

Queensland



Parliamentary Debates
[Hansard]

Legislative Council

THURSDAY, 12 NOVEMBER 1896

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LEGISLATIVE COUNCIL.

THURSDAY, 12 NOVEMBER, 1896.

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

SUSPENSION OF STANDING ORDERS.

The POSTMASTER - GENERAL: The motion of which I gave notice yesterday was—

That so much of the Standing Orders be suspended as will admit of the passing of Bills through all their stages in one day.

With the permission of the House I will amend it so that it will read—

That so much of the Standing Orders be suspended as will admit of the passing of a Bill to authorise the temporary guarantee by the Government of certain deposits in the Queensland National Bank, Limited, and for other purposes connected therewith, through all its stages in one day.

I need not remind hon. members that when a question of this character comes up, if action is sanctioned, it must be prompt and decisive. I need say no more at present.

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

The PRESIDING CHAIRMAN; I shall resume the chair at half-past 4 o'clock.

At 4:30 o'clock,

The POSTMASTER-GENERAL: I respectfully suggest that, in the present state of business elsewhere, we might ask the Presiding Chairman to resume the chair at half-past 7. In doing so I think I shall be consulting the convenience of hon. gentlemen.

The PRESIDING CHAIRMAN: I shall resume the chair at half-past 7 o'clock.

At 7:30 o'clock,

The HON. W. H. WILSON laid on the table, by command, report of the committee appointed to ascertain the affairs of the Queensland National Bank, Limited.

The paper was ordered to be printed.

The HON. W. H. WILSON: As the business we expect from another place is not likely to be here before 9 o'clock, I suggest that the Presiding Chairman should resume the chair at that hour.

The PRESIDING CHAIRMAN: I shall resume the chair at 9 o'clock.

At 9 o'clock,

The HON. W. H. WILSON: I regret that the business we expected from another place has not progressed so far as to enable us to deal with it. I suggest that the Presiding Chairman should resume the chair at 10 o'clock.

An HONOURABLE MEMBER: Why not make it half-past 10?

The HON. C. H. BUZACOTT: Would it not be better for us to adjourn until half-past 9 in the morning?

The HON. W. H. WILSON: No.

The HON. C. H. BUZACOTT: Having seen the report of the committee, we have the advantage of all the information the other House possesses, and I suppose we are all satisfied that what is proposed to be done is the only thing to be done. I was up at 6 this morning, and it seems a long time to remain here till midnight unless there is a real necessity for it. I only make the suggestion. I will do anything the House desires.

The HON. A. H. BARLOW: I would point out to the hon. gentleman that if an adjournment is made till half-past 9 in the morning, the object of the Bill may be to a certain extent defeated, because the fact of its having received the Royal assent would not appear in the morning papers.

The HON. A. C. GREGORY: I think if we adjourn from hour to hour it will be most convenient. If we adjourn till half-past 10, and the Bill comes up at 10 it would be so much time lost.

The HON. W. FORREST: I agree with the Hon. Mr. Gregory. I think to adjourn from hour to hour would be wiser than to adjourn till half-past 10. I hope all present will remember that we are here to perform a great public duty, and that an hour or two's loss of sleep is not a thing to be taken into consideration. I will stop up all night if required.

The Hon. P. MACPHERSON: Hear, hear! So will I.

The HON. W. H. WILSON: The reason I mentioned 10 o'clock was with the desire of not losing any time. Supposing the business came up at 10 o'clock, and we had adjourned till half-past 10, we should lose half an hour. If we adjourn from hour to hour it will be much more convenient, and we shall have an opportunity of doing business in case the Bill passes through the other House.

The PRESIDING CHAIRMAN: I shall resume the chair at 10 o'clock.

At 10 o'clock,

The HON. W. H. WILSON: I regret to say we are still without the promised Bill from another place, and I must again suggest an adjournment for an hour. I am very sorry, but circumstances are such that I cannot do otherwise.

The HON. P. PERKINS: Can the hon. gentleman say, within measurable distance, what time he expects the Bill to be here? I am ready and willing to do everything I can to assist the Government in this matter, but I am sure an hour's adjournment is not enough, judging from the complexion of matters in another place.

The HON. W. H. WILSON: I am in the hands of the House, but I do not wish to lose time. If at 11 o'clock the Bill comes up, it would be a pity if we had adjourned till half-past. I think hourly adjournments under such circumstances are the best thing we can do. However, if hon. gentlemen desire to adjourn till 12 I am quite willing.

The PRESIDING CHAIRMAN: I shall resume the chair at 11 o'clock.

At 11 o'clock,

The PRESIDING CHAIRMAN: I understand that the business expected to have been received has not yet come forward; and, as I think it was understood that we should adjourn from hour to hour, I shall resume the chair at 12 o'clock.

At 12 o'clock,

The PRESIDING CHAIRMAN: I understand that we are still in the same position with regard to the expected business; but there is a probability of the Bill coming forward before long. Will it meet the views of hon. gentlemen if we meet again in half an hour?

HONOURABLE MEMBERS: Hear, hear!

The PRESIDING CHAIRMAN: I shall resume the chair at half-past 12 o'clock.

At half-past 12 o'clock,

The PRESIDING CHAIRMAN resumed the chair.

QUEENSLAND NATIONAL BANK, LIMITED, GUARANTEE BILL.

FIRST READING.

This Bill, received from the Assembly, was read a first time.

SECOND READING.

The HON. A. H. BARLOW: In moving the second reading of this Bill I am sure that after the advantage which some hon. gentlemen have had of listening to an exposition of the matter by a far abler man than myself, it is not necessary for me to say very much. The foundation of the Bill is in the 22nd paragraph of the report submitted by the committee appointed to inquire into the affairs of the Queensland National Bank. Hon. gentlemen are aware of the circumstances under which this committee, consisting of four very able gentlemen, was appointed. Their report was laid on the table to-day, and is in the hands of hon. members. In the 22nd paragraph of that report the members of the committee say—

"After careful consideration of many schemes we have decided to offer what appears to us to be the most practical suggestion, since it is based upon a clear recognition of the facts. To prevent the stoppage of the bank, to avert what most people would regard as a public disaster, and to enable the shareholders, the holders of the deferred deposit receipts, and the Government to decide upon a future course of action, we have resolved, notwithstanding our strong aversion to any form of State guarantee, to recommend the Government to guarantee temporarily the balances at credit of current accounts, and also such of the new fixed deposits as may mature during the same period."

I have had some acquaintance with the affairs of the Queensland National Bank, and I believe the committee have done their work honestly and fairly, and have disclosed the whole truth. I do not take the pessimist views of these things which some people do. Hon. members will see from

the balance-sheet attached to the report that a very slight recovery in the affairs of the colony will rehabilitate to a very large extent this immense concern. By figuring it out hon. gentlemen will see that a recovery of 4s. 9d. in the £1 in the assets will not only cover all the balance of deficiency mentioned in the statement, but rehabilitate the whole of the share-capital and reserves. Supposing we treat the share-capital and reserves as entirely gone, a recovery of only 2s. 9d. in the £1 will put the whole thing on a balance. Surely that is not a state of affairs which should cause us to be depressed and frightened and panic-stricken. At the same time I do not underrate the serious nature of the case, or the necessity for the legislation which the Government has seen fit to introduce, and which they have successfully carried through in another place. You will agree with me that it is a proper policy to secure the current account holders, to prevent the bank being depleted of its most convertible resources, and to give breathing time during which the matter may be rearranged and the whole transaction put upon a proper footing. I am occupying this position to-night at the request of my hon. friend the acting leader of the House, as Mr. Thynne has gone to Sydney. I do not think I can say any more than I have said. Hon. gentlemen have thoroughly studied the matter, and have heard the debates in another place, and I now move that the Bill be read a second time.

The HON. A. C. GREGORY: I have had an opportunity of studying the report of the committee appointed to inquire into the affairs of the Queensland National Bank, and the Bill now before us. The exigencies of the case are such as to demand some very decided measure, and I think the Government are to be commended for the way in which they have brought this forward at once and pressed it through, without undue expedition in the conduct of business. At this hour it is not necessary that I should say any more than that I heartily concur in the principles of the Bill and the way in which it is framed, and also with the manner in which the evidence in support of the Bill has been formulated by the committee.

The HON. P. PERKINS: I concur in everything the Hon. Mr. Barlow has said with regard to this Bill, but I would like to have seen the report a little earlier. People in the street, of course, knew the report before it came out. When I was asked why we had not the report, I said that if it had been put upon the street yesterday there would have been a run upon the bank. That is the reason I have waited here to-night. The Queensland National Bank has done a lot for Queensland, whatever she may have done for herself. Of course, the shareholders have got to suffer. There may have been mismanagement, but there is no use in referring to the past. There is the institution now, and it is one of the big institutions of Queensland, and if £800,000 will prop it up, I think this should be done. We shall have ample security for that amount. Is that not so?

The HON. A. H. BARLOW: I believe so.

The HON. P. PERKINS: Then it would be a pity to refuse it. The wheel may turn and things come round, and the bank has splendid properties in different parts of the colony. No doubt the report we have received is a correct report, and the gentlemen who made it have been painstaking in endeavouring to ascertain the true state of affairs. I have much pleasure in supporting the second reading.

The HON. C. H. BUZACOTT: At this hour I will only say a few words. I heartily agree with the action taken by the Government. With the responsibility which lay upon them they would

have merited censure if they failed to do what they have done. I was sorry to see the alterations made elsewhere, as the Bill would have been in every way better if it had passed in another place in the form in which it was introduced. It was only a question of £57,000, I understand; and as the deposits affected were made since the reconstruction that money was just as much a matter which ought to be dealt with as the amount involved in the current account deposits. We have had the opportunity of reading the report of the committee of inquiry and hearing the debate on the Bill elsewhere; but we do not commit ourselves by approving of this Bill to anything in the report except the 22nd paragraph. I congratulate the Government on their action, and I hope that any further legislation they may introduce will be equally satisfactory.

The HON. F. CLEWETT: I look upon this question from the point of view of the value this institution is to the colony; and I think the Government are to be congratulated on the manner in which they have dealt with the question. I also approve of the manner in which it has been disposed of in another place; at the same time I agree with the Hon. Mr. Buzacott in thinking that it was not an improvement to eliminate the fixed deposit accounts from the provisions of the Bill. I think the guarantee will have the effect of preserving the business of the bank from the disastrous effects which the publication of this report might have been expected to produce if this business had not been conducted in the manner in which it has been to-night. Considering the position the bank has occupied with regard to the business of the country for many years, it is entitled to a very great deal of consideration, and I am glad that the Government have taken the stand which they have taken, and decided to afford the relief which is necessary to place the bank in a satisfactory position, and to protect the interests of the depositors. The business transacted by this bank is nearly half the banking business of the country, and if its business were allowed to get into a condition unsatisfactory to its customers the result would be very disastrous. With regard to the limit of the guarantee, I think that it was right to fix the term at twelve months, but I think power should be taken to extend it for a further limited period if required. I think the guarantee will have the effect of preserving the bank in a satisfactory condition, and continuing that confidence which is necessary to protect its customers.

The HON. W. FORREST: At this hour I will not detain the House very long, but I would like to briefly express my views on the Bill. I think I can give a tolerably unprejudiced opinion, because I am not a shareholder, I owe the bank nothing, and it owes me nothing. I am well acquainted with the immense ramifications of the business of the bank, and how it extends to almost every industry of the colony, particularly the mining industry; and I cannot conceive a greater calamity than for that institution to close its doors. I concur with what has fallen from the Hon. Mr. Buzacott about the fixed deposits, and regret that they have been eliminated from the Bill in the other Chamber, because the fixed depositors who put their money into the bank since the reconstruction of 1893 are not in the same position as those who were in the bank before then. If there is a reconstruction on the lines recommended in the report, I have no doubt that, under proper management, those depositors—who, in fact, become the shareholders—will get back every farthing of their money, and it will prove to them a valuable investment, because there are the elements of a splendid business in the Queensland National Bank as the colony

revives. I cannot help saying that it is a matter for regret that this legislation is required. At the same time it is a matter for congratulation that the legislature has risen to the occasion, and I have very much pleasure in supporting the second reading of the Bill.

Question put and passed.

COMMITTEE.

The several clauses of the Bill were passed without amendment.

THIRD READING.

The HON. W. H. WILSON: I move that the Bill be now read a third time.

The HON. W. FORREST: I should like to make a remark which I forgot to make on the second reading, to show the advantage of a guarantee. The liabilities of the Queensland National Bank are simply a drop in the bucket compared with those of Baring Bros., whose liabilities were guaranteed by the Bank of England and other banks, and a great financial crisis thereby averted. In the end everybody was paid, and there was a large surplus.

Question put and passed; and the Bill was ordered to be returned to the Assembly.

ADJOURNMENT.

The HON. W. H. WILSON: I move that the House do now adjourn. In doing so I have to thank hon. members, on behalf of the Government, for the attention they have given this very important Bill. It is not usual for us to sit so late, but I think we have done our duty to the country.

Question put and passed.

The House adjourned at 1 o'clock.