenden, and by people further inland, and at a great distance from Bowen. Why should a few landowners in Bowen be able to say whether that line shall be constructed or not? They will be able to say, "We will not have it, because under this betterment clause it is proposed that we should be taxed for it. As we will have to pay for the increased value put upon our land by reason of its construction, we say to the people of Ravenswood, Charters Towers, and Hughenden, 'You shall not have this railway.'" That is a power which should not be placed in

the hands of a few people in any district. The construction of every railway affects the whole colony, and the whole of Australia to some extent, and therefore I say we should have gone right in the other direction. The construction of State schools, post offices, telegraph lines, and railways should be in the hands of central and not local authorities. As regards the application of the betterment principle, if a railway, under these circumstances, is eventually constructed, it is proposed to say to landowners within the benefited area, "You shall be taxed upon the increased value of your land, caused by the construction of the railway." That is fair, but under this Bill it is proposed that the proceeds of that taxation shall be given back to the people from whom it was collected, if the railway becomes self-supporting and pays interest? Why should they receive it back? The proprietors of the land taxed may be absentees, and the fact that the railway pays may be due to no effort on their part at all; and it may be due to a large extent to people in neighbouring municipalities and divisions outside the benefited area. Members who have spoken upon the Bill have not given it the time it deserves, and I feel that I am myself hurried over it, because I have been six months away from my family, and I want to get home. Other members will no doubt deal with it in the same way, and for that reason I say that a measure of such importance should be brought on early in the session. I hope it will be left over until next session, when members will be able to give it the attention it deserves.

Mr. WATSON: I give the hon. gentleman in charge of this Bill credit for bringing it in. It is a simple Bill giving local authorities the power to guarantee the payment of a certain amount of money to build railways if they require them; and it will do away with a great deal of the demand for Government railways. I am under the belief that when they understand its contents, the local authorities will congratulate the Government upon the introduction of this measure. The last speaker referred to Bowen, and I believe that port should have a railway to the Reid River. If the people of Queensland willingly put their shoulders to the wheel and take a little money out of their own pockets and give it to the Secretary for Railways, he will construct the whole of the branch lines they require. I do not allude to Northern Queensland, because they are too poor there, but to Southern Queensland where we are able to carry on these railways. I am pleased to see that the Government are going on with the line to the South Brisbane Junction, because I know that it will do a great deal of good, but there is a small branch line of about a mile in length which I should like to see constructed, and that is a line to deep water at Bulimba. I am prepared to give my quota towards a guarantee for that line, and I know of no line which would pay so well from the jump as that branch. It could be constructed cheaply at present, as material and labour are very cheap; and if the Booroodabin Board would only take the matter up, I think we should be able to get that line established before next session. Considering the breweries in the district, the gas-works, and the saw-mills which have guaranteed to supply a large quantity of timber for Great Britain during the next ten years, I am sure that the line would be a great advantage to the locality.

The Hon. J. R. DICKSON: This is a very important measure, and I think the Government have done well in bringing it in, because some local authorities have desired to try the experiment of constructing branch railways in certain districts on what has been termed the guarantee principle—that is to say, to obtain by rating

sufficient funds to defray the cost of maintenance and interest of the line so built. But, while some local authorities are anxious to obtain such a measure, I am inclined to think that once this Bill has been passed, unless it is made more elastic than it is at present, it will remain largely inoperative, because the conditions of local authorities vary considerably. While it might very properly be insisted that a short section, such as that to Bulimba, should be built as a first-class line, there are other places where a first-class line would at present be out of all proportion to the amount of traffic that would be carried upon it; and I am inclined to think that in the majority of cases if divisional boards once build short lines of railway to open up timber or agricultural districts, and they are compelled to make them first-class lines, they will be so handicapped with the expenditure that they will not be likely to make a second experiment. Therefore, if this measure is to be practically useful, it should be so framed that the expenditure should be according to the necessity of the line, and not that all lines should be first-class lines. I believe that if the measure were so framed it would be a very useful one. We know that a line was provided by private enterprise from Moama, on the north bank of the Murray, to Deniliquin, forming a connecting link with the State railway at Echuca, on the south bank of the Murray. That line was built on a cheap basis, and has been of great service to the district, and secured a large amount of wool for the southern port; but it was not built as a first-class line, neither was it equipped or maintained as a first-class line. It was economy in construction and maintenance that made it so successful. The criticism of the hon. member for Charters Towers seemed to be directed to what may be termed the construction of State railways by divisional boards, such as the extension of the line from Bowen. There is certainly an ambiguity about the Bill, so that it is difficult to know what will henceforth be considered lines which are of that national importance that the State should undertake them without the intervention of the local authority, and what are lines which should be relegated to the local authority. As the hon. member for Fassifern pointed out, it will be very difficult to discriminate between the two classes of lines, and I should be very sorry if the extension of our main lines were hampered or restricted by this difficulty. There is ample ground for the extension of State lines by the Government, and the construction of subordinate lines or feeders by local authorities. I think it would have been better had this Bill been introduced earlier in the session, but at the same time, as no construction can proceed until the local authorities are furnished with the ways and means, which cannot be provided this session, we might put it on the statute-book, and the local authorities will have a little time for reflection before they proceed with any railways under the Bill. The lines to be undertaken by local authorities should be of an unpretentious character. A cheap style of line or steam tramway would be sufficient for their purposes without going to the heavy expenditure which the construction of a first-class line would involve. I think we may pass the Bill, and by the time Parliament reassembles and we come to consider the ways and means, we shall probably have a good deal of information furnished us by the local authorities.

Mr. FISHER: I cannot follow the hon. member for Bulimba and some other hon. members regarding the great advantages that this Bill will give to the local authorities; and I do not think it will give great impetus to the construction of railways by them. The Government are to be

congratulated upon the fact that they are introducing a Bill that has received the approval of the senior member for Maryborough and the hon. member for Leichhardt, who are usually distinctly opposed to each other. But I think too much is expected from this measure by both those hon. gentlemen. The hon. member, Mr. Annear, very eloquently pointed out the value of this particular Bill to the Maryborough district, and particularly as regarded the line to Pialba, which he clearly pointed out would pay from the very first. That has been the argument from the very first in connection with railway construction here. It has been said of every line in the colony that it would not only pay working expenses but also interest on the cost of construction. It is just through the political manipulation of such lines that the colony is now suffering, although most of our railways, if they are not paying interest, are at any rate paying working expenses. In this Bill we have the Government introducing a principle that is now recognised in all progressive countries—that is, the principle of betterment, or, in other words, that, where by the expenditure of money public or local land or other property is improved, some portion of the value of the improvement shall be taken for the repayment of that money. I believe that is a sound principle, and so far as the Bill contains it I am with the Government. I rather favour the remarks made by the hon. member for Dalby, who demonstrated clearly that the Bill aims far beyond what various Governments have aimed at when they have introduced railway legislation. Most Governments contemplated that a very small return upon the money invested would be ample security, and that they would be satisfied if a railway benefited the country by increasing land settlement. That idea is sound, and it is unnecessary to prove that a railway has paid working expenses and interest. I contend that a railway that pays working expenses and a very small rate of interest is distinctly beneficial to a country like this. In this colony great natural arteries, such as waterways, are almost altogether absent, and it is absolutely necessary that railways should be constructed into the interior, and on that account I think a great blunder has been made by the construction of the coastal line. The Bill is based upon sound principles, but it is too drastic in its character, and will be a failure in its operation. I fail to see where the local authorities will be able to raise the amount of money required to construct railways of a character suited to the rolling-stock upon our present lines, and I agree with the principle that all railways should be constructed up to the standard of our present lines. It would lead to ultimate failure to construct railways of a less stable character than those we have; in fact, it has already been proved that the colony has suffered from the adoption of the narrow gauge. In the lines going over the great tablelands of the colony it will be necessary to have great haulage power, so that produce may be conveyed at a much less cost, and that power can only be supplied on broad gauge lines. That is a fact that cannot be controverted. I notice in clause 3 that any local authority or any other person may give the Commissioners a guarantee, and I would like to know the meaning of the words “any other person.” Does it mean that if a local authority has a very small amount of assets Parliament would accept any other person as a sufficient guarantee for the construction of the railway and the payment of interest? The Premier has not explained that, and, in fact, we have reason to complain that a new feature has been introduced in bringing in Bills this session. It has become the rule for

Ministers to say practically nothing in introducing a measure, but depend upon the collective wisdom of the House to elicit anything good in a Bill, and then make a second-reading speech in reply. That method throws the government of the country off the responsible heads on to the various members who constitute Parliament, and, instead of the Government having a policy of its own, it accepts the collective ideas of others and sails with the wind rather than make progress towards a safe harbour. I would suggest that the sooner the Government departs from this custom and lays down a hard-and-fast rule, the better for Parliament and the country. The question is how to deal with local authorities who have no assets, or who may be prepared to give a guarantee but not to fulfil it; or what to do with persons who would associate with those local authorities and trust to providence to provide the repayment. There is a member in the Ministry who has propounded that doctrine. I could lay my hands on a signed letter by a Minister telling local authorities that it is wise to get as much as possible from the Government, irrespective of whether they will be able to repay the amount or not. I have not seen that proposition withdrawn; therefore I do not see how I am to accept the statement of a Government containing that member in regard to the guarantee mentioned in the Bill. Another question of importance is the fact that these branch lines are to be charged the full amount for maintenance and interest on the cost of construction besides. I hold that the local authorities have been dished in this Bill. It is practically a stopgap, but I shall be glad if it proves otherwise. I know of some branch lines that might be constructed, but I believe a much more liberal measure than this will be required. I fail to see also where the advantage will come in when local authorities and that “other person” are able to construct their lines, especially as the Government retain the power, through the Commissioners, to say what kind of a railway is to be constructed. I notice that the word “Commissioners” occurs throughout the Bill, but I should have expected, after the recent turn of events, that the word “Commissioner” would have been used. Why were the Government not honest enough to ask for powers to construct these railways on the betterment principle instead of throwing the onus on the local authorities? If it can be demonstrated that a railway will pay, it is the duty of the Government to construct it. My opinion is that the local authorities who will accept this as a practical measure providing for the construction of branch lines in their districts, will be thoroughly duped. Then we have the question of loans for these railways. The Government will have to go to the money market for the money to construct these railways, and if they fail to come up to the standard anticipated, the local authorities will have to put on more taxation to meet their obligations. A number of local authorities are anxious to have small branch lines constructed, and I wish them every success; but in their anxiety they may run themselves into difficulties from which they will be unable to extricate themselves; and in that way the Bill will do them more harm than good. I think it would have been much better to have introduced the Bill and then left it over for consideration during the recess, because it introduces a principle that is new here—the betterment principle—and it may lead to injury of the persons who expect most from its provisions. Personally I do not desire to oppose the second reading. I quite admit that three-quarters of the members of the House approve of it; but for my part I think it is a Bill that might very well have waited until next session, and one that I

think is only a relief to the Government—to stave off a little political influence that is likely to press them because of their want of a public policy during the present session.

Mr. ARMSTRONG: I take this measure as one which is likely to be of the very greatest benefit to agricultural districts. It is a measure that has been looked forward to for a considerable time, more particularly in the agricultural districts. I cannot say that the Bill has altogether come up to my expectations, but no doubt it may be altered in committee. I agree in the main with what has been said by the hon. member for Bulimba. In the latter portion of the Bill the specifications for lines to be built by this system are of such a high class, and the lines will have to be so substantial, that I am afraid that the local authorities, who wish to have a cheap means of communication by means of branch lines with the main lines, will be unable to take advantage of the Bill. In regard to the contention of the hon. member for Gympie that the Bill will lead to the discomfiture of those who ask for it, I may say that they are quite capable of looking after themselves; and if they find that they will have to impose such a heavy rate that it will seriously handicap them, they will not avail themselves of the Bill. As to the betterment principle, before lines under this system have been very long built, those who have built them will ask the general taxpayers to pay their share of the expense on the ground that their construction has benefited the whole colony. The hon. member for Dalby said that he thought the local bodies should have no say in the working of the lines. That will be another contributing influence to the failure of this measure, if another is required. It is a moot point whether the majority of the people are in favour of the management of our railways by commissioners. In some districts there is a very strong feeling against the Commissioners, and, if it is proposed that these lines shall be managed by the Commissioners, the people in those districts will have nothing to do with the matter. It is a mistake to think of allowing the local authorities no say in the working of the lines. Many of the men who would have to bear the burden of providing the interest and working expenses will be quite capable of working these branch lines satisfactorily. One question which arises, and one of the hardest of solution, is the amount of freight to be charged on these lines. If it is credited as at present—drawn on a mileage basis—it will hardly work, because in many districts the people who build the lines will be ready to pay some heavier tax so as to get the railway built, and if they pay a heavier price for the haulage of their goods they should derive the benefit that would be derived from that. Upon the whole, with certain amendments and with care taken to shape some of the clauses in a different way, the measure may be made workable, and I shall not vote against it, but shall support it.

Mr. SMITH: With other hon. members, I think this is a very important Bill, although its applicability will be limited to thickly populated districts. The betterment principle is a good one, and one that must be approved of by hon. members generally. In sparsely populated parts of the colony it is utterly impossible that the Bill can apply. The hon. member for Charters Towers was quite right in his contention that it would be unfair to make the Bill apply to a line such as the Bowen line, because the Western people would have practically no say as to whether that line should be completed or not, whereas they are largely interested in it. But, so far as I can see, the Bill is not meant to apply to lines of that character. That line has been approved of

by this House, and it will have to be built by the Government. I hope the Government will never make this Bill an excuse for not building lines, and that when they are asked to build a line they will not answer, "Get your local authority to guarantee the interest on the cost." There are lines to which this Bill will apply, but its applicability will be limited; it will only apply in very populous districts, where there will be a large amount of traffic. I believe that when the local authorities come to figure out the amount of interest they will be called upon to guarantee and their consequent responsibility there will not be many lines built under the provisions of this Bill. I think it will only apply to cases where there is a mile or two of line to build to connect two populous localities. I do not oppose the second reading of the Bill. It is a very important measure, and I hope it may be productive of much good.

Mr. McMASTER: I must confess I am not one of those who are altogether jubilant at seeing this Bill. I am afraid there are many difficulties in the way of putting it into force. And I believe, as the hon. member for Carpentaria says, it will be an excellent weapon in the hands of the Secretary for Railways when people come clamouring to him for railways, as he will be able to tell them he will construct the lines they ask for if they guarantee the interest on the cost of construction. I am quite certain that when the local authorities who think they require a railway come to reckon up the cost they will draw back. Of course, the senior member for Maryborough, Mr. Annear, is quite certain his line will pay well from the start. The arguments of some hon. members would almost make one believe that the local authorities will have to pay the cost of constructing the branch lines. If I understand the Bill properly, the Government find the whole of the cost and the local authority only guarantees the interest. I do not look upon the Bill as being altogether on the betterment principle. The hon. member for Leichhardt congratulated himself and his party upon having educated the Government up to the betterment principle. So far as that principle is concerned, the assessment of land values was in vogue before the hon. member came to the colony.

Mr. HARDACRE: In what Act?

Mr. McMASTER: You will find it in many Acts. I take it under the betterment principle the local authority would have to construct the lines as well as find the interest on the money, but I take the Bill to mean that the Government find the funds for construction and that money will have to be appropriated, and plans approved as usual by Parliament. I see in the Bill a danger of inflicting an injustice upon people. We have constructed many main trunk lines and the local authority who is called upon to find the interest on the cost of the branch lines will, under this Bill, also assist to find the interest on the cost of the main trunk lines already constructed. I am not quite so sanguine as my colleague about giving a guarantee, but I am glad to hear that he is prepared to put his hand into his own pocket. I have not yet become so benevolent to my constituents that I am prepared to guarantee interest on the cost of a railway. A branch line may be constructed, and may pay working expenses and interest or 1 or 2 per cent. less. I do not think it should be charged with the deficit when it contributes so much to the main trunk line. In the case of the two miles of line my colleague spoke of, the material that would come down a mile and a-half of it would create a revenue on the trunk line of £2,000 or £3,000 a year.

The COLONIAL SECRETARY: It comes now.

Mr. McMASTER; I say no; not a shilling of it comes now. It is carried by water. All the pine timber that comes to Dath, Henderson, and Co.'s mill comes by the North Coast line, but not a single foot of hardwood; and, at the rate charged for the carriage of pine, the carriage upon it would amount to £2,000 or £3,000 a year. If that mile and a-half of railway was constructed, all the hardwood would come by the main trunk line. The Government have not given them the appliances to get their hardwood into punts, and it is well known that hardwood cannot be rafted. It is detrained at Breakfast Creek, where at very high tides it is covered with water. The main trunk line loses the whole of that traffic. Why should the rate-payers in a local authority like that have to make up a deficit there when it would cause the main trunk line to earn £2,000 or £3,000 a year extra. I am speaking of this particular branch line because I know it and the circumstances connected with its traffic. There are other proposed branch lines on which similar remarks might be made. When going over the Downs the other day I saw a country between Hendon and Allora where I am sure it would be cheaper to maintain a light railway than to maintain the road. The department might say that as the traffic already goes to the main line by drays the local authority would have no right to credit the branch line with any of the traffic carried over the branch. I contend that if branch lines are constructed in populous districts, or where there is already trade established, the main trunk line ought to give credit to the branches for a certain amount of the traffic carried upon them. The last clause of the Bill gives the Government power to make regulations, and I have no doubt it will be one of the agreements the local authority will enter into with the Government that there should be a basis as to what amount of deficit they would have to make up, if any, and how much of the traffic carried on the branch lines should be credited from the main trunk line to the branch lines. I agree with some of the remarks of the hon. member for Dalby, but not with the whole of them. Perhaps, unintentionally, the hon. member threw a slight on the local authorities. I do not suppose he intended to insinuate that they are incapable of managing their own affairs, but it would almost read in that way. I agree with him that it would not be desirable for two bodies to have the control of the railways. I hold that the Government should have sole control of the branch railways as well as the main trunk railways; but I am certain that if there was anything seriously wrong in the management of the branch railways, or if they were pressing too severely on the taxpayers in the local authority, no honest Government would for a moment repudiate the just claims or representations made to them by the local authority. But I do not agree with the hon. member that local authorities have not done good work. They have done excellent work. They have acquitted themselves equal to any Government I have seen in the colony. They have done wonderfully good work with the means at their disposal. Hon. members seem to take very little interest in this Bill. There is a very thin House to consider the second reading of so important a measure; but I suppose hon. members on the other side who are cavilling so much have no interest in branch railways. They have the Government to run railways right out to their constituents, and they make good use of them. If the Bill becomes law I do not anticipate that there will be a rush of local authorities to the Secretary for Railways to have these branch lines constructed. As far as I am concerned there will be no application. I believe our railway will be constructed without any guarantee

whatever, because the Government know that there is already more than enough traffic there to pay interest on the cost of construction. I shall support the second reading of the Bill, and in committee I dare say I shall have something more to say about it. I am not altogether in love with it, because I believe it will do an injustice to a large number of citizens of the colony, and will be rather a dangerous weapon in the hands of the Government in dropping the construction of many railways which perhaps ought to be constructed.

Mr. AGNEW: I believe, with several preceding speakers, that the Bill now before the House will test the sincerity of many of the claimants for branch railways. If it achieves that object alone it will be the means of effecting very considerable good to the colony. Looking at the branch railways already constructed, it is lamentable to read in the Commissioners' report that no less than fifteen of them are being worked at a loss of from £200 to £2,786 on last year's transactions. But whilst the Bill will prevent a great demand for branch lines, I do not think it will deter the construction of any good, sound ones. There are many places in the colony where such lines will still be constructed. The hon. member for Fortitude Valley has referred to one, and I crave indulgence to refer to another, and to give a few figures connected with it. I refer to the extension of the Sandgate line. In the report for the year I find that last year no less than 116,000 people passed in and out of the Sandgate station, and, assuming that half that number desired to proceed to the Shorncliffe end of Sandgate, they would use the proposed extension; and if for its use an additional penny per ticket was charged, and no one would object to that, it would produce a revenue of £336 per annum, and, as the tender for its construction was under £5,000, that would give £136 per annum more than the guarantee required of 4 per cent. on that amount, and would enable a guarantee of 6½ per cent. to be given. In passing, I would say that the hon. member for Dalby was not alone in having a railway for which the approval of the House was obtained and the money voted, and everything done except the invitation of tenders for its construction. I am dealing with a line which passed the House, and for which tenders were invited and accepted, the contract signed, the land resumed, and the resumption money paid; and then a change of Government taking place, the incoming Ministry gave compensation to the contractor rather than carry into effect the expressed wish of the House. I may therefore say that I stand alone in the matter of harsh and unjustifiable treatment of the district I represent. The figures I have given prove that there is one district in the colony the people of which need not fear to give the guarantee required under this Bill, and I hope they will take advantage of its provisions. Though I might feel justified in complaining that the Government have not proceeded with that line, I will not say more upon that than I have already said. There are several matters in this Bill to which serious attention must be given. I can foresee considerable difficulties in working these branch lines. Some members are in favour of light lines, and some of the standard lines of the colony; and I can see that both may be right under differing circumstances. The extension to which I have referred, and that to which the hon. member for Fortitude Valley has referred, must necessarily be constructed on the same principle as the main lines of which they will be extensions. But, as an illustration, I refer to another line—approved by the House, and the money for which has been appropriated and set aside—the Enoggera-Samford

line, which begins in Brisbane itself, at the Normanby Hill, and in that case a light line would be applicable and would answer the purpose completely. There is no more necessity to put a heavy-ballasted, expensive 60-lb. rail line over that route than there is to waste money in any other unjustifiable direction. No doubt hon. members could refer to many cases in which advantage could be taken of this Bill to construct light branch lines, and the representations of hon. members should have considerable weight with the authorities. Another difficulty I would like to point out is that there is nothing to show who is to have the power to determine when a guaranteed line is to be commenced. I am not afraid to say that I share the opinion of many persons in my electorate—that there is on the part of the railway authorities a deep-seated prejudice against the extension of the Sandgate line. I want to know how that prejudice is to be overcome. The construction of the line must be left in the hands of the railway authorities; and unless the Minister steps in and says that a sufficiently good case has been made out to justify the immediate construction of the line, we will be as much in the hands of the Commissioners under this Bill as we are to-day, and we will still have the Commissioners as a bulwark between the Government and the people. Hon. members know that it is one of the easiest things in the world to show favourable results from certain lines in a report. I will make that clear. In the report dated 1889, the last under the old system, and before the present Commissioners took office, the Sandgate line is known as such from Brisbane to Sandgate, and as such it is shown to have paid 5·40 per cent. in 1887, and 6·963 per cent. or nearly 7 per cent. in 1888. When I assure the House that within the last twelve months no less than fifteen new houses have been erected in Sandgate, they will believe me when I say that the traffic to and from that place is greater to-day than at any time since I became a resident there; and, notwithstanding that, by the use of the Racecourse line, which never was a paying line, it is shown now that the Racecourse line pays 5 per cent. and the Sandgate line only 2½ per cent. I therefore warn hon. members that when they are asking for branch lines from main trunk lines they should make such stipulations as will ensure a proper method of bookkeeping, and show the true returns from the branch lines, otherwise they may find that the returns do not correctly represent the earnings of the branches. The trains which usually ran from one extreme of the line to the other may be run into a siding midway and back again, and in this way it may be shown that the branch does not pay, as has been done on the Sandgate Railway, which is now only credited with the traffic between the Racecourse and Sandgate, instead of as formerly between Brisbane and Sandgate. I cannot agree with the hon. member for Gympie, Mr. Fisher, who complained bitterly of the cost of haulage on our railways, and argued that the 3-feet 6-inch gauge was a great blunder. I confess that I am not of that way of thinking. We could not possibly have had the 2,000 odd miles of railway we have in the colony if we had commenced with the 4-feet 8½-inch gauge. Had we commenced with that gauge we should have followed the example of New South Wales, where they have discovered the terrible mistake they have made by adopting that gauge. What is called the 6 feet between their lines is so small that they can no longer extend the width of their carriages. Many of the carriages in this colony are within 2 or 3 inches as wide as the carriages in New South Wales, which shows that our engineers have certainly made good use of the 3-feet 6-inch gauge. The carrying capacity of some of our wagons is a marvel to the world. We have

wagons weighing 3 tons and 3 tons 5 cwt. carrying 10 tons and 11 tons 5 cwt., a thing that is not known, as far as I am aware, in any other part of the world.

Mr. LEAHY: Ten tons of what?

Mr. AGNEW: Of log timber, the hardest class of goods to carry on a line. There are some lines in America—notably, that from San Francisco to New York—made on the 3-feet 6-inch gauge, and the traffic on that line is simply marvellous. We are, therefore, not as unfortunate as the hon. member seems to think in having a 3-feet 6-inch gauge. Some day we will put a line between the existing lines on the southern railways and take our rolling-stock down to Melbourne, though probably they will not get theirs up here so easily. I intend to support the Bill, and I feel sure that the two ends of my district will make an effort to take advantage of it.

Mr. WILKINSON: I must express my pleasure at seeing this Bill. I believe that it is a step in the right direction, and one that I hope will lead to other steps a little later on. I take it that it will be particularly applicable to the settled districts where the land has been pretty well alienated. I scarcely think the local bodies in the sparsely-settled districts will be able to avail themselves of its provisions; but I am confident that in districts near the coast, and in the more thickly populated centres, the local bodies will hail this Bill with considerable satisfaction. There seems to be an idea in the minds of some hon. members that unless light lines are constructed the local bodies will not be able to guarantee the interest, but I would remind those hon. members that the local authorities will not only be liable for the interest on the cost of construction but also for the cost of working and maintenance, and that, as a line which is constructed inexpensively may cost more for working and maintenance than a line which was more expensively constructed in the first instance, the additional cost in that direction might be more than the difference in interest. We have lines where the mistake has been made of spending too little on them in the first instance. For example, there is the Fassifern line, with its gradients of 1 in 30. Most hon. members will be convinced by this time that it would have been cheaper if that line had cost more for construction, as it would have cost very much less for maintenance and for working expenses. There seems to be some injustice done by this measure to those who will have to guarantee the money, inasmuch as has been pointed out by the hon. member for Carpentaria, something like £2,000,000 of loss on our railways has to be made up by the general taxpayers, among whom are counted those who now have to guarantee the Government against any loss on their local lines. But when it is remembered that those districts were already taxed for the maintenance of roads in their divisions, and that the construction of railways will save them a considerable amount of money in that direction, it will be seen that they would have some compensation. There will also be a considerable enhancement in the value of property in the district. There are certain lines in the country which must be regarded as matters of national concern, such, for instance, as the Bowen line, towards the cost of which the general taxpayers should contribute, and I do not think there will be quite so much jealousy in that matter as some hon. members appear to imagine. I hope that some consideration will be allowed to branch lines in regard to the amount of profit which may be made; that they will receive a proportionate amount for the goods carried over them and continued over the main lines. Like

other hon. members I have a railway in "Mihi" which I believe will be a good thing for the district; but the chief difficulty will be in the fact that the people will have no say in the fixing of rates. It is an acknowledged principle of government that there should be no taxation without representation, but here people may be taxed to provide a guarantee and yet not have a voice in the conduct of the traffic. I am not in favour of a divided control, which would be fatal to the scheme; but there might be some objection raised on the ground I have mentioned. I am glad the Government have determined to keep the ownership of the railways in the hands of the State, and I hope that the few private lines now in existence will become the property of the State. The hon. member for Bundamba has a private line in his district which I would like to see taken over, the State, of course, paying him compensation. There are several short lines which might be built under this system in my district, which would help to develop our large mineral resources. I approve of the Bill, and will support its second reading.

Mr. BROWNE: When this Bill gets into committee I shall look forward to a big crop of amendments. There has been a big chorus of approval, but I have a lively recollection of one or two measures that have come before this House where the same thing has happened. A Bill of seventeen or eighteen clauses was bombarded by thirty-six amendments, and I hope this measure will not be treated in the same way. With all the possible amendments and the different branch lines hon. members have in the corner of their eyes, the Minister in charge will have a very lively time. I can hardly understand the hon. member for Leichhardt and others getting up and congratulating the Government upon their conversion to the betterment principle. They are simply stopping the mouths of the people who are always singing out for railways. I believe it is a good thing that this continual clamour should be stopped; but so far as the betterment principle is concerned the Government are simply saying, "If you believe in this principle enforce it in your own district and get your own railways." The Bill provides that a guarantee is to be given, that a certain amount of interest is to be paid. In the event of the line itself paying interest, nothing more will be required, and there will be no need to tax property that has been enhanced in value. As a matter of fact the better a line pays the higher is the value of the adjacent property, and the betterment principle does not come in. I believe this Bill will do a lot to do away with log-rolling; but there will be some trouble to distinguish between national lines and local lines. Every hon. member knows of a railway that he is prepared to prove by incontestable evidence is certain to pay, and there can be no mistake about it; yet, from the figures quoted by the hon. member for Carpentaria and the hon. member for Nundah, it appears that the whole of the branch lines we have are being worked at a dead loss. The only chance the betterment principle has of coming in is when these branch lines do not pay. I am sure it would be a great mistake to allow the local authorities to have any share in the management of these lines. The fewer people there are controlling our lines the better, and this would be merely shifting the responsibility from the Minister, so that when an hon. member wants to slate somebody he will not know who to go for. These railways should be national lines under the supreme control of the Minister. The Bill has certainly been introduced very late in the session, but I do not think it requires a great deal of talk, and I shall not oppose it. Very little will come out of it. I believe very

few of the local authorities where branch lines might be constructed will be able to give the required guarantee.

Mr. THOMAS: A good deal has been said about branch lines not paying; but I can assure the House that I know of one branch line that is paying. I do not see anything in this Bill to provide that the local authority shall have any say in the route the line is to be taken or as to the system on which it is to be constructed. A great deal of money has been spent on branch lines unnecessarily in the past, and if local authorities are to guarantee the money they should have a voice as to the mode of construction, and as to what charge shall be made on the produce run over the line. I shall support the second reading of the Bill.

Mr. LEAHY: I do not consider this Bill is worth any consideration at all, because I do not think one mile of railway will be made under its provisions. It will be a very convenient measure for any Ministry, because they will always be able to throw the onus of having a railway built upon the local authority. And there are so many obstacles in the way that the chances of a line being made under this Bill are very limited. In many places the districts are so large that the section that would be benefited by a branch line would be outweighed by the votes of other portions of the district; and in the next place, when they came to reckon up the cost they would think twice before asking the Minister to construct the line. I shall vote for the second reading, but I think the Bill will come to nothing.

Mr. REID: It seems to me, considering the late time of the session and the free-and-easy way in which the debate has been carried on, that the Government do not desire the Bill to pass; at the same time, when a branch railway is wanted anywhere they will be able to say they brought in a Bill but had not time to pass it, though they will not have the excuse that it was blocked by the Labour party. The Bill contains one of the principles which the Labour party have been advocating for a long time—the betterment principle—and the only objection I have is that the Government do not propose to carry out the principle themselves instead of leaving it to the local authorities. In my opinion it would be better for the Government to build all the lines in the colony. The local authority in any district might take a vote as to whether a railway should be constructed on the understanding that a tax on land values would be imposed to pay the interest on the cost of construction. Sir Thomas McIlwraith told a deputation last year that the betterment principle would have to be considered at an early date; and now the Government have taken a step in that direction. It is the thin end of the wedge, and the only way to drive the wedge home is to get the Government behind it instead of the local authority. I can only congratulate the Government on adopting the principle, but I cannot congratulate them upon having any intention of passing the Bill.

Mr. JACKSON: I think most hon. members look upon this Bill as a milk-and-water affair—as something that if it does not do any good it will not do a great deal of harm. It is a bone for local authorities to gnaw at and fight over, while it keeps their eyes off the operations of the Government in other directions. I believe the Bill will be to a large extent inoperative—something like a good deal of the legislation passed this session. There will be many difficulties in the way of making it operative. One will be the differences of opinion amongst the ratepayers. That will be a very formidable obstacle. Then, again, there will be a great difficulty in the way of regulating the management. I cannot see how it is possible

to fix this. There will be, for instance, the control of the Commissioners from Brisbane. One hon. member, in the course of his objections, asked why the ratepayers should have a refund in the event of a line paying. The reply to that objection is that the ratepayers are responsible for losses, and that they should have an interest on the profits earned. Then, again, their energies would make the lines payable; and that is a good enough reason why they should have a refund made. There is another principle which is not in the Bill, but which should be in it, and that is that if the local authorities are responsible for the losses they should have a share in any profits that are made. If a line pays over 4 per cent., why should not that extra profit be divided between the local authorities and the Government? Of course the Government lends its credit, but on the other hand the State has security for the credit it has lent. If that principle can be introduced into the Bill it would probably act as a stimulus to the local authorities to make these branch lines; but if the State is going to take a mean advantage, as it were, of the local authorities by asking them to give guarantees, while at the same time they are not to participate in the profits, the Bill will be a failure.

Question put and passed.

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

GOVERNMENT SAVINGS BANK STOCK BILL.

COMMITTEE.

On clause 1—"Short title"—

The HON. J. R. DICKSON asked if the Treasurer had taken into consideration the question of fixing some limit to the amount of that stock to be issued annually. In the Imperial Savings Bank Act passed in 1893 there was a limit of £50 to deposits. In a modified form that principle might be embodied in the Queensland statute. At present £200 was the limit of interest-bearing deposits, but there was no limit to the amount that might be deposited bearing no interest, and that was a menace to trade circulation. Perhaps next year it might be advisable for the Government to consider whether they should not fix some limit to the amount of deposits that would be received by the savings bank. Originally the savings bank had been instituted to encourage habits of thrift among the industrial classes in the community, but of late very large deposits had been made by the wealthier classes from their want of confidence in other institutions. Again, in the Imperial Act the amount of savings bank stock that could be held by any one depositor was £300, and in the interests of the whole community it was advisable that there should be some limit in the Bill to the annual emission of stock by the Government. It might not be convenient to put a limit to individual holdings, because it might happen that the trustees for beneficiaries in the estate of a deceased person might wish to invest large sums in Government Savings Bank stock, where it would be free from the vicissitudes incidental to outside investments. He considered that was the chief merit of the Bill. He quite recognised that in the estates of deceased persons where realised property was left to widows or minors not capable of conducting their own affairs, it was very desirable that their means should be securely placed, and not subject to the uncertainties of business investments; but he drew a wide distinction between those cases and funds which accrued to persons who were capable of investing them for themselves. He therefore thought it was not desirable that stock should be issued promiscuously to everyone who in a state of panic chose to withdraw money from the financial

institutions and place it temporarily in Government stock. He would therefore ask the hon. gentleman if he would fix a limit to the annual amount he would accept. He would suggest £100,000 as a suitable amount. If the Bill dealt only with those funds already in the Government Savings Bank which depositors might wish to convert into stock, he would not advocate any limit being fixed, because every depositor who transferred his account in that way relieved the Treasury and reduced the menace to the institution. He thought while the scheme of the Bill was a wise one if applied to beneficiaries, still it was a tentative measure, and might fairly be surrounded with some restrictions.

The COLONIAL TREASURER said he had carefully considered the matter, and had come to the conclusion that they could not do more than fix a limit to the total amount to be issued as provided for in clause 3. The Bill was to a large extent tentative, and they would see by this time next year how it would work. In the case of savings bank deposits it had been found almost impracticable to restrict the amount which one person could deposit and get interest upon to £200. If a trustee had £1,000 to deposit, he divided it into five and deposited it in five different names, thus securing interest on the whole. He had intended in clause 3 to propose that the amount should be filled up by inserting the words "one million," but if the Committee thought that was a dangerous extent to go, he would agree to inserting half that amount. He did not think there would be any great rush for stock. It was intended purely as a means of providing an investment, and not to attract money from the other colonies.

Mr. FISHER: Why?

The COLONIAL TREASURER said what they wanted was to have the whole of the stock in the colony. If they got money from another colony and converted some of their existing inscribed stock by means of money they got from outside, they would not be very much better off than they were before.

Mr. FISHER did not see why they should not try and attract money at $3\frac{1}{2}$ per cent. from the other colonies. The hon. member for Bulimba was afraid that the Bill might operate in the way of withdrawing money from the financial institutions for investment in stock. That might be an injury to the colony, but he could not see why they should not get as much money as they could at a low rate of interest from wherever they could. If they could get £2,000,000 at $3\frac{1}{2}$ per cent., they would be in a better position than they were now. He certainly thought £1,000,000 was not too much to accept. No financial panic such as that spoken of was likely to occur this or next year. If it came, they were told by the experts that it would come later on; therefore it was better now to get as much money safely invested as they could.

Mr. STEVENS said he was not clear that the Bill would be a good thing for the colony. If the money was taken out of the savings bank to release Treasury bills, except as a safeguard for the Government in the future, he did not see that it would be any great advantage. It would be only transferring money from one investment to another; it would not be releasing money. If used to deal with inscribed stock, then it was taking money out of the country, and that would be a distinct disadvantage. Under present circumstances it was better for the colony to pay interest than to redeem debt. What the colony was suffering from was want of coin in circulation. One effect of the Bill would be the withdrawal of a large amount of coin from other institutions, and he did not think that would be a good thing at the present time. If

the Bill simply gave power to trustees to invest money in that way, it would be a step in the right direction. Otherwise he did not think it would be an advantage, but rather the reverse, to the colony.

Mr. RAWLINGS said that for a long time he had been looking forward to see a Bill of this kind brought in. He approved of its object, and thought it would be a very good thing for a number of people, such as widows, trustees, and others who wanted safe investments, which were very difficult to obtain in the colony. Although the Bill was not introduced for that purpose, still it would suit the object he had in view—the issue of debentures within the colony, so that the people themselves might draw the interest. Even if the debentures were issued to redeem Treasury bills, as a good many of the latter were, he presumed, held in the colony, it would only be a change of coin from one man to another, and there would be no loss. If the object sought was to raise a loan in that way, the interest was as good as the principal, and it would be spent in the colony. He would suggest that a lower rate of interest be offered, and the debentures sold at par. It would prevent a certain kind of speculation. If debentures were allowed to be taken up at current rates, he saw no difficulty in certain financial institutions working the oracle through the savings bank and making a very large profit the first year; and they could then resell the debentures. The men with £70,000 in the savings bank not earning interest would be very glad to invest in debentures at 3 per cent., and take them up at par. To prevent any abuse of the system it might be advisable to only issue debentures to depositors of six or twelve months' standing. Otherwise there would be quite a rush; the £1,000,000 would go off in no time, and the speculators would make £10,000 or £20,000 out of it. The same thing occurred when the Government made an agreement with the bank—

The CHAIRMAN: I would remind the hon. member that clause 1 is before the Committee. The hon. member is going away from that altogether.

Mr. RAWLINGS said he was pointing out how mistakes could be made. Under that agreement the bank took Treasury notes at 2 per cent., and released a portion of their liabilities for which they were paying 4½ per cent. It was not intended, he took it, that financial institutions should dabble in savings bank debentures.

Mr. FISHER said that as there was such a large amount of Treasury bills to be redeemed, which were issued at not less than 4 per cent., if the hon. gentleman could get a greater amount than £2,000,000 he would be doing a service to the country. He did not see why he should scruple to receive money outside the colony.

Mr. CROSS said the title of the Bill ought to be the Financial Institutions Depletion Bill. It was generally acknowledged that the rate of interest paid to depositors in banks was too high; and in one colony, at all events, they were being urged to consider the advisability of reducing it. He thought the proposed rate too high.

The COLONIAL TREASURER: We can discuss that on clause 4.

Clause put and passed.

Clause 2—"Interpretation"—put and passed.

On clause 3—"Stock may be created"—

The COLONIAL TREASURER moved that the blank in the last line of the clause be filled up by the words "one million."

Mr. CROSS appealed to the Colonial Treasurer not to make the amount so high. He was astonished that the Government, who were charged with taking especial care of the institutions of the colony, and especially of the local

banks, should have introduced such a Bill. The sum of £1,000,000 was rather much for an experiment.

Mr. STEVENS understood that the Colonial Treasurer would not object to the amount being fixed at £500,000, and it would be better to fix it at the smaller sum. The effect of inducing depositors of small sums in the savings bank to take them out and tie them up in that way to the extent of £1,000,000 might be productive of much hardship if upon sudden need they were unable to realise upon their stock. There would be no harm in limiting the amount to £500,000. It was in the way of an experiment, and if it proved successful they could easily increase the amount next year.

The COLONIAL TREASURER had admitted that the amount was arbitrary, but he thought there would be no danger in fixing it at £1,000,000. A great deal would depend upon the administration of the Bill. If hon. members thought they were going to deplete the banks by offering a higher rate of interest they were mistaken, because the Bill provided that the interest should not exceed 3½ per cent.; the price of the stock would depend largely upon the price of inscribed stock in London, and though they might put the rate of interest at 3½ per cent., they might fix the price of the stock at a premium. There was not much in fixing the amount at £1,000,000 or at £500,000, but he thought the round £1,000,000 was a reasonable thing.

Mr. JACKSON was in favour of the insertion of the smaller sum. While they were dealing with savings bank money they would be going on safe lines, but as soon as they tried to obtain other money, that would otherwise be put into circulation, they would be getting on dangerous ground. It was very injurious to a country to have gold locked up in the savings bank or in any other bank. Gold locked up was as bad for the country as its value in the shape of steam-engines locked up in a shed. He believed, however, that the State would in future recognise the principle of the Bill much further. It was in part the principle of a celebrated pamphlet, written by one of the members of the Committee, and though he did not speak in favour of that pamphlet now, there was a principle in it which he believed would be recognised by the State in future.

Mr. FISHER said the hon. member for Kennedy was mistaken in thinking that if the sum was fixed at £1,000,000 the money would be locked up. If the hon. member turned to clause 8, he would see that it would simply be shifted at an advantage to the State of at least ½ per cent., and possibly more.

The Hon. J. R. DICKSON did not think it would make much difference whether the amount was fixed at £1,000,000 or £500,000. He thought there should be an addendum to the clause to provide that the annual emission of debentures should not exceed to any great extent the normal annual accumulation of savings bank deposits. That would prevent undue or undesirable interference with the trading requirements of the period. There was everything in the judicious administration of the Bill, and he apprehended that the Government would not unduly compete with existing financial institutions.

Mr. HARDACRE did not see how they could get either £500,000 or £1,000,000, seeing that the Government Savings Bank fund only amounted to £215,000; but of the two he was in favour of the smaller amount. He still held that the objection he had urged on the second reading of the Bill was well founded. He found that the Government Savings Bank Act of 1870 provided that two-thirds of the money in the bank might be invested in Government debentures or

Treasury bills, and that the remaining third should be retained in the hands of the Treasurer, and placed to his credit in an open account for carrying on the ordinary business of the bank. That was a wise safeguard for the stability of the institution, and there was a similar provision in the Treasury Notes Act, which stated that the amount of coin held by the Treasurer should never be less than one-fourth of the total amount of Treasury notes in circulation. It seemed to him that there would be some danger in taking the cash out of the savings bank and putting it in what was to some extent a fixed investment.

The COLONIAL TREASURER said he did not think the hon. member quite understood the matter. Supposing there was a sum of £215,000 cash in the savings bank, still if all the depositors came to-morrow they would have to get their money, but if they invested it in stock the money would never go out of the bank. There was a sum invested in Queensland debentures, and those debentures could be cancelled, and a new debt created by the savings bank stock, so that the transaction would simply be a conversion from one into the other.

Mr. HARDACRE said there would be no harm in converting one into the other, but if that was the whole object, what was the benefit of the Bill? They had certain Treasury bills to meet next year, and the two following years—

The COLONIAL TREASURER said he would again try and make the hon. member understand the position. The savings bank had about £340,000 in 6 per cent. debentures, which would mature at the end of next year, and would it not be a good thing for the colony if they were converted into 3½ per cents.? There was another large sum in Treasury bills at 4 per cent.; and if they could induce depositors in the savings bank to take out their money and buy savings bank stock, that would also be a saving in the matter of interest. The whole thing amounted to this: that they would cancel one stock and issue another bearing a lower rate of interest.

Mr. HARDACRE said the Bill did not provide for converting savings bank money into debentures, but as long as the proviso in the Savings Bank Act was acted upon there was no objection to converting the moneys in the bank into stock. If, however, that was the intention, why not offer the stock to the general public, and not confine it to depositors in the savings bank?

The COLONIAL TREASURER replied that the savings bank was open to the general public. No class was debarred from putting money into the savings bank. If the hon. member read clause 8 he would find that the money might be used for the purpose of any Government debentures, Treasury bills, or inscribed stock. There was £600,000 in Treasury bills in the colony, for which the money might be used as well as for inscribed stock in London.

Mr. CROSS said if the clause had created creditor a medium of exchange instead of interest-bearing stock, everybody should be allowed to come in, and the Bill should provide that the Government Savings Bank should be the only bank taking interest-bearing deposits. People who wanted to invest money would prefer savings bank stock bearing 3 per cent. with a State guarantee, to 4½ per cent. or 5 per cent. in existing institutions. The Bill, by locking up money from circulation, would very seriously affect the credit of other institutions and the prosperity of the colony. He did not want to back up those institutions, as he was opposed to the system upon which they were built; but still they had to consider the interests of the colony as well as the interests of the Treasury. It had been said that the public might buy any amount of stock through

the savings bank, but that was where the danger came in. The Bill did not create credit, which was what they wanted. It really provided for paying interest upon a large sum of money which was not interest-bearing at present in the savings bank, but which would be interest-bearing if transferred to the savings bank stock account. The present arrangement deterred people from allowing money to be idle, and tended to force it into circulation, which was what the colony wanted. The Treasurer was actuated by a desire to relieve himself of certain pressure in regard to Treasury bills and Government debentures. If the savings bank was the only bank taking interest-bearing deposits, there would be no objection, but under the present arrangement the Bill would be injurious to the colony.

Mr. STEVENS hoped the Premier would stand by what he had said. His (Mr. Stevens) reason for thinking a smaller sum than £1,000,000 should be sought for by the Government was that the larger might interfere with certain banks. He hoped the Government would accept £500,000.

Mr. DUNSFORD hoped the Premier would stand by the £1,000,000. The money would not be locked up; but this stock would attract money that was now locked up in private banks. There would be no increase in the amount of stock, because as this was taken up other stock would be cancelled, whether it was in the shape of Treasury bills, Government debentures, or inscribed stock. But there would be an increase in the amount of interest paid to local residents, and a decrease in the amount of interest sent out of the country. He welcomed the measure, and hoped the Premier would keep the amount at £1,000,000.

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

On clause 4, providing for the payment of interest at a rate not exceeding 3½ per cent.,

Mr. FISHER thought it would be better to fix the rate at 3 per cent. than to leave it indefinite, because people who invested in debentures wanted to know exactly what return they might expect.

Mr. CROSS was rather surprised at the hon. member for Gympie suggesting that the rate should be fixed at 3 per cent. for fifty years; and he thought that every effort should be made to bring the rate down to a vanishing point. He hoped to see the day when nobody would be able to get more than 1 per cent. interest.

The Hon. B. D. MOREHEAD: You will be in a very hot place then.

Mr. CROSS said that if there was a hotter hell anywhere than there was for the people who were crushed down with the burden of interest the hon. gentleman might go and test that place himself. The bearing of the clause would have a detrimental effect on the existing financial institutions, and he was surprised that the hon. member for Bulimba did not continue to sound his warning note against its operation. He trusted that the rate would not be fixed.

Mr. RAWLINGS thought that 3½ per cent. for fifty years would be too high. Twenty years ago the Government had to pay 5 or 6 per cent., and thirty years hence money would not be worth more than 2½ per cent. in Queensland. It would be just as well to lower the rate, and he would move that the words "and one-half" be omitted so that the rate should not exceed 3 per cent.

Mr. KINGSBURY hoped the hon. gentleman would not persist with his amendment, because the next clause provided for that. If in the future 3½ per cent. was too high a rate to pay, they would be able to get a premium for the stock. There was no use making provision for fifty years ahead, and asking people to lend them money at 3 per cent. when their money

was worth more. No Australian Government had yet floated a loan for 3 per cent., and it was not likely we could.

Mr. RAWLINGS said that he had understood the Bill had been introduced to give the people who had the £70,000 in the savings bank, on which they were getting no interest, an investment for their money, and 3 per cent. was enough to give them.

Amendment put and negatived.

Clause passed as printed.

On clause 5—"Issue of stock"—

The COLONIAL TREASURER moved that the word "fifty" be omitted, with the view of inserting the word "ten."

Amendment agreed to.

Mr. HARDACRE urged upon the Treasurer the necessity for making the debentures saleable to the general public instead of insisting on the whole thing being done through the savings bank. That would restrict the operations of the Act. If the funds of the savings bank were invested in debentures, they could not invest the funds twice over. Either they would have a large amount of cash lying in the funds or else the transactions would be largely paper transactions.

Mr. FISHER said he would like to have a clear understanding before the clause passed regarding the surrender of the debentures in cases of necessity. There was not the same market for stock in Brisbane that there was in London, and, if people were forced to sell, the debentures might not bring the proper market value.

The COLONIAL TREASURER said that the matter could be provided for by regulation. If a person owned £100 worth of debentures, and he required £50, he might go to the savings bank or the Treasury and leave his certificate of scrip for transfer to the next depositor wishing to purchase stock. The next applicant for investment could get that scrip transferred to him. The Government would bring the man who wanted to sell and the man who wanted to buy the stock together.

Clause, as amended, put and passed.

Clauses 6 and 7 put and passed.

On clause 8—"Application of moneys invested in stock"—

The COLONIAL TREASURER thought that was a complete answer to the hon. member for Woothakata, who characterised the Bill as a way of raising money. The Bill would not raise any money. When the Government did want to raise money for public works and the time came for it, they would call for offers in the open market, and not attempt to do it by any side wind. If they could not get money or good terms they would carry on without it.

Clause put and passed.

On clause 9—"Stock certificates"—

Mr. LEAHY asked what kind of stock the Treasurer intended to issue—inscribed, registered, or debenture stock?

The COLONIAL TREASURER: Inscribed stock.

Mr. LEAHY said there were no certificates for inscribed stock.

The COLONIAL TREASURER: Yes, there are.

Mr. LEAHY said that Coghlan, in his work, said that there was no necessity for certificates. [The hon. member quoted from the work in question to prove his contention.]

The COLONIAL TREASURER said there was nothing in what the hon. member had read. The savings bank in London issued inscribed stock in exactly the same manner as he proposed to do it. The certificate was practically valueless. It was only a document to show that the party owned a certain amount of inscribed stock. How the hon. member could have any doubt on

the matter he did not know, seeing that clause 7 provided for the issue of inscribed stock and the keeping of a register for that purpose.

Mr. LEAHY said he had simply risen for information, and he had given an authority to show that there was no necessity for certificates.

Mr. JACKSON asked whether it would be better to buy stock in Queensland or in London?

The COLONIAL TREASURER thought it would be advisable to buy up the £600,000 worth of Treasury bills which had been issued here. £223,000 of that belonged to the Government Savings Bank.

Clause put and passed.

Clause 10 passed as printed.

On clause 11—"Regulations"—

Mr. FISHER thought it would be well if the Bill provided for an annual report to be made of the proceedings taken under the Act. It was always wise that Parliament should be advised regarding financial transactions.

The COLONIAL TREASURER said the Auditor-General would deal with the matter in his annual report; but he had no objection to introducing a clause of that nature.

Mr. LEAHY said the 3rd paragraph of the clause related to the issue of stock certificates to replace certificates lost, mislaid, or destroyed. Last year, in the Treasury Bills Act, it was provided that in the event of a Treasury bill being lost the loss had to be proved before a judge of the Supreme Court before a fresh bill was issued. Were they about to introduce some new system?

The COLONIAL TREASURER said the clause gave power to the Governor in Council to make regulations to that very effect.

Mr. FISHER again urged the insertion of a new subsection, providing that an annual report of all transactions under the Act be laid before Parliament.

The COLONIAL TREASURER said the last paragraph of the clause was general enough for anything. It stated that regulations might be made "for all such purposes as may be necessary for carrying into effect the provisions of this Act, and for the efficient administration thereof."

Mr. RAWLINGS supported the suggestion of the hon. member for Gympie. Members wanted to know what the actual transactions under the Act were. New members especially did not care to put questions or ask for reports. The answers given were not always straight answers. Sometimes they were so flippant and insulting that a man not used to that sort of treatment felt sat upon and did not get up again for a week or two.

Mr. HARDACRE thought the Bill should be gone on with, and re-committed to-morrow for the purpose of inserting a new clause, providing for an annual report to Parliament.

The SECRETARY FOR WORKS said there was no necessity for a special clause for the purpose. Every year the Treasury returns, which were put before the House, gave a list of all the savings bank transactions; and the transactions under the Act would be included amongst them.

Clause put and passed.

On clause 12—"Forging, etc., stock certificates to be felony—penalty"—

Mr. FISHER said, referring to the penalty, he was not a believer in solitary confinement, and it was a standing grievance of his that such a severe penalty was so often inflicted. Hanging outright was, in his opinion, a more merciful punishment. He moved that the words "and with or without solitary confinement" be omitted.

The COLONIAL TREASURER hoped the amendment would not be accepted. The hon. member had brought the same matter forward several times before, and what was the use in persisting in a thing the hon. member knew the

House was against. Then they should not omit the words from one Act, and allow them to remain in a dozen other similar Acts.

Mr. DANIELS supported the amendment. A judge under the clause would have the power to pass a sentence of penal servitude for life upon a man one morning, and the next morning deal with another man for a similar crime by a sentence of two years and let him out under the Offenders' Probation Act. It was a question of digestion, and if the judge's liver was in bad order it would be a bad thing for the prisoner.

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

AYES, 17.

Messrs. Nelson, Philp, Barlow, Byrnes, Dalrymple, Tozer, Morehead, McMaster, Leahy, Kingsbury, Smith, Cadell, Battersby, Watson, Midson, Chataway, and Stephens.

NOES, 14.

Messrs. Fisher, Cross, Daniels, Dawson, Dunsford, Hardacre, McDonald, Reid, Jackson, Turley, Boles, Bell, Kerr, and Ogden.

Resolved in the affirmative.

Clause put and passed.

Clause 13—"Saving of rights"—and preamble put and passed.

The House resumed; the CHAIRMAN reported the Bill with amendments, and the third reading was made an order for to-morrow.

RECONSTRUCTED COMPANIES BILL.

SECOND READING.

HONOURABLE MEMBERS: Adjourn!

The ATTORNEY-GENERAL (Hon. T. J. Byrnes): I have not the slightest wish to press the second reading of this Bill now, but I have only a few words to say, and if any hon. member desires to speak on the second reading, but not to do so to-night, there is a very simple way by which they can accomplish their object. The object of the Bill is to facilitate the carrying of the reconstruction schemes of the companies contained in the schedule, and which were compelled to reconstruct during the last financial crisis which passed over Australia. An Act of this sort has been passed in Victoria and another in New South Wales. All the companies mentioned in the schedule of this Bill trade in the other colonies, and there are certain conditions attached to their trading which are very much facilitated by a measure of this nature. The 3rd clause really means that the assets of an old company shall vest in the new company which is formed to take up its business. The 4th clause provides that in all mortgages and other instruments, without any transfers, the new company is to be registered instead of the old one. That is to avoid the necessity of a number of documents which might otherwise have to be issued and executed in order to enable the properties to pass from one to the other. All actions started against the old companies are to be continued against the new companies. There is a special Act which provides that bankers' books may be received in evidence in certain proceedings, and the 6th clause provides that that shall apply to the new companies as well as the old ones, the books of the old companies to be deemed to be in the possession of the new companies. If any company is omitted from the schedule it can be included under clause 7. I have heard of a building society in Maryborough which had to form a new company, and which wants to come under the Bill, but of course I would have to know the circumstances before I could say whether it should be included. Probably some hon. member may be able to give some information on the subject. That is the whole of the Bill; and I beg to move that it be now read a second time.

Mr. FISHER moved the adjournment of the debate.

Question put and passed; and resumption of the debate made an Order of the Day for to-morrow.

The House adjourned at four minutes to 11 o'clock.