

Queensland



Parliamentary Debates  
[Hansard]

**Legislative Assembly**

**WEDNESDAY, 25 NOVEMBER 1896**

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## LEGISLATIVE ASSEMBLY.

WEDNESDAY, 25 NOVEMBER, 1896

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

### APPOINTMENT OF AGENT-GENERAL.

The PREMIER said: I beg to lay on the table a copy of the *Gazette* Extraordinary of this day's date, notifying the appointment of Sir Henry Wylie Norman as Agent-General in London.

HONOURABLE MEMBERS: Hear, hear!

### RAILWAYS ACT AMENDMENT BILL.

On the motion of the SECRETARY FOR RAILWAYS, it was formally agreed—

That the House will, at its next sitting, resolve itself into a Committee of the Whole to consider the desirableness of introducing a Bill to amend the Railways Act of 1888, and for other purposes.

### THIRD READINGS.

On the motion of the HOME SECRETARY, the following new Bills were read a third time, passed, and ordered to be transmitted to the Council for their concurrence:—

Public Service Bill;  
Inebriates Institutions Bill; and  
Brisbane Traffic Act Amendment Bill.

### NEW BILLS.

The following Bills, the desirableness of introducing which had been affirmed in committee, were read a first time, and the second readings made Orders of the Day for to-morrow:—

Navigation Act of 1876 Amendment Bill;  
Municipal Council of Brisbane Debentures Bill.

### COMPANIES ACTS OF 1863 TO 1893 AMENDMENT BILL.

#### INTRODUCTION.

The ATTORNEY-GENERAL moved, in committee, "That it is desirable to introduce a Bill to amend the Companies Acts, 1863 to 1893."

The HON. J. R. DICKSON asked the Attorney-General if he would kindly state what the object of the amendment was? He had omitted at an earlier period to ask for similar information in connection with other Bills, but he thought it advisable that the hon. gentleman should make a few brief remarks as to the scope of the Bill.

The ATTORNEY-GENERAL: The object of the Bill was very simple; it was not worth while to raise a discussion upon it. The object was to enable a company to meet its creditors without having a petition presented against it, or without being wound-up. It was an adaptation of similar Bills passed in Victoria and New South Wales.

Mr. McDONALD: It was just as well to tell them at once that it was for the Queensland National Bank.

The ATTORNEY-GENERAL: It is not for the Queensland National Bank.

Mr. McDONALD: In spite of what the hon. gentleman said, if the Queensland National Bank had not been in trouble at the present time, they would not have had this amendment brought down at such a late period of the session. Why not come down straight and tell them it was for the Queensland National Bank?

The ATTORNEY-GENERAL: I am perfectly straight. It is not for the Queensland National Bank. It may be for any company under the sun.

Mr. McDONALD: They quite understood it might be for any company, but that did not alter the fact.

The ATTORNEY-GENERAL: You might as well say it was done in Victoria for the Queensland National Bank.

Mr. McDONALD: It was done in Victoria for certain financial institutions that got into trouble.

The ATTORNEY-GENERAL: It was a matter of great importance to all companies. Companies which had been reconstructed had been embarrassed by having to go through certain forms which had been a source of delay and great expense. He was trying to remedy that. He had had the Bill on the stocks ever since the beginning of the session.

Mr. McDONALD: It was a very extraordinary thing if that was so that the hon. gentleman had not discovered such legislation was necessary when other banks were reconstructed. Three years ago a number of banks closed their doors. Why was the Bill not introduced then? If it was absolutely necessary to save those institutions from legal expense, which was a very good thing, there was ample time to

do it during the suspension of the various banks in 1893. He had noticed when urgent legislation was necessary the other side could manage to pass it in very short time, and they could have done what was necessary at that particular time.

The ATTORNEY-GENERAL: Nobody thought of it in 1893. I am only bringing our legislation up to date.

Mr. McDONALD: It just shows how the Queensland National Bank has quickened up the memories of some people.

Question put and passed.

The House resumed; the CHAIRMAN reported the resolution, and it was agreed to.

#### FIRST READING.

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

### QUEENSLAND NATIONAL BANK AGREEMENT BILL.

#### INTRODUCTION.

The TREASURER, in moving, in committee—

"That it is desirable to introduce a Bill to authorise the Treasurer to enter into an agreement or agreements with reference to any moneys due and owing, or to become due and owing, by the Queensland National Bank, Limited, to the Government—

said: He desired now to make a few remarks in reply to what had been said yesterday. The occasion yesterday was, he thought, rather premature, but this was the proper time for hon. members to say what they have to say in regard to the introduction of a Bill of this sort. The question before them was simply whether it was desirable to introduce a Bill for this purpose, or whether they should introduce no Bill at all and let things remain as they were. What was stated last night was to the effect that it was very desirable, in the interests of the colony, that some further investigation ought to be made into the affairs of the bank. That entirely coincided with what the Government have already done up to the present time. When the members of the committee who had sent in their interim report were appointed, the reference made to them was of the very widest character. He knew that had been cavilled at, but he took the precaution any ordinary business man would take of reading over the letter before he handed it to the committee, and of putting the question to them whether they considered it sufficiently wide to enable them to investigate the whole of the affairs of the bank. Having had an assurance from them that that was the interpretation they put upon it, he then gave them the letter, which had been printed, and which all hon. members of the House had read. The members of that committee—of course, the other side objected to everything—were denounced.

Mr. GLASSEY: Why do you say that?

Mr. McDONALD: Show it.

The TREASURER: He said it from the speeches made in that House. But he did not blame the other side very much for that.

Mr. McDONALD: They helped you out of your difficulty, at all events.

The TREASURER: He supposed that they took that course in case the report should not come up to their expectations. He was happy to say that since the report of the committee was tabled and read not only the members of that House but, he thought, all members of the community have been satisfied that the men appointed were not only capable but also honest, and they have given us a straightforward report.

HONOURABLE MEMBERS: Hear, hear!

The TREASURER: He had heard no one, since the report was introduced, say one word against them.

Mr. McDONALD: Did you before?

The TREASURER: Yes.

Mr. McDONALD: When? Tell us when. I gave them credit for all honesty when I spoke, but I merely mentioned that two of them were shareholders in the bank.

The TREASURER: The hon. member would have plenty of time to make a speech; he need not make one just now. In order to show what the intentions of the Government were at the time, he had only to refer to the correspondence which had been published, and which was in the hands of hon. members. The intentions of the Government were clearly stated there to any unbiassed and unprejudiced mind. The intention of the Government was that there should be a thorough investigation into the whole of the affairs of the bank. But, finding that to do that would take up such a great space of time as would preclude them from taking any action during the present session, he wrote to the committee on the 20th October calling their attention to that fact. What he said was this—

"As it is of the utmost importance in the interests of the colony that any unnecessary delay in the matter should be avoided, I would suggest that a report might be furnished which, while embodying your opinion as to the relative proportion between the liabilities and assets of the bank, might also, as far as possible, deal with the actual position of the bank at the present time, and contain the suggestions which you may desire to make as to the best course to be adopted by the Government in reference to the business and affairs of the institution for the future."

Of course that was the main thing they had to deal with—what is to be done with the institution for the future? The past might be usefully studied, but what they were really concerned with was: What was to happen in the future—what would be best for the bank, the country, and the Government from this time henceforth? The committee adopted his suggestion, and sent in their report on the 12th of this month. In their letter of the 23rd October, they said—

"The committee commenced work on the 3rd September, and the state of affairs on the 30th June—the latest date to which advices had been received from the London office of the bank—was considered as the most fitting for examination, verified by sales of securities since that time.

"We hope to furnish you, as requested, with some suggestions as to the best course to be adopted by the Government in reference to the business and affairs of the institution for the future; but it will be impossible in the time to report on the past management of the bank. This, if required, can be supplied in a separate examination."

That showed that the committee understood that their instructions were to examine into the past management of the bank, but they said that to do so would require a considerable space of time, and that, if required, a report can be supplied on a separate examination.

Mr. TURLEY: "If required." Go on.

The TREASURER: If required it "can be supplied in a separate examination." But that showed, as the hon. member for South Brisbane must admit, that it was part of their instructions to inquire into the past management of the bank if they chose to do so. They simply said they did not do so, because he had asked them to report in the interim as to what the future arrangements of the bank ought to be, which they had done. The committee was still in existence; he had not yet thanked them for their services to the country.

Mr. DAWSON: Are they still investigating?

The TREASURER: No. They said that if required to do so a report could be supplied on a separate examination. He only mentioned this to show what the intentions of the Government were when the first instructions were given to the committee, and it must be admitted that the instructions were ample—that they covered the

very widest scope of investigation. The committee were perfectly untrammelled as to the extent of the investigations they might make, and that was the light in which they understood their instructions at the time. Since that time the hon. member for Bundaberg asked him the following questions in the House on the 18th instant:—

"1. Has any action been taken by the Government to empower the committee recently appointed to examine the position of the Queensland National Bank, Limited, or other persons, to further investigate and report on the affairs of that institution, having special regard to its management since the date of the first agreement between the Government and the bank in 1879 up to the 31st of August, 1896?

"2. If not, is it the intention of the Government to take such action as will secure such an investigation?"

His reply was as follows:—

"No further instructions have been given, nor is it deemed advisable to take action in the direction indicated, until the views and wishes of the shareholders and depositors have been intimated to the Government."

That appeared to him to be a reasonable thing. The Government were not in possession of the bank at the present time. The bank so far had made no default; it had carried out its engagements, and any unnecessary prying into its affairs might do the institution a great deal of harm.

Mr. McDONALD: What?

The TREASURER: It would do any bank, even the soundest bank in the world, a great deal of harm.

Mr. TURLEY: Is this a sound bank?

The TREASURER: Any hon. member who knows anything about banking must know that to have an investigation into the affairs of any bank would at once to a large extent destroy the credit of that bank, even if it were a perfectly sound bank, especially if they had two investigations one after another.

Mr. TURLEY: The committee reported that this bank had no credit.

The TREASURER: The hon. member should stick to facts. What the committee said was this credit was an asset without which no bank can live.

Mr. McDONALD: Go on.

The TREASURER: Yes. The committee further said—

"It has been lost by the present bank—"

Mr. McDONALD: Ha, ha!

The TREASURER:

"but it would be restored under the new proprietary. New business would be attracted by the margin of security offered to the public since the bank would not be resting on an artificial prop, but would stand secure on its own resources."

Mr. TURLEY: That shows that the credit of the bank is lost.

The TREASURER: It might be a laughing matter with hon. members opposite, who had no stake in the country, but to people who had a stake in the country, who had property, and who were trying to establish industries in the colony, it was a very much more serious matter. Hon. members opposite might think they were very big, because they could laugh at a large institution of this sort, and think that they had been the means of pulling it down.

Mr. TURLEY: We deny that. We have been the means of keeping it up.

The TREASURER: He had read the answer he gave to the hon. member for Bundaberg, and so far they held good. Two investigations into the affairs of any bank must necessarily do that bank some amount of harm, at least for a time, but an investigation might ultimately be the means of building a bank up. Under the circumstances he naturally felt a good deal of diffidence in giving further instructions to the committee to make a longer investigation into the past

history of the bank. He had to consider other people who were interested in the bank as well as the Government, and who might naturally have something to say in the matter; and if they kept on investigating this bank for ever they might just as well put it at once into liquidation. At present they had no power to do that, because, as he had already said, the bank was not at present a defaulter, but had met all its obligations up to the present time. Since then, however, he had taken every means in his power to consult all the parties he could get together who were interested in the bank as well as the Treasury, and, as far as he could ascertain, they were all in favour of a further investigation. He had consulted the bank authorities, and they courted investigation; and the shareholders, as far as he could ascertain, were also desirous of having a further investigation. Therefore, he had now no hesitation in making a promise that this committee, or at least two of them—for he did not think four were required, because it would take a considerable time—might be empowered to go on with a further investigation, and send in their report to him as soon as they could. To investigate all the previous business of the bank twenty years back, as the hon. member for Bundaberg required, would be a serious matter, and would require considerable time. To trace back even one account to discover whether the amount advanced was justifiable at the time it was made would require an investigation as to the value of the property at that time; if there was a further advance a year or two afterwards, further information would be required as to what change, if any, had occurred in the value of the property during that period—and so on through that account and through every other account. If what hon. members on the other side required—which he did not think was what the public required—was merely a statement as to the sum mentioned in the report as having been written down since 1893, amounting to something like £700,000, that could be got very quickly.

Mr. GLASSEY: We want something more than that.

The TREASURER believed something more than that was wanted. If there was a further investigation at all, it ought to be a thorough one.

HONOURABLE MEMBERS: Hear, hear!

The TREASURER: Under those circumstances he had no hesitation in giving his assurance to the Committee that such an investigation would be authorised, and that he hoped it would be commenced at as early a date as possible; but he did not see the slightest hope—he did not wish to mislead the Committee—of a report coming in during the present session.

Mr. GLASSEY: The statement made by the Treasurer was on the whole satisfactory. He was glad to know that the hon. gentleman had come to the conclusion that it was essentially necessary in the interests, not of one section or party, but of the country as a whole, that a further investigation into the affairs of the bank, more particularly relating to its management since the agreement was entered into between the bank and the Government in 1879, should take place; but he did not agree with him when he said that probably two members of the present committee would suffice. In that case probably he was anxious to drop the Auditor-General.

The TREASURER: I ought to have said, "The Auditor-General being one of the committee." I intended that.

Mr. GLASSEY did not want hon. members to misapprehend him. He was about to say that whatever member of the committee might not be called upon to act he hoped the Auditor-General would be one of those called upon to act.

The TREASURER: I quite agree with that.

Mr. GLASSEY: While there might be some difference of opinion with respect to the gentlemen who constituted the committee, he thought the manner in which they had discharged their duty reflected credit not only on themselves but on the whole community. That being so, he thought that if the Government agreed to allow the whole of the committee to act probably the work would be done much more expeditiously. Expedition was an element that should not be overlooked in connection with this matter, and it would not be unfair or unwise to ask the same gentlemen to act. He had read their report carefully, and believed he was expressing the sentiments of a large number of persons when he said that it reflected the highest credit on them. It was concise and lucid; it showed that the committee had acted generously and conscientiously; and he believed it was not too much to expect that when they entered into their fuller investigation we would have the same result from their labours. The Treasurer said it was a question whether we were to have a Bill or no Bill to deal with this institution. In the interests of the colony generally so far as the public funds were concerned, in the interests of the depositors, and in the interests of trade and commerce, it was desirable that a Bill should be introduced dealing in the most complete form with this institution, so far as could be done. If that Bill was not as satisfactory as it ought to be, it would be for the Committee in its wisdom to make it as complete and effective as possible; and he would be only too glad to render what help he could in preserving the interests he had mentioned. The Treasurer wished the Committee to understand that it was the intention of the Government, when the committee was appointed to go into the affairs of the bank, that they should make a thorough investigation from the time the agreement was made between the bank and the Government; but he took leave to differ from the hon. gentleman, and could assure him that the gentlemen forming the committee of inquiry—at least, some of them—did not believe anything of the kind.

The TREASURER: You are wrong.

Mr. GLASSEY: They believed their labours began with the accounts from the 30th June up to the time they prepared their report and no further.

The TREASURER: No.

Mr. GLASSEY: It would be just as well for the Treasurer to be candid. There was no intention that their labours should extend as far back as 1879. He had taken the opinions of some members of the commission themselves.

The ATTORNEY-GENERAL: Name them.

Mr. GLASSEY: He would not name them. He could only say that they did not think that their labours extended over the time he had mentioned. However, that was a matter that it was no use cavilling at now. The Government had come to the conclusion that the commission should go into the matter in the way stated by the Treasurer, and he had no more to say on the question, except that he was extremely pleased that the Treasurer had been good enough to make the statement he had that they were to have a complete and full and free investigation as to the working of this institution, especially into its past management, so that they might be able to saddle the responsibility where it ought to rest, and blame those who had brought about the painful and lamentable state of things that existed to-day.

The ATTORNEY-GENERAL: He did not wish to prolong the discussion upon this matter, but the hon. member had been so emphatic in his statements, although contradicted by the Treasurer, that it was never the intention of the

Government, in the instructions to the committee, that an inquiry into the past management of the bank should fall within the scope of their authority—that he rose for the purpose of distinctly contradicting the hon. member. The first letter of instruction to the committee and the words of their report showed that not only was direct authority given, but they understood they had power to go into the question of the management, and up to a certain point they did so. The second paragraph of their instructions read as follows:—

“As this investigation is being undertaken in furtherance of the public interests of the colony, I shall also be glad to receive any information which you may be able to convey in relation generally to the affairs or management of the bank.”

The words “management of the bank” could only refer to the past management. It must mean the course of management from the time the bank started as an independent institution. That was plain from the letter of instruction, and the committee went a certain distance in that direction, because they passed an opinion upon the question of management. In paragraph 17 they said—

“It is impossible to judge accurately as to the prudence or imprudence of past advances in the light of present events. In view of the severe financial crisis through which we have just passed, and of the large shrinkage in values in every species of security, it is clear that each case must be judged on its own merits. Some of the accounts which now show a loss might have had what would reasonably be considered good cover when the advances were first sanctioned. However that may be, we could not offer any reliable opinion on the management in the past, save as the result of prolonged and minute investigation.”

What did that mean? They understood that they were asked for the information, and the answer they gave was that they could not offer an opinion because they had not the time to make the necessary investigation. The concluding paragraph also showed conclusively that they did go into the question—

“But it must be obvious that grave mistakes have been made.”

They could not have come to that serious condemnatory conclusion without going into the question of past management to some extent. He could go further and give his personal statement upon the matter, because he knew something about these transactions, and the construction put upon the instructions; but the documents were conclusive; there was no denying the Treasurer's letter of instructions. Paragraph 17 showed as clearly as possible to any unbiassed mind that the committee adverted to the question of past management, and they found that they could not offer further reliable information without having further time to investigate. Any unbiassed person must come to the conclusion after reading paragraph 17 that the statement of the Treasurer was correct, and that the hon. member for Bundaberg had been misinformed upon this point. As the Treasurer reminded him, his contention was again proved by the last letter written by the Auditor-General, for the committee, to the Treasurer, dated 21st October—

“We hope to furnish you, as requested, with some suggestions as to the best course to be adopted by the Government in reference to the business and affairs of the institution for the future; but it will be impossible in the time to report on the past management of the bank. This, if required, can be supplied in a separate examination.”

That showed that the committee thoroughly understood that the Treasurer wished them to report upon that, and they gave as a reason for not doing it that they had not time. They said—

“This matter requires separate examination.”

Exactly so. The point was not whether the committee went thoroughly into the past management, but whether it was within the scope of

their instructions to do so. He contended that it was clearly within the scope of their instructions, and the report supported his contention.

Mr. GLASSEY would not attempt to measure swords with the Attorney-General upon a point of law, but he had no hesitation in giving his opinion upon the paragraph in this report, which he did not think would bear the construction put upon it by the Attorney-General. He repeated that the committee had no such instruction, nor did they ever believe they had. Whatever they might have thought was not a matter worth cavilling at, but it was as well to be fair, and some of the committee did not regard their instructions in that light. That view was borne out by the concluding part of paragraph 18—

“We have, therefore, decided to present you at once with the facts as to the position of the bank. If further information be desired on the question of past management, it can be made the subject of separate investigation.”

It was nonsense for the Attorney-General, merely because as an afterthought, after some pressure, the Government had come to the conclusion that after all it was as well to agree to this demand, to say that the letters of instruction covered the position.

The ATTORNEY-GENERAL: That is very mean. You abused the committee when we appointed it.

Mr. GLASSEY: He did nothing of the kind, and he was sure the Attorney-General would acquit him of any such action. He had stated, in the clearest language he could command, that after reading this report carefully he considered that it reflected the greatest credit upon the committee.

The ATTORNEY-GENERAL: You see it now. We saw it months ago.

Mr. GLASSEY: He dealt with them according to the result of their labours. It was no use saying the committee had these instructions long ago, because they said that if further information were required it should be found by separate investigation.

Mr. GROOM did not suppose that any report made by any committee of inquiry had ever excited more interest or been more generally read than the report of the committee which had reported upon the Queensland National Bank. He felt sure that not only those who were interested pecuniarily in the bank, but all those who took an interest in the welfare of the colony, were equally satisfied upon the one point—that the committee had discharged its trust in an admirable manner. He did not think that any doubt had been thrown upon their integrity in the matter, but it had been generally admitted that it was highly necessary that the inquiry should not stop where it had stopped, and the recommendation of the committee that if further investigation was necessary a separate examination should be made, had been endorsed by nine-tenths of the whole community. And how could they wonder at it? On the 31st December, 1892, the chairman of the Queensland National Bank, in presenting the half-yearly balance-sheet to the 31st December, 1892, said—

“There has not been any great change in the circumstances of the colony since I had the honour of addressing you six months ago; but there are signs which show that it is progressing in the right direction, that the material wealth of the country is increasing, and our efforts to turn its resources to account bid fair to be crowned with success.”

Yet four months after that the bank closed its doors. He would now quote from the *Bankers' Magazine* of 1893 the reasons given in London—not in this colony—to the depositors who had deposited £4,000,000 in this bank on the strength of the high reputation which the directors of the bank enjoyed, and which had made capture of the Government of Queensland and maintained

it for a number of years. At the meeting of shareholders and depositors held in London in July, 1893, Sir Edwin Dawes, chairman of the London board of directors, in explaining to the depositors the unfortunate position they were in, and asking them to accept the proposed scheme of reconstruction, said—

"Their books had been carefully examined by the Colonial Treasurer, who reported to the Queensland Parliament that he found the bank to be perfectly solvent. This reassuring information no doubt influenced the Government when bringing forward in Parliament the agreement which had since been entered into with the bank, under which the Government had conditionally consented to forego its priority of claim on the assets."

That was important information. He further went on to say—

"As regarded this institution and the colony of Queensland, as far as their information went—and he believed it to be accurate—the trouble they were now in had arisen from the withdrawal of deposits on this side from the timidity of depositors."

That was information for them, but nothing had been said about the statement that had been made in the colony that £2,000,000 of deposits were falling due in the course of a month or six weeks, and that they were to be withdrawn, and, rather than give those creditors a preferential claim, they had decided to close the doors of the bank.

The ATTORNEY-GENERAL: Money had been gradually withdrawn for twelve months before that.

Mr. GROOM: The balance-sheet issued on the 31st December, 1892, had not revealed any such fact. On the contrary, it stated that everything was of a reassuring nature. The chairman of directors, at the meeting of shareholders in January, 1893, went so far as to say, "The colony is on the upward grade." That was in January, 1893. The report of the meeting was published in vol. iv. of the *Bankers' Magazine* in London in 1893, with the half-yearly balance-sheet of the bank to the 31st December, 1892, in Brisbane, and to 30th September, 1892, of the London branch.

Mr. BROWNE: Does it show the withdrawals in England?

Mr. GROOM: Not a word is said about it.

The ATTORNEY-GENERAL: I know for a fact that withdrawals were being made. What is the use of talking about it?

Mr. GROOM: Surely such information would be made known?

MEMBERS on the Government side: No.

Mr. McDONALD: Then they deceived people, that is all.

Mr. GROOM: He hoped hon. members would keep cool and judge of the case from the facts; from the conflict of opinions they might arrive at the truth. The chairman of the bank stated that the affairs of the bank were on the upward grade. Just before that he said that the prospects of the sugar industry were most cheerful, and added—

"The meat export trade when placed upon a sound footing will be a great boon to the colony."

No doubt it would. He took a great interest in that question, and he was sorry that it was on anything but a sound footing yet. So that, so far as the statement of the Attorney-General was concerned, nothing had been said at the previous meeting of shareholders which would lead anyone to believe that there was any inclination on the part of depositors to withdraw their deposits, and there had not been the slightest intimation given of the bank closing its doors. Yet, in the following July, Sir Edwin Dawes, when asking the shareholders and depositors in London to agree to the scheme of reconstruction, stated that the information from Queensland was that the reason for the bank closing was the timidity

of the English and Scotch depositors. Now did the committee show that? What did they say? While they condemned the bank for having declared a dividend of 3 per cent. out of capital, they were not prepared to say how far prior to that no dividends should have been declared. Did not that expression on the part of the committee show that prior to 1893 things were in a very unsatisfactory state? It was not clear whether the committee understood that they were to inquire into the affairs of the bank prior to 1893, and the reason was obvious; it would strike any intelligent mind. Who investigated the accounts up to 1893? The Premier of the colony and a gentleman who had a well-deserved reputation for being a high expert in banking, and they assured the House of the solvency of the bank. With those assurances in their minds it was not probable that the committee went into the affairs of the bank prior to 1893, but it was as to the management prior to that time that an investigation should take place. Old colonists who had been in the colony prior to 1878 could assert that there had been repeated knockings at the Treasury door, and applications made for Government money to be placed in the bank. From that time the bank had absolutely lived upon public money; there was no use disguising the fact. He claimed to have as large a stake in the country as any man in that Chamber. All his family were in the colony; everything near and dear to him was associated with the colony, but he was not going to stultify himself and try to gloss over the real state of affairs in connection with this institution. People in the mother country had placed their deposits in the bank, and it was the manifest duty of Parliament to cause an investigation to be made. There was a moral obligation resting upon the colony in face of the fact that the committee recommended that the depositors should forego 7s. in the £1, and take the balance of their deposits as shares.

The ATTORNEY-GENERAL: Who asks them to do that?

Mr. GROOM: That was the recommendation in the report.

The ATTORNEY-GENERAL: No, it is not.

Mr. GROOM: That was one of the proposals, at all events. He was almost afraid to refer hon. members to some of the articles which had appeared from time to time in the *Bankers' Magazine* in reference to the conduct of Australian banks prior to 1893. It was a cruel record of misfortune heaped upon unfortunate widows and orphans who had been duped into placing their money in the banks on the strength of the high reputations of the men connected with them. All the savings of those unfortunate people had been wiped away as by a whirlwind, and they were left destitute. As far as Queensland was concerned, the Queensland National Bank was the first whose affairs they had been called upon to deal with in the way of investigation, and it behoved them to uphold the reputation of the colony by making the investigation as thorough as possible in reference to the past management of the bank. A thorough investigation would show whether or not there had been anything wrong; and he was convinced that there had been a great deal of wrong-doing and mismanagement. Why, not long since it came to light that a certain firm had had £70,000 advanced to it on a security worth only £1,500. Would anyone say that those who were guilty of such culpable mismanagement deserved to be screened? Another case had recently come before the public in Sydney, in which it was shown that an arbitration case, costing in legal expenses £112 a day, was being prosecuted, practically by the Queensland National Bank, and it became necessary for

the Commissioner for Railways there to ask the court to make the plaintiffs give security for costs, and the application had been granted. The claim was for £150,000. If the plaintiffs did not succeed, or only recovered 150d., who was going to pay the costs? And what position would the overdraft of the plaintiff be in then? Surely those were matters that deserved investigation of the fullest description. He was glad that the Treasurer had met Parliament in a proper spirit, and had agreed that a further investigation should take place; he was sure that such a declaration would give general satisfaction. Public opinion demanded an inquiry, and, as Lord Palmerston had said, if they wanted to obtain public opinion, they should take a penny or threepenny ride on an omnibus. Hon. members had only to take a ride in a train, or a tram, and they would soon learn public opinion upon the question of the Queensland National Bank. Public opinion was almost unanimous that inquiry should not cease; that there should be a thorough investigation into past management. Rumours were persistently circulated that certain persons had got enormous overdrafts from the bank. If that were so, let it be known; if it were not so, it could not be too widely contradicted. The bank was a public institution. Why was it called the Queensland National Bank? Because the Government account had been kept in it for years.

**THE SECRETARY FOR PUBLIC LANDS:** It was the Queensland National Bank long before the Government account was placed there.

**MR. GROOM:** He was well aware of that, but it was called the Queensland National Bank with the ultimate view of it becoming almost a Government bank, and certain persons made it, kept it, and used it as a Government bank. From their positions as directors and influential members of the Government, they were enabled to do that; and that was why there was all the greater obligation to find out how the English depositors' money had been dissipated. In the best interests of the colony he was pleased to think the Treasurer had made the declaration he had, and agreed to a thorough investigation. He was perfectly sure it would give satisfaction.

**MR. DAWSON:** It depends upon what the commission is like.

**MR. GROOM:** It was not for him to say what the powers of the commission should be, but he hoped they would be as ample as they should be; that the inquiry would be as rigid as possible, and that nothing would be hidden. He had in his hand a judgment delivered by Mr. Justice Vaughan Williams in 1893—a judge who discharged his duties fearlessly and regardless of all consequences—and he laid down the doctrine that he would not allow a single person who had been ever so remotely connected with a bank that had closed its doors to be an official liquidator. He held that the person put in charge of the bank to investigate its affairs should be perfectly disinterested. He also laid down the rule that immediately a bank director became a borrower from the bank he should cease to be a director. If that wholesome rule had been laid down in Queensland, it was possible that things would not be so bad as they were in connection with the Queensland National Bank to-day. To show that there was a lack of confidence, he could say that a bushman went recently to a country branch of the bank with sixty-six Queensland National Bank notes for which he asked gold. He was told that they were perfectly good, that if he went to the Treasury in Brisbane he could get gold for them. He then said he would rather have the gold, as he wanted the money for a friend who was going into New South Wales; and when he was told that he could be given New South Wales notes for the Queens-

land National Bank notes, and they would be handier for his friend, he said that after all his friend might decide to go North, and he thought he had better get the gold. The sooner all suspicion was done away with the better it would be for everybody, and the better it would be for the commercial atmosphere of the colony.

**THE HOME SECRETARY:** The hon. member throughout his argument assumed that the shareholders and depositors were not capable of looking after their own interests. Why, the shareholders at all times were masters of the situation.

**MR. GROOM:** Who holds the proxies?

**THE HOME SECRETARY:** The shareholders.

**MR. McDONALD:** What about the circular sent round by the directors?

**THE HOME SECRETARY:** If a minority of the shareholders proclaimed that from their point of view they could not get justice, they might invoke the aid of the statutory power of Parliament, and the depositors might come in the same way if they could not get justice. He did not mean to say that an inquiry was not necessary, outside the shareholders and depositors, in the interests of the bank itself and in the interests of the general community and of the Government. The hon. gentleman's argument had been an *ad misericordiam* appeal on behalf of the Scotch depositors, as if they could not get an investigation if they wanted it. The courts were open to make full inquiry. Justice was never denied to a shareholder or to a creditor. The last man in the House to criticise the sincerity of the Government should have been the hon. member, upon whom, in consequence of his long service in Parliament, there was more responsibility in regard to the affairs of the Queensland National Bank than upon any other man now in the House.

**AN HONOURABLE MEMBER:** He has never been manager of the bank.

**THE HOME SECRETARY:** The hon. member had never been manager, but he held a position of supervision from his position of member of Parliament, and if during the time the hon. member had been a member of Parliament it had been necessary to make any inquiry why had not the hon. member demanded it years ago?

**MR. GROOM:** You know the reason very well.

**THE HOME SECRETARY:** If those things had been going on for so long in the past, the hon. member should have been roused to action before, and not now when they were all wise after the event. The hon. member need not attempt, by way of insinuation or otherwise, to cast upon any hon. member, or, at any rate, upon any member of the present Government, any share of responsibility in connection with the bank.

**MR. McDONALD:** Oh, yes! It has not all been cleared up yet.

**THE HOME SECRETARY:** The hon. member had a better opportunity of obtaining a knowledge of the affairs of the bank, or of any other public institution, than many hon. members who had so recently become members of Parliament.

**MR. GROOM:** You know I would have been crushed out of existence if I had made the attempt.

**THE HOME SECRETARY:** He was only pointing out that the hon. member had had those opportunities. He could say that matters in connection with the Queensland National Bank had received as anxious consideration from members of the Government as they had from any member of the community; they had done every single thing that men could, consistent with the position and circumstances of the colony, to see that the colony was



placed in a sound and good position. Of course it was very easy now, since 1893, for persons without any responsibility to come forward and point the finger of scorn at the Government, but he could say that at any rate for the last seven or eight years, since the members of the Government formed the coalition Ministry, they could justify their every action in connection with the Queensland National Bank as well as in connection with every other portion of their Government work. They had nothing to hide or conceal, and the greatest pleasure he could have was to know that so far as regarded the affairs of the Queensland National Bank they were to be investigated at some time. The hon. member spoke of public opinion as gathered from trams and 'buses. Nine out of every ten of these wanted the affairs of the Queensland National Bank investigated for the purpose of gratifying their desire for scandal or for curiosity.

MEMBERS on the Government side: Hear, hear!

MEMBERS on the Opposition side: Oh, oh!

THE HOME SECRETARY: Many, no doubt in the true interests of Queensland, desired to see every institution bearing the name of a public company investigated. Those persons had a right to ask it; many of them had asked it, and he was delighted to think that an investigation in the interests of those persons would be gone on with. Take the position five or six months ago, and there was just as much reason that the Government should seek an inquiry into the affairs of other banks, of which they were creditors, as that they should seek to inquire into the affairs of the Queensland National Bank at that time. Up to 1893 the Queensland National Bank had met its obligations. At that time a great many other banks felt the strain which the condition of Australia brought upon them, and in consequence of circumstances which mastered nearly every one of them they had to call meetings of their creditors and make arrangements with them. The Queensland National Bank made arrangements; then Parliament made arrangements and a bargain with the bank, which up to sometime ago was kept. Up to that time, what right had the Government to take any action with regard to the Queensland National Bank any more than they had with regard to any other institution of which they were creditors? All their obligations were paid up to that time. But when the directors came to the Government and said the arrangement made with the Government, being a large depositor, and with all other depositors, to pay 4½ per cent. interest would not enable them to carry on, then it was for the Government to inquire into the position of the bank; and they did. He said unhesitatingly that the whole intention of the Government, since they set the inquiry on foot, was to make it conclusive and complete. But it was necessary for the purposes of Parliament that an interim report should be brought up. He did not care what the hon. member for Bundaberg might choose to infer for party purposes. It was not under pressure this inquiry was ordered nor being continued. He (Mr. Tozer) was a member of the old Liberal party, and the hon. member could never charge that party with the past misdeeds of the Queensland National Bank. As one of that party he joined the Coalition Government in 1890, and the intention of the present Government in regard to that inquiry had always been that it should be complete; that there should be nothing in connection with the affairs of the bank which should not be disclosed to the Parliament and the public. While the inquiry was continuing, as it was found that by that inquiry the bank must necessarily be

bleeding in its business, it became necessary to ask the committee when it would be able to bring up such a report as would deal with the condition of affairs so as to keep the bank intact. The result was the interim report, but it was never intended that with that interim report the committee should cease their operations. The object was to keep the bank going meanwhile. And yet it was insinuated that the Government had done nothing. He was quite sure that those lovers of scandal who, from ulterior motives, were desirous of prying into the affairs of the bank, without thought of the risk they were putting the colony to, would find, when the report came forward, that it would not bear out their point of view; they would find it, as concerning the members of the present Government, a repetition of the old saying, "The mountain has been in labour, and has brought forth, after all, a ridiculous mouse."

Mr. MACDONALD-PATERSON: There seemed a disposition on the part of the Committee to drift into second-reading speeches, which, at that stage, was to be deprecated. The sole question before the Committee was whether it was desirable to introduce a Bill to authorise the Treasurer to enter into an agreement with reference to moneys due and owing, or to become due and owing, by the Queensland National Bank. In the first place, he was glad to have the emphatic assurance of the Premier that the work of the committee should proceed in the direction of a full investigation such as was demanded from all sides of the House. And the question occurred to him, Was it desirable to give leave to introduce such a Bill until they had that further report? That was the crux of the matter. Were they to give the Government authority under a Bill, to enable an agreement to be made anterior to the further information which the report of the committee would supply after making a full investigation—an investigation which, according to the Premier, would take months and months to work out and complete? He would leave that point for other members to deal with, but it was an aspect of the question that it was very desirable they should consider. They had been told by the Home Secretary that all this talk had been got up, and the demand for investigation made, by a number of persons in the House and outside it—in the aggregate nine out of every ten—for the gratification of those who wished to promulgate scandal.

THE HOME SECRETARY: An hon. member said you could get public opinion by going about the streets, and that you could overhear it on the tops of 'buses and trams. I said nine out of ten persons who would talk about the matter in the manner indicated would have no other view than a desire to get scandal out of it—not from honest motives or with any sense of responsibility, nor of consideration for the effect of this inquiry pending efforts at reconstruction of the bank.

Mr. MACDONALD-PATERSON: He would make a counter statement. He had met several of the most prominent business men in the city that morning to whom the affairs of the bank, although they were not associated with it, were matters of the deepest concern. One of those men, who took no part in politics, but was prominent in the community in respect to his standing as a commercial man and his general character for probity and worth, said that if the inquiry was burked by Parliament it would go forth not only to the whole of Australasia, but it would ring in the ears of the people in the United Kingdom, that Queensland was only a nest for another Tammany ring.

Mr. McMASTER: Who said that?

Mr. MACDONALD-PATERSON did not intend to mention names. He was speaking by the book, and the gentleman he was referring to, although he had never been in Parliament, was as worthy a man as any who had ever held a seat there. And those words were not uttered on the top of a 'bus or a tram, but at a meeting for the purpose of seriously considering the position of the Queensland National Bank. The reputation of the colony for all time depended on the action of the Assembly. He was glad that the strictest investigation had been promised. The only question with him was whether authority should be given to the Government to enter into any agreement with the bank until the final report of the committee reached them. As the Premier said, it was a question of a Bill or no Bill. He was sorry to hear the Attorney-General say that it was the timidity of the depositors anterior to the reconstruction that led to the slow bleeding of the bank. It was not the timidity of the depositors, but the cupidity of the others, that brought about the suspension of the bank in 1893. The dictionary defined cupidity as "an eager desire to possess something," and Burke said that "no property is secure when it becomes large enough to tempt the cupidity of indigent power." That was the curse of Queensland. There was great power, but it was indigent power. As a gentleman who used to occupy a high position in that Assembly once said, they were in the middle of a lake of gold, and they pumped it up into each other's pockets. He had said enough to indicate his views on the question now before the Committee, and he hoped that other hon. members who followed would be brief, as they would be able to deal with the general subject on the second reading of the Bill.

Mr. DAWSON considered that the Home Secretary was the most ungrateful man in the House in accusing members of the Labour party of treating anything in connection with the Queensland National Bank as a party question after the vote that was taken the other night on the Guarantee Bill. The only party in the House who did not treat that measure as a party question was the Labour party, and now, after the splendid assistance they gave the Government on that occasion, the hon. gentleman showed his gratitude by saying that they were using the present occasion for party purposes.

The HOME SECRETARY: The hon. member is mistaken in saying that I said they were using it for party purposes.

Mr. DAWSON: The hon. gentleman distinctly used the words "party purposes." He also stated that it had always been the intention of the Government to have a full investigation, not only into the present position of the bank, but into its past management as well. But the committee were not prosecuting their inquiries, and he wanted to know what had defeated the intentions of the Government, because it was very evident that their intentions had not been put into force.

The SECRETARY FOR PUBLIC LANDS: Want of time.

Mr. DAWSON: Had the committee gone into vacation? He could not understand the position at all. They had had a certain amount of explanation from the Premier, but it was a very difficult matter to understand that explanation. The Home Secretary had spoken about some persons desiring the investigation for the purposes of scandal. If the report was clamoured for simply because people desired to use it for scandal, and no issue was involved which demanded it in the public interest, why did the Government grant an investigation? And if everything was sound and honest and straightforward in connection with the bank, where

would the scandal come in? The hon. gentleman further argued that the present Government had no responsibility at all with regard to the present position of the bank. He absolutely denied that statement. The present Government, including the Home Secretary, were responsible to a very large extent for the present position of the Queensland National Bank.

The SECRETARY FOR PUBLIC LANDS: So are you.

Mr. DAWSON had absolutely no responsibility at all in the matter; there was not a single member sitting on that side of the House who had a tittle of responsibility for the position of the bank at the present time. When the bank closed in 1893 a proposal was made for an investigation into its affairs, but the Government, and every member sitting behind them, without single exception, voted against the motion.

The SECRETARY FOR PUBLIC LANDS: What was the motion?

Mr. DAWSON: The motion was moved by himself, and was almost identical in terms with the instructions given by the Premier to the committee of investigation a few months ago. If that committee had instructions when they were appointed to inquire into the past management of the bank, why were they not prosecuting their inquiries, and why did the Premier propose to discharge two of its members and give fresh instructions? The Attorney-General had said that the committee had power to inquire into the past management of the bank. He (Mr. Dawson) distinctly said that the letter of the 27th August did not instruct them to inquire into the past management of the bank, and the report they had submitted was not a report on the past management. The committee felt that they could not operate upon that matter owing to the limitations put upon them in the letter of instructions, the first two paragraphs of which he would read—

"In exercise of the powers vested in me as Treasurer by the Queensland National Bank, Limited, Agreement Act of 1893, I have the honour to request that you will inspect the books, documents, and records of the bank so far as you deem necessary for the purpose of ascertaining the present position of the bank generally, and that you will report to me your opinion as to the relative proportion between the liabilities of the bank and its assets (exclusive of uncalled capital), assuming that such assets are realised judiciously and not by forced sales.

"As this investigation is being undertaken in furtherance of the public interest of the colony, I shall also be glad to receive any information which you may be able to convey in relation generally to the affairs or management of the bank."

In accordance with those instructions the committee made a statement in clause 17 of their report that they refused to offer a reliable opinion on the management in the past.

The SECRETARY FOR PUBLIC LANDS: Is the word "refuse" there?

Mr. DAWSON: No; but he challenged the hon. member to take any other meaning out of the paragraph. They were asked to give an opinion generally on the management of the Queensland National Bank, and in the absence of definite instructions empowering them to go minutely into the affairs of the bank and make a thorough investigation into the management they could not offer any reliable opinion. They would need a separate investigation.

The TREASURER: Read the letter of the 20th October.

Mr. DAWSON: If the hon. gentleman contradicted himself on the 20th October, he (Mr. Dawson) was not going to interfere in a family quarrel.

The ATTORNEY-GENERAL: It is the Auditor-General's letter of the 20th October.

Mr. DAWSON: In any case, supposing the instructions were to make an exhaustive examination into the past management, how was it that the committee stopped at 1893? Was there another secret set of instructions to stop them, or what was the reason?

The TREASURER: Read the letter. It shows that the report was an interim report.

Mr. DAWSON: It did not matter what the hon. gentleman thought his instructions to the committee were, or what power the committee thought it had. As the case stood they had not investigated the past management of the bank; but they had stumbled upon certain things that induced them to see that grave mistakes had been made; they had got on certain trails leading them to the suspicion that there was something in connection with the bank that ought to be made public; they feared they could not go further until they got further instructions from the hon. gentleman. What was the intention of the hon. gentleman? It was all very well for him to say he was in favour of this, and to suggest that. If the hon. gentleman was going to instruct the committee to go into the past management, why not say so?

An HONOURABLE MEMBER: He did say so.

Mr. DAWSON: The hon. gentleman intimated that two members of the committee of inquiry should carry on the investigation, and he (Mr. Dawson) wanted to know why two members, if the committee had never been disbanded. Then the hon. gentleman said that was only a suggestion. He wanted to know what was suggestion and what was fact.

The ATTORNEY-GENERAL: They are not slaves of Parliament; they have their own business to attend to.

Mr. DAWSON did not say they were compelled to act; but it had not been stated that any member of the committee of inquiry had declined to go further or had resigned his commission. The Treasurer had merely made a statement from which five or six meanings could be taken; but they were entitled to know whether the investigation was going on at once, who were to form the committee, and what was to be the scope of their labours.

Mr. GROOM thought he ought to say something in reply to the Home Secretary, who had accused him of being actuated by a base desire for scandal.

The HOME SECRETARY rose to explain what he had said. The hon. gentleman quoted some statement made by somebody else about people going on 'buses in order to find out public opinion; and he said in regard to this matter the hon. gentleman would find that nine of those people were actuated by a desire for scandal or curiosity, while only one was actuated by a desire for the interests of this colony. He had certainly, neither directly nor inferentially, made those observations in regard to any hon. member of that House or anybody connected with it.

Mr. GROOM was glad to hear it. Anyone acquainted with history would know what the feeling was at the time he referred to, and Lord Palmerston, speaking in the House of Commons, said that if one wished to get at public opinion in London he should take a ride in an omnibus. He had stated that if they wanted to get public opinion here they could get it in 'buses and trains, and men as respectable, and who took as deep an interest in the welfare of the colony, as the hon. gentleman himself, had said that the inquiry should not stop with the report they had had. Surely there was no harm in that, and he acquitted them of any intention to raise a scandal. When speaking in the House of Commons, on 6th May, 1884, on the bank charter, Sir Robert Peel said it was important that they should deal considerably with private

interests, seeing how easy it was to create panic or introduce confusion into the monetary transactions of the country—first, because justice required it; and, secondly, because there was a danger that the cause of progressive amendment would be injured if they could not reconcile reform with a due regard to the happiness and welfare of individuals. Considering those great principles, he hoped hon. members opposite would give hon. members on his side credit for being actuated by higher motives than those of creating scandal. He was prepared to give the Treasurer credit for the high principles enunciated by Sir Robert Peel, whom he knew the hon. gentleman admired, because he had quoted him in that House. Surely the Treasurer would extend the same courtesy to others, and admit that, in advocating reform in connection with a certain financial institution, they also were actuated by similar principles.

The ATTORNEY-GENERAL: We are prepared to admit, for the purposes of this Bill, that you possess all the virtues under the sun.

Mr. GROOM: It had also been said that he was a member of Parliament at the time this bank first made its application at the Treasury doors for money, and he ought to have taken some action.

The HOME SECRETARY: I said you had more opportunities than we had.

Mr. GROOM: The hon. member came in as a very respectable member of the Liberal party, and knew the opinions entertained then; but he (Mr. Groom) said fearlessly that, if he had taken action as the hon. member suggested, he would have been in the insolvent court in a month.

The ATTORNEY-GENERAL: The Liberal party put more money into the bank than the other party did.

Mr. GROOM: As he had said, he would have been crushed out of existence if he had then made the attempt. Those men were all-powerful; and while those who flattered and fawned upon them might possibly get what they wanted, those who desired to obstruct or in any way thwart the business would have been crushed out of existence by those very men, and the hon. member knew it.

The HOME SECRETARY: Our then leader took office.

Mr. GLASSEY: He held those opinions himself.

Mr. GROOM: He was talking of what he knew. He had had an awkward struggle to maintain his position, and it would have been like a mosquito trying to fight a giant if he had dared to fight those who had control of this institution. If anyone had attempted to interfere with those gentlemen his existence would have been rendered miserable for years to come.

The SECRETARY FOR PUBLIC INSTRUCTION: He would have done his duty, at any rate.

Mr. GROOM: It was all very well to talk about doing their duty after the event. If he had been by himself alone he might have made a fight, but he had someone else to think of, and could not jeopardise their interests, so he sat quietly in that Chamber and watched what was going on. Every member of the Liberal party knew what was going on; it was no use saying they did not, because the question came before them for discussion at caucus meetings. Of course they did not know what was going on within the inner chambers, in the gilded saloons in Queen street, and at champagne luncheons; but at the same time they predicted what was likely to occur as time went on, and it was to the credit of those who stood firm upon that occasion that they were in no way identified with things of that kind. It was not right to turn round and say that there was a desire for investigation arising from what the hon. member called

a vain desire for scandal; he gave him credit for better taste. The people to whom he had referred were the creators of this House, and a great majority of them were able to form accurate opinions upon public men and public questions. A majority of hon. members were in favour of investigation, not for the purpose of scandal but in the interests of justice and fair play. What party gain could be achieved by it? There was no party in it. When they discussed the Bill which the Treasurer had brought in to guarantee the current accounts, everything in the shape of party feeling had been thrown on one side. They all lent their united assistance to the Government, and surely they were entitled to some credit for that now. The committee, which had discharged its duties so admirably in one direction, should now be asked to extend its inquiries in another direction, in the interests of depositors in England and Scotland and other places, who, on the strength of the high reputation of great men in the colony, had placed their money in the bank, and now had the prospect perhaps of losing it altogether. If the rumours which had been circulated proved to be groundless, they could go on with the legislation the hon. gentleman wished to introduce, and they could cheerfully invite shareholders and depositors to assist the Government, which was the largest creditor, to reconstruct the bank on such a basis as would strengthen and improve it, and at the same time, restore confidence among those people who did business with the bank.

Mr. CROSS proposed to look at the question from a different standpoint to that which had been taken that afternoon. Most hon. members who had spoken had considered the question as one of a mere bank on the one side and a body of depositors and customers on the other; but the proper way to look at the question was—banking and the people. He was not at all concerned about the particular institution with which they were dealing, but he was anxious to see credit rehabilitated and trade and commerce freed from all obstacles. Nothing had occurred in the history of the colony which had more justified the holding of a searching inquiry than the report which had been presented to Parliament. From one end to the other it was full of suggestions showing the absolute justification for a further inquiry. He admitted that an investigation into the affairs of some banks would create in the minds of many people suspicion and destroy confidence, and probably do a considerable amount of harm; but they must not forget the important fact that the Queensland National Bank had had the Government business in its hands ever since 1879, and in fairness to the present Government, who were the principal creditor, they should find out how the bank had been managed. He understood that the Treasurer had emphatically stated that a searching inquiry would be held into the management of the bank from 1879 up to the present time, and that not less than two of the present committee would be appointed, one of whom would be the Auditor-General.

Mr. DAWSON: It was only a suggestion.

Mr. CROSS: If he was wrong, the Treasurer could correct him. Another question was whether the Bill should be delayed until they had a report from the committee of inquiry, or whether they should proceed with it at once. There seemed to be two courses open to them. One was that it was their duty to investigate the manner in which the institution had been managed in the past, and the other was—and it was a much more important duty, involving very serious responsibilities and consequences—to as far as possible rehabilitate the bank in such a way that trade and commerce would move again, and credit be restored and confidence re-established—not in

the interests of the bank itself, or of any particular body of people, but in the interests of the people at large. For that reason he thought that leave to introduce the Bill should be granted, and the House allowed to get on with business and see if something could not be done to remove the very serious obstacles that stood in the way of trade, commerce, and production in the colony. The present state of affairs was quite bad enough without any intensification through delaying to pass the necessary legislation to remove the obstacles, and for those reasons, and on the distinct understanding that the Treasurer had pledged himself to grant a searching inquiry, he gave his consent to introduce the Bill.

The CHAIRMAN proceeded to put the question, when Mr. Armstrong rose.

The CHAIRMAN: I would like to draw the attention of hon. members to the fact that they should not make second-reading speeches on the motion now before the Committee. I trust that hon. members will confine their remarks to the motion as I have read it.

Mr. ARMSTRONG: As he had not spoken one word, it was unnecessary for the Chairman to remind him of the motion before the Committee, and tell him that it was not necessary to enter upon a second-reading speech. He knew the rules of the House to a certain extent, and he had no intention of saying one word that would be out of order.

The CHAIRMAN: I trust the hon. member will not think that my remarks referred to him personally. I addressed the Committee as a whole and not the hon. member.

Mr. ARMSTRONG gave the Chairman the fullest credit for that. The Chairman's conduct towards him had always been of the fairest character. He did not care to give a silent vote. He was fully seized with the importance of the question before the Committee, and he held that it was desirable that the motion should be carried; but in regard to any further investigation it would be unfair that any person at present in Queensland should be called upon to conduct such an inquiry. The people entrusted with the duty should be men with no personal interest in the bank or in any constituent of the bank. He had the greatest confidence in Messrs. Reid, Cameron, Forrest, and Deshon individually, but it would be very unfair to appoint any of them to make further inquiry. He wished to make one or two observations with regard to the remarks of the hon. member for Toowoomba. The hon. member had regaled them with a great deal of past history, but past history did not concern the Committee at the present moment. Mistakes had been made, and to a certain extent the country would have to bear the brunt of them, but rumour should have no place in their deliberations. If they attended to every rumour which was circulated, they would be sitting for ever; there would be no finality to the investigations they would have to make. He did not hold with a great deal of what he said, but he thoroughly agreed that the promise given by the Treasurer was a satisfactory one. Many speeches had been made by hon. members opposite in view of the Treasurer refusing an inquiry. They had come prepared for that, and it had to be got off. He was heartily glad that an inquiry had been promised, and he hoped it would be a fair and thorough one.

Mr. STORY took exception to one remark of the hon. member for Lockyer, which seemed to indicate that the investigation had been asked for only by hon. members on the other side. Although he was willing to give the hon. member for Bundaberg and those who sat with him credit for the highest motives in demanding an inquiry, yet he did not think the hon. member would claim that only his own side

desired that that course of action should be taken. Although members on the Government side had not spoken so much, still they took it for granted that a further inquiry was only the natural outcome of the report of the committee. He never doubted it for a moment. He had always favoured further investigation, and was very glad the Treasurer had promised that it should take place.

Mr. McMASTER thought the hon. member for Lockyer was under a misapprehension as to what fell from the Treasurer. The Treasurer made it very clear that it was his intention when he appointed the committee to ask them to investigate both the past and present affairs of the bank. The letter which the hon. gentlemen sent to them in October he believed prevented them from bringing up a complete report, as the Treasurer was anxious to have something to lay before Parliament before the close of the session.

Mr. BROWNE had listened to the three last speakers on the other side, and one of them at any rate showed that he did not understand the instructions given to the committee. The hon. member for Lockyer, in referring to the inquiry which had been promised, evidently took the same view as members on that side, that the new inquiry would be a distinct one, because he thought it would be inadvisable to have it conducted by the same men, or by men in Queensland. Evidently thinking, as a lot of people believed, and as the Premier in his answer to the leader of the Labour party indicated, that committee had to inquire into the present circumstances of the bank, and had nothing further to do.

Mr. ARMSTRONG: I hold that if a further inquiry is to be held fresh men should carry it on.

Mr. BROWNE: The hon. member was evidently of opinion that the gentlemen first appointed were not appointed to hold a further inquiry. He sympathised with the hon. member for Drayton and Toowoomba with regard to what fell from the Home Secretary, but he did not take much notice of such a remark, as he had heard it so often. The Home Secretary asserted that nine-tenths of the people only wanted an inquiry for purposes of scandal, and he had heard a Minister on the Treasury benches say that public opinion in Queensland was vitiated. Hon. members therefore were pretty well used to such statements. The Treasurer had told them that he gave instructions for a full inquiry, but all he (Mr. Browne) could say was that that was not understood by 1 per cent. of the population. He had carefully gone through the comments of all the papers in the colony in reference to the inquiry which had been held, and he had only found two or three insignificant journals that were quite prepared to accept everything as it stood. The majority of the papers said that a further inquiry was necessary, but if they understood that the first inquiry embraced everything surely they had sufficient intelligence to say so. Then the Treasurer said that the inquiry was still going on.

The TREASURER: No, I did not.

Mr. BROWNE: The hon. gentleman said that so far from the committee having been disbanded he had not yet thanked them.

The TREASURER: Why didn't you say that at first.

Mr. BROWNE: The hon. gentleman stated that the committee was still in existence. He represented that the committee was appointed to go thoroughly into the affairs of the bank, and on account of the urgency of the affair he sent them a letter on the 20th October asking for an interim report, though on the 2nd September,

six weeks before, he told the House and the country that there was no hurry and no need for impatience in the matter.

The TREASURER: Six weeks is a good time.

Mr. BROWNE: It might be a very long time for some things, but it was a very short time for a committee to go into such very important matters, especially if it was intended, as the hon. gentleman said, that they should go into the whole of the affairs of the bank. It did not require much business acumen to know well that very little could be done in six weeks in going into the affairs of a huge institution like that bank, having ramifications all over the colony and outside the colony.

The TREASURER: Well, they finished the work in ten weeks.

Mr. BROWNE: Of course they did, when they hurried themselves in consequence of the hon. gentleman's letter. The hon. gentleman should give the Committee some information as to what happened between the 2nd September and the 20th October, when he hurried up the committee upon an important matter like that in which the welfare and the honour of the colony were involved.

The TREASURER: I thought any man would know that without asking.

Mr. BROWNE: There were a lot of things they were supposed to know, but which they could not get to know in consequence of the diplomatic secrecy which was held by the Treasurer to be so important a factor in the government of the country. If the hon. gentleman would let the House know more of his intentions, a great deal of time and trouble would be saved. He was dealing with the facts as he knew them, and not as the Treasurer knew them, and hon. members opposite appeared to be as much in the dark as himself with regard to the hon. gentleman's statement to-day that he intended the inquiry to go on, when only six days ago he stated, in answer to the leader of the Labour party, that he was not going on with the inquiry.

The TREASURER: I did not.

Mr. BROWNE: Even up to last night, when they left the House, they knew that the inquiry was refused by the hon. gentleman.

The TREASURER: I never refused it.

Mr. BROWNE: Then he did not know what a refusal meant. The hon. gentleman said he would not have the inquiry unless the shareholders and depositors asked him to do so.

The TREASURER: I said I did not think it desirable until I had information as to what they desired, and I explained that I had taken it as far as it could be taken until we had that information.

Mr. BROWNE: In one instance in six weeks the hon. gentleman turned clean round, and now in four days he turned clean round again.

The TREASURER: Four days? Where do the four days come in? Let us try to be accurate.

Mr. BROWNE: According to his limited knowledge, from the 18th to 24th November was just six days, but according to the hon. gentleman's broader ideas it was twenty-four days.

The TREASURER: I never mentioned twenty-four days.

Mr. BROWNE: The hon. gentleman had given no information as to his change of front in saying that there was no hurry in the matter, and then that it was urgent, and in saying that no further inquiry would be made, and then that he had no objection to further inquiry. He agreed with the hon. member for Toowoomba, that there was more than the affairs of the bank or the interests of the shareholders or depositors involved in the question. The honour and character of the Premier were involved in it. He was not imputing the least wrong to the Premier, but there was no getting away from it

that in 1893 the Queensland National Bank Agreement Bill was passed through the House by a large majority, and was accepted by the country and by the shareholders and depositors, both here and at home, on the distinct assurance from the Premier that he and another great financial authority, who was then a member of the Government, had gone carefully into the affairs of the bank, and without any prevarication they assured the House that everything was perfectly correct.

The PREMIER: Quote my words.

Mr. BROWNE would do so if the hon. gentleman wished. Here were the Premier's very words on that occasion—

"... has devolved upon me of making a most minute and searching examination into the affairs of this institution. That I have done, devoting nearly the whole of my time to it since the House adjourned about a fortnight ago. I have given the matter the most thorough and most searching examination. I have had an opportunity of seeing all the securities of the bank, and even the confidential books belonging to that institution. I have also had the able assistance of my colleague, the Secretary for Lands, who has had a large experience previously in banking concerns; and the result of our investigation is that I am able to report, as I have already reported to my colleagues, that, in my opinion, in which my colleague, the Secretary for Lands, concurs, the assets of the bank, taken at a fair and reasonable valuation, and assuming any fair method of realisation, are more than sufficient to pay the debts of the bank to the Government, as well as to the outside public."

The PREMIER: Hear, hear! Mark those words.

Mr. BROWNE: The Premier asked the House to accept his verdict, and it did. He (Mr. Browne) was then a new member of the House, and he had a very high opinion of the then Government, more especially of the present Premier; and he was greatly influenced by what the hon. gentleman said, and willingly assented to the proposed legislation on the responsibility of the words uttered by the Premier and the then Secretary for Lands.

The PREMIER: You did quite right.

Mr. BROWNE believed at the time they did quite right, because they could do nothing else. After three years the thing had come up again. A committee of inquiry was appointed, and had brought up its report—a committee against the integrity and impartiality of which no one had a word to say. The report of that committee virtually stated that there was a discrepancy of £3,000,000 between the balance-sheet as shown by the bank and the balance-sheet as the committee found it. It was impossible to make anyone believe that there had been a loss of £3,000,000 in the bank during the last three years.

The PREMIER: Nobody said so.

Mr. BROWNE: If there had not been that loss in the three years, how came it that there was a difference of £3,000,000 in the balance-sheet of the bank, which the hon. gentleman and his colleague reported to be quite correct?

The PREMIER: We never said a word about that.

Mr. BROWNE: The hon. gentleman gave his word to the country that everything was correct—

The PREMIER: No.

Mr. BROWNE: That the bank was perfectly sound.

The PREMIER: Read the words again.

Mr. BROWNE: Well, there was no word about the discrepancy of £3,000,000 between the statement of the Premier and the late Secretary for Lands and the report of the committee of inquiry. If there was no discrepancy he hoped the hon. gentleman would explain his position. There was no one on that side who would not be glad to hear the hon. gentleman explain that dis-

crepancy, and show straight out that he was perfectly right in 1893, and that he was perfectly right now. Not one of them would like to see the hon. gentleman degraded by its being shown that he was knowingly mixed up in any crooked work in the institution. In any case it was only right that the Premier should give some explanation as to how the discrepancy between the two balance-sheets came to exist. The hon. member for Balonne seemed afraid that the Labour party were going to claim all the honour and glory of forcing the Premier's hand in the inquiry. They were not going to claim anything of the sort. He was aware that many members on both sides were anxious for the inquiry, but even as late as last night they were given to understand that no further inquiry would be granted.

An HONOURABLE MEMBER: That was only bluff.

Mr. BROWNE: If the Premier chose to play the game of bluff on an important matter on which the whole attention of the country is centred, it was not very creditable to him. If it was not bluff, the hon. gentleman would not thank his follower who made the interjection. He did not believe that the hon. gentleman was indulging in bluff, but that he had since changed his opinion. With regard to what had been said about the home depositors, he thoroughly agreed with the remarks of the hon. member for Drayton and Toowoomba on that subject. It had often been said that members on that side had a down on English capitalists; but whether they agreed with members opposite on the question of introducing large capitalists into the colony or not, they certainly held that when English capitalists had been induced by the representations of prominent politicians in the colony to invest their money in a bank in Queensland a thorough investigation should be made in the affairs of that bank for the sake of those men, and that they should get as much fair play as other persons who were on the spot and could look after their own interests. That was one reason why they asked for this inquiry. All sorts of rumours were going about in regard to the bank. One was that after this Bill was passed a prominent and learned member of the Ministry, with two other gentlemen, presumably members of the committee of investigation, were going to London to induce the depositors there to agree to the proposed arrangement. The Treasurer might laugh, but it was no laughing matter, and if not true he ought to give the statement his contradiction. Whether he voted for the motion or not, he should not feel bound in any way to support the Bill, but would claim a perfect right to take what view he liked of it when it was introduced. Having regard to the information at their command, and to the fact that the Treasurer had not given a direct pledge that a committee of investigation would be appointed, he was not inclined to affirm the desirability of going on with any further legislation at the present time.

The TREASURER: The hon. member who had just sat down had fathered some rumours that were going about.

Mr. BROWNE: No, I did not father them.

The TREASURER: If the hon. member did not father them, why did he bring them here?

Mr. McDONALD: I will father them, and say that it was Mr. Byrnes and Mr. V. Reid who were said to be going home.

The TREASURER: He could only say in reply to that rumour, which had been fathered by a member of the Committee whose credulity must be immense, that there was not the slightest foundation for it. He had never heard of it before, but as long as a rumour was against the Government hon. members opposite would

apparently believe anything. No matter how improbable such a rumour might be, they did not take the trouble to look for any evidence as to whether it was well-founded or not, but believed it. But what he rose for was to reply to the attacks which had been made upon himself and his colleague, Mr. Barlow, with regard to what they said in 1893. There was not a solitary word of what he said in 1893 that he would take back; he adhered to every word he said on that occasion. When the hon. member quoted his words, instead of adhering to them, he immediately tried to put another construction upon them. What he said in 1893 was that in his opinion, after having examined the books, records, securities, and private books of the bank, and after having devoted a fortnight to the work—

Mr. McDONALD: And having made a most minute and searching investigation.

The CHAIRMAN: I must request the hon. member to keep order.

The TREASURER rather liked the interjections, if only he could hear what was said. The examination was minute as far as it could be. There was no occasion for concealment of anything; they had everything they asked for put before them, and the conclusion he came to was, as reported in *Hansard*, that—

"I am able to report that in my opinion, in which my colleague the Secretary for Lands concurs, the assets of the bank, taken at a fair and reasonable valuation, and assuming any fair method of realisation, are more than sufficient to pay the debts of the bank to the Government, as well as to the outside public."

He did not take back a single word of that, and the committee of inquiry in the 13th paragraph of their report exactly corroborated what he said. This was the paragraph—

"The bank, notwithstanding its heavy losses, has still a good volume of sound and profitable business; and this, under careful management, should enable the creditors to realise 20s. in the £. But the rate of interest allowed on deferred deposits should be reduced as soon as possible to 2½ per cent."

Here we had the report of four gentlemen based on an investigation extending over ten weeks, and the report of two gentlemen based on an investigation extending over two weeks; and it was extraordinary to find how closely they agreed. He believed that 13th paragraph was the best in the report, and contained plenty of scope both for the pessimist and the optimist. The pessimist would say the report showed that the bank was not worth preserving—let it go; the optimist would say it showed that the bank would probably recover within a few years—give it a chance. But if they appointed one committee to do the same work immediately after another had made an investigation, the two reports would in all probability be different, because nobody could tell how values might change. They could not be gauged with mathematical precision. If a person had faith in the colony, and thought that within a few years there would be a large accession of population, that trade would expand, then it must follow that he believed the assets of this bank, and of every other bank in the colony, would improve. He believed that would happen; and that was what they ought to try to bring about, instead of prophesying evil things, and then doing their best to bring about what they had prophesied.

MEMBERS on the Government side: Hear, hear!

The TREASURER: They ought all to have faith in the colony and do their best to forward its progress. If they did that instead of trying to run down this bank or any other bank they would be doing what they ought to do and would be true patriots. If they had taken a pessimistic

view of affairs in 1893 and forced the bank into liquidation they would have done a great deal of harm; and he thought that the country was grateful to Parliament for having done what was its duty at that time. He believed there was every prospect of prosperity returning; gradually it might be—it might require more time than they expected in 1893—but since that time the colony had not gone to leeward, and in his opinion it was gradually forging ahead. There was no doubt that this bank required to be assisted. He might say here that he never had an account with the bank unless it might have been a trust account; he did not owe the bank anything, and the bank did not owe him anything. It was almost a miracle how the bank had been able to carry on for the past three years. On all sides everything had been done to give it a bad name by slandering it and saying things about it that were not true; still its position was a little better than it was three years ago. There might have been mistakes in the management, but they had to bear in mind that though some £39,000 had been distributed amongst the shareholders, those shareholders had contributed towards carrying on the bank calls amounting to about £400,000. He was not advocating the cause of the bank as a bank; the only interest he had in it was to protect the colony as a whole. Hon. members opposite thought they were doing a great stroke in saying something against this institution; but they should consider the interests of the colony, and denouncing the bank and saying things about it which were not true would not help them in any way. The best thing to do was to take a fair and reasonable view of the case, and if things were in such a state as certain pessimistic hon. members thought, they had better wind it up straight away. They must either do that or help it along, and make it a credit to the colony. Those were the two positions, and they must take one or the other. Although hon. members on the other side might talk, when it came to a division they would vote in favour of the bank.

Mr. HAMILTON: They had been told that the present Government were responsible for the position of the bank, but what was the use of such recriminations? What seriously damaged the bank were the labour troubles previous to 1893, when bodies of men in the interior declaimed against capital and threatened that if their demands were not granted they would reduce the colony to a state that it would not recover for generations. English capitalists then took alarm and in consequence rushed to the bank to get their deposits, and the value of the securities of the bank was depreciated owing to their having to make forced sales to satisfy their depositors. If there had been no such troubles, depositors, instead of withdrawing their money, would have deposited more, and the value of our properties would have been increased instead of decreased. The hon. member for Croydon appeared to imagine that land and cattle and horses had a fixed value like gold, but surely his own experience ought to have shown him the absurdity of that.

Mr. BROWNE: When you put up an "Aunt Sally" claim it as your own, not mine.

Mr. HAMILTON: There were mining properties held by the bank which were sufficient security at the time they were assessed by the Treasurer, but their value was much less now, and the 6,000,000 cattle they had in the colony—one of their best assets—in 1893 had since been reduced in value by 50 per cent. At that time everything looked rosy for the frozen meat industry, which increased the value of station properties as securities, and horses which were then worth from £8 to £10 could now be bought for 40s., and land had also depreciated in value



since 1893. It appeared as if some hon. members liked to gloat over the idea that the Treasurer had made a mistake.

Mr. DAWSON: They said the Treasurer misled the House.

Mr. HAMILTON: The value of securities had gone down since then. Many hon. members hardly approached the question in a proper manner. They had been told by the member who had just interjected the members of the committee felt they could not report upon the management of the bank according to the limitation put upon them, but the letter of the Treasurer contradicted that statement. That letter distinctly requested the committee to inspect the books, records, and documents of the bank so far as they might deem necessary for the purpose of ascertaining the present position of the bank, and to give any information they might be able to convey as to the affairs and management of the bank. The hon. member stated that the committee refused to offer any opinion as to the management of the bank in the past. That was not true; the reason which they gave in their letter was that they had been unable to do so in the time at their disposal. However, they stated that if that information were required it could be supplied by a separate investigation. Their report was clearly an interim one, and upon it Parliament had taken action. The Premier now proposed to go a stage further, and, simultaneously with doing so, he had volunteered to continue the investigation. The hon. member for Croydon said the Treasurer had told them that there would be no further inquiry. He did not say so. When the Treasurer moved a certain resolution yesterday, it was not in conformity with the rules of the House that he should make a speech, and therefore he did not do it.

Mr. DUNSFORD: His hands were forced today.

Mr. HAMILTON: That statement was just as true as the statement made by members of the Labour party a few minutes since that two members of the Ministry were going to England, which he did not think any hon. member on his side heard.

Mr. McDONALD: The Attorney-General heard it.

Mr. HAMILTON: But he did not believe it, and nobody else on the Government side either heard it or believed it, yet every Labour member both heard and believed the absurd tale. The Treasurer had made a statement, on the very first opportunity, that he intended to have a searching investigation. Instead of causing joy to the Labour party that statement had caused extreme sorrow, because they had prepared speeches on the assumption that the inquiry was not to be held, and now they had been four hours firing off those speeches. If that was not the case, why was every hon. member on the other side getting up and advocating just what the Treasurer had proposed? Instead of trying to win a twopenny-halfpenny victory they should congratulate the Treasurer on the ground that his views were their own. That was not a party question, but a question of great national concern. The Queensland National Bank was a big factor in their prosperity, and they should join hand-in-hand in the interests of the colony instead of spending time in recriminations.

Mr. McDONALD: The question was one that ought to receive more attention even than the Ministry seemed prepared to give it at the present time. He was surprised that the head of the Government should leave the Chamber when they were asked to consider such important legislation. Of course, he quite understood that at this stage the Government were only asking for leave to introduce a Bill in connection with an institution which had been in difficulties for

some considerable time; but the whole debate seemed to hinge upon the point as to whether there should be a further investigation. He had heard the argument used, not only in that Chamber but privately, that any further investigation would mean the ruin of the institution. His reply was that that was the very strongest argument which could be advanced in favour of holding a further investigation, because it proved beyond a shadow of a doubt that there must be something wrong in connection with the institution.

Mr. FINNEY: It is going to take place.

Mr. McDONALD: He had not heard any distinct promise from the Treasurer up to the present that such an inquiry was going to take place.

The SECRETARY FOR PUBLIC LANDS: Are you deaf?

Mr. McDONALD: He had heard a rambling statement from the Treasurer, but he did not think the hon. gentleman himself really knew what it meant. They had also had a great deal of sentiment imported into the debate. The Treasurer, in reply to the hon. member for Croydon, had talked about what true patriots ought to do for the colony. He held that hon. members on that side had as much patriotism, and had as much right to claim that they were furthering the true interests of the colony, as the Treasurer or any hon. member opposite. But for the source from which the advice had emanated, the advice tendered by the Labour party in 1893 would have been followed then, and had such an inquiry been held at that time they would not have had the deplorable state of affairs they were now lamenting. The Treasurer had stated that he believed every word of what he had said in 1893 was correct, and his colleague, the Hon. Mr. Barlow, in moving the second reading of a certain Bill a little while ago, said that from his personal knowledge of the bank's affairs he believed that the report of the committee of investigation was a faithful and honest one. Then the hon. gentleman must have been acquainted with the facts in 1893. There was no other conclusion to come to. They must either have known the true state of affairs in 1893 or they must not. If they did not know them, then they had been deceived by false books and false balance-sheets, and he wanted to know whether the Government were going to prosecute the people who had submitted those false documents to them? In justice to those who had deposited their money in the bank both the hon. gentlemen and the colony were in honour bound to see that the matter was thoroughly sifted, because the statement of the committee went to show that since 1893 the management of the bank had been fairly sound, so that any mismanagement that had taken place must have been prior to 1893. The Home Secretary challenged hon. members to show that the Government had on any occasion been mixed up with the bank, and stated that the Government were justified in all their actions in connection with the institution. Well, he would like to have some information with regard to the loan of over £1,000,000 which had been floated in the early part of 1893, and which had involved the country in an annual expenditure in interest of between £30,000 and £40,000. He wanted to know why the Government had floated that loan in the interests of the Queensland National Bank? That was no wild assertion of his, as he had an extract from the *Courier* of 22nd May, 1893, making that statement. [The hon. member here read the extract, which was to the effect that the bank should have closed its doors sooner, as it had been in a precarious position for months, and confidence in it had disappeared. "The necessity for placing the last loan upon the London market at the beginning of



the current year was in obedience to a bank requirement, and not a Treasury necessity." The article went on to state that that fact was better known in London than it was here. He might state further that the paper from which he had read the extract was until recently a Government organ. The Government had implicit faith in anything that organ stated until it took its recent stand on the affairs of the Queensland National Bank, and he desired to give the paper every credit for the stand it had taken. He regarded it as base ingratitude, and very uncomplimentary for the hon. gentleman to take up the position he had taken with regard to that paper. He wanted the little matter of the Government's connection with the bank thoroughly cleared up, and the sooner it was cleared up the better for all concerned. Prior to the bank closing its doors in 1893 it had been proved that the Government had been driven into paying over a million of money into the bank to bolster it up, although they must have known at that time it was an insolvent institution.

**AN HONOURABLE MEMBER:** Where is the evidence?

**MR. McDONALD:** The very fact that the Government had to float a £1,250,000 loan to keep it going was evidence enough for him.

**THE SECRETARY FOR PUBLIC INSTRUCTION:** That is a pure assertion on your part.

**MR. McDONALD:** There was no pure assertion about it. At that time the colony was in a very depressed condition, and, although the Government had £2,250,000 professedly at their disposal, they refused to spend a penny of it in public works, and stated that there was no money available. They found now that, in spite of the fact that they had this money in the bank in 1893, they floated another £1,250,000 in order to keep the bank going. That was conclusive evidence that the bank was not in a satisfactory state. It was just as well to look deeply into that matter. It had not arisen since 1888 or 1893, but it had been growing since 1879, and he would like to draw the Committee's attention to what took place at that time. Just prior to the bank receiving the Government account, the deposits of the institution for the six months previous had fallen off by nearly £200,000. Just at that time the Douglas Ministry was defeated, and the McIlwraith Government came into power in January, 1879. What was the first act of the then Mr. McIlwraith? He had resigned the position of director of the bank, and came into office as Premier with a strong following behind him. He took as his Colonial Secretary Mr. Palmer, another director of the Queensland National Bank, and what was the result? They had not been three days in office before they rescinded an Executive minute which was to the effect that not more than £200,000 of Government money should be placed with any bank which did not do the Government business. The moment they rescinded that minute they began to pile money on to the Queensland National Bank, and they tried to break the agreement with the Union Bank. The Union Bank pointed out that the Government were compelled by the agreement to give six months' notice before they could retire from the agreement, and Mr. McIlwraith was reluctantly compelled to give notice of the termination of the agreement. Then the Government decided to call for tenders, but it was an indisputable fact that all the time they were doing that the money steadily rose in the Queensland National Bank until it reached £400,000. Was it any wonder that the hon. member for Drayton and Toowoomba should say that practically an effort had been made, almost from the start, to make

the bank a Government bank. Well, they called for tenders, and the notice was so short that the banks refused to tender, and the Government of the day were compelled three times to extend the time for the receipt of tenders. Eventually they received two tenders—one from the Union Bank and one from the Queensland National Bank. Then an Executive minute was prepared, which the hon. member for Bulimba would remember well, inasmuch as he made a stirring speech on the matter. The minute was to the effect that the tender of the Queensland National Bank had been accepted because it would mean a saving of from £1,800 to £2,000 a year to the Government. But what did they find afterwards? In the debate which followed it was shown that there were commissions and charges in connection with banking affairs which the Queensland National Bank did not include in their tender, and that if they had been included there would have been a saving in favour of the Union Bank of about £2,000 a year. It seemed that the Government were prepared to do anything to put money into the coffers of the Queensland National Bank, and were prepared to make it a semi-political institution. From that day on the Government started on its ordinary business. Directly after that they got a £3,000,000 loan floated, and then it was found that the Queensland National Bank had somewhere about £2,000,000. Let any hon. member read the agreement entered into between the then Mr. McIlwraith and the manager of the Queensland National Bank, and say whether it was a fair agreement or whether on all possible occasions under it everything was not thrown into the hands of the bank, and the colony was never thought of. In 1872 the bank started to pay dividends as a sound financial institution; the first year it paid £3,451 in dividends. Next year it paid £9,478, then it declared a 6 per cent. dividend and called up £40,000 of capital, which went to prove that they were actually trying to mislead the public by making them believe it was a magnificent going concern, when it was actually paying dividends out of calls made upon the shareholders.

**THE SECRETARY FOR PUBLIC INSTRUCTION:** I have known mines do it.

**MR. McDONALD:** He had known mines do it also, but they did it dishonestly. It was a dishonest transaction, because its one tendency was to deceive the public. It was not necessary for him to go into the amount of money the bank had paid in dividends each year, but it had paid about £1,190,000 in that way, and that was considerably over the original amount of the shares. There were two 6 per cent. dividends, and then in 1875 and 1876 there were two 8 per cent. dividends. Then, from 1879 to 1882, 10 per cent. dividends were paid. In 1883 they were enabled to pay a 12 per cent. dividend, and in the following year they paid 12 per cent., with a bonus of 3 per cent., making the dividend 15 per cent. That was just at the beginning of the £10,000,000 loan, and he mentioned that because the statement was made on the other side, and by people outside, that the Government account had been a hindrance to the bank rather than a benefit. He denied that, and maintained that the Government, by continuing a large balance of State money in that institution, had enabled it to make large profits out of that money belonging to the State. Then the 15 per cent. dividends were paid on up to 1887. He did not know whether it was the return of the McIlwraith Government in 1888 which shook public confidence in the bank, but the dividend in that year fell to 12 per cent., and that was the dividend declared up to 1891. In 1892 they had a 10 per cent. dividend declared

half-yearly, and amounting to £80,000. Here they had an institution paying away £80,000 in dividends—and the last dividend was paid in January, 1893, a few weeks before the bank actually closed its doors. Did anyone mean to assert for a moment that those who were paying that dividend did not know that they were paying it when they had no right to do so? It put him in mind of the gambler playing his last card and putting his all on it. They were playing their last card in the effort to restore confidence in the institution. Where was the use in trying to restore confidence in that way, when any man of common sense looking at the exchange value of the scrip of the institution would know that it had fallen from par down to 30s., and it had fallen since until it had become valueless. Anyone watching the trend of events must have known that there was something wrong with the institution, and in spite of that the people most closely connected with it paid those dividends, and now the Government almost declined to have an investigation. If they looked at the evidence in connection with that institution and more especially at the connection with it of one of the Ministry—

Mr. GRIMES: He is not connected with the Ministry.

Mr. McDONALD held in his hands the official records of the House, and on the title-page he found amongst the names of the members of the Ministry the last name—

“Minister without portfolio—The Hon. Sir Thomas McLlwraith, K.C.M.G.”

He wanted to know whether the hon. member for Oxley or the official records of the House was the more likely to be correct? Sir T. McLlwraith had not yet been gazetted out of office, and he would ask the Secretary for Public Instruction whether the Government were going to back down on their colleague. Did they repudiate him? If there was one thing more than another which had got to be cleared up, it was that Minister's connection with the bank. Then there was the action of the directors in causing two 10 per cent. dividends to be declared prior to the closing of the bank in 1893, and the action of the same directors in declaring four 3 per cent. dividends since 1893, when, as the committee of inquiry distinctly stated, they had no right to pay them; that they were paid out of “fictitious profits.”

Mr. HOOLAN: Which means depositors' money.

Mr. McDONALD: Which meant depositors' money. All through they had been paying large dividends from money that did not belong to them, and those people should be prosecuted for their acts; until that was done he did not think they were going to restore confidence in the institution. It was not a bit of use in passing legislation; they might pass the best legislation that it was possible for the human mind to conceive, but if they could not restore confidence in that institution it would be impossible for it to carry on. The committee said the bank had no credit—that its credit was gone. Then they said no bank could live without credit. Then they said that owing to the large volume of profitable trade they believed the bank could be favourably reconstructed. Did that large volume of profitable trade include the Government deposits and the Government account? If they took away the Government account he did not think it could be said the bank had a large and profitable business likely to help it out of its difficulties. They were evidently depending on the bank retaining the Government account. He maintained that, no matter what happened, the Government was in duty bound take its account away from that bank and distribute it amongst the various other banks of the colony. He did not mean to say that if the bank was

reconstructed, and a favourable scheme could be devised for carrying it on, that the Government should not give it its share of the public account. It was just as entitled to its share as any other bank, and no more. And, certainly, it should not hold the public money of the colony. They were in this unfortunate position: That the Government had £2,000,000 of deferred deposits, and that no Treasurer would ever dare to enforce its priority, presuming it had that priority, as to which there appeared to be a good deal of doubt. That being so, what position were they in? They had to fall in with whatever the other creditors might do, and take their share of it. And after the guarantee that had been given, if the bank closed its doors the colony would be liable for another £800,000. The bank also held public balances amounting to £1,300,000, and he supposed that if the bank closed its doors that money also would be locked up. Altogether the colony was involved in the bank to considerably over £4,000,000, and yet they had the Premier trying to treat the whole matter as a huge joke. He knew the hon. gentleman was tired of his position, and that there was only one step for him to take to the Upper House, only unfortunately there was a little block in the way at present. But it was near enough for him to say, “Let things sail along; it is a matter of no moment to me; I shall get out sooner or later, and I am all right.” Those members on that side, who have watched the affair from its very inception, thought far more of the interests of the colony than the Government did. Before confidence could be restored in the institution, a full and complete investigation into its affairs would have to be made, and if it should turn out that anybody had to be prosecuted, no matter how mixed up they were with the Ministry in politics or in private life, he hoped the Government would not be spineless creatures, but would have sufficient backbone to do so. Personally, and for the honour of the colony, he hoped such would not be the case; but, if necessary, he hoped the Government would have backbone enough to do it. With one more remark he would conclude. The Premier referred to the amount of ruin and disaster that would be caused by pulling down the institution. He had said before, and would repeat it now, that if every bank in Queensland went insolvent and closed its doors Queensland would live and flourish. It was useless to say that a country like this, which abounded in wealth, and had almost unlimited mineral, pastoral, and agricultural resources, was going to be ruined by the closing of a paltry institution which held £5,000,000, and which was in practically a hopeless state of insolvency. If it and all the other banks were closed to-morrow, the colony would flourish in spite of them.

Mr. CRIBB: It was useless for hon. members to hold the present Government responsible for all the actions of their predecessors. He had always regretted changing the banking account from the Union Bank to the Queensland National Bank, but not one of the present Government was responsible for that change, and it was well known that some of its members were opposed to it. He did not pretend to be so well up in ancient history as the hon. member for Flinders, but he remembered hearing something about the loan of 1893. If his memory served him right the loan was authorised two years before it was floated. It was quite true that at that time the whole of the £10,000,000 loan had not been expended, but the balance was known to be locked up in the bank, and previous to the floating of the loan of 1893 the Government and Parliament had incurred obligations with regard to loan money which had to be met. It was for that purpose the money was borrowed. He had

never heard before that it was borrowed for the purpose of providing the Queensland National Bank with funds. However, that had nothing to do with the question before the Committee, which was to consider the advisability of introducing a Bill to give the Government power to make a fresh arrangement with the bank, not to tide it over its difficulties. If it was suggested that a further inquiry should be made for the purpose of bringing out additional evidence which would assist them in the consideration of the Bill to authorise the Government to make an agreement with the bank, he would say that the evidence they had in the report of the recent committee of investigation was quite sufficient for their purpose. In pursuing the inquiry they should gain nothing that would assist them in determining the question as to whether it was advisable for them to make an agreement with the bank, and as to what the nature of that agreement should be. But the hon. member for Flinders indicated that the object of the inquiry should be to ascertain whether any frauds had been committed by any officers or directors of the bank, and if so, to visit them with the reward due for their sins. He had nothing to say against that; if a man had committed a crime by all means let him be punished. The director of a bank occupied a very important position, and might in the exercise of his duty be the means of doing a large amount of injury to men in business, and any man who committed a crime in such a position should receive the reward due for that crime. But at the same time he was very doubtful whether it was the duty of Parliament to authorise such an inquiry. The persons who should make that inquiry were those who were the greatest sufferers—the shareholders and the depositors. It was true that the Government were depositors, and to a very large amount, but they stood in a very different position from that of the shareholders, as they could exercise their preferential right, and need not lose anything in the event of things coming to the worst. With the other depositors it was different. They could, however, demand an investigation; and if that was refused, they could insist upon liquidation. Moreover, he would point out that if the Government insisted upon an inquiry, and there was any possibility of fraud being proved against the directors, it was more than probable that inquiry would be resisted. It would be difficult to insist upon such an inquiry, unless very extraordinary powers were given to the committee, as the directors, who nominally controlled the bank, could refuse to allow them to make the inquiry, and would certainly throw every obstacle in the way of the committee, rather than render themselves liable to an action for fraud. That was another reason why it was a duty, if it was a duty at all, to be undertaken by those most interested in the bank, and not by the Government. But there might be another reason for asking for the inquiry; that was, vulgar and impertinent curiosity regarding the accounts of particular individuals. There were persons who wanted to know a great deal about everybody's business, which it was not at all necessary or advisable for them to know, but he trusted that that was not the case with any of those members who were agitating for this inquiry. They had a case the other day where information was required as to certain accounts in connection with the Bank of New Zealand; the manager wisely refused to give that information, and his refusal was upheld by all the banking authorities and others throughout the whole of Australia. They had recently passed a Bill guaranteeing the credits of current account holders in the Queensland National Bank, and if they insisted upon further inquiry into its affairs, it was probable that those

who had good accounts would leave the bank rather than submit to the investigation. And what would be the effect of that? The effect would simply be that the bank would have to go into liquidation, which was the very thing they were trying to avoid. For the reasons he had given, he regretted that there should be any further inquiry.

Mr. FOGARTY trusted that no member in the House wished to injure the Queensland National Bank; but further information should be afforded them before definite action was taken. In 1893 they had a report from the Treasurer and the late Secretary for Lands—both gentlemen of unblemished reputation and exceptional ability—but they had not sufficient time at their disposal to enable them to intimate to the House the true condition of things. He had very great sympathy with the Treasurer on that trying occasion, for there was no doubt that maladministration had occurred in the past, of which he had to bear the brunt, although he was entirely innocent of anything of the sort. But, unfortunately, he had to devise ways and means of overcoming the maladministration of the past. The report of the committee of investigation showed that there was a shrinkage of £2,500,000 in the assets as stated in the balance-sheet published by the bank. No doubt the committee had discharged the duty devolving upon them honestly and with conspicuous ability, but he ventured to say that they had put a most liberal interpretation upon the values of the assets. Notwithstanding that, a shrinkage of £2,500,000 occurred. The Treasurer pointed out this evening that the bank had not failed in its obligations to the general public; but if special legislation had not taken place last week guaranteeing current accounts to the extent of £800,000 he was afraid the bank would have been a defaulter to the general public, because the report of the committee would have caused such a run on the bank that it would not have been able to meet the demands made upon it. The committee refrained from expressing any opinion on the management of the bank; but, reading between the lines, they said it had been lax in the past. No doubt there was room for improvement in the management, and he trusted it was not too late to effect the needed reform. He did not agree with the Treasurer's suggestion that two commissioners would be sufficient to make a second investigation; the present board of four should be engaged.

The TREASURER: Suppose they won't act.

Mr. FOGARTY: In that case it was probable that gentlemen of equal ability and honesty could be found to make up the number.

The TREASURER: Is there any particular virtue in four?

Mr. FOGARTY: No particular virtue as far as he knew; but he did not think two gentlemen could bring up an equally satisfactory report. The hon. gentleman had stated that a second inquiry would be made; and he was satisfied that the hon. gentleman's promise would be carried out; but the report would not be in the hands of hon. members during the present session. He presumed that in the event of the Bill which the Treasurer wished to introduce becoming law, the Government would be in a position to enter into arrangements with the bank without knowing the true condition of things. If that compact became an accomplished fact, and later on it was discovered that the bank was in a worse position than that shown by the present report, it would be too late then to protest against the action of the Government. Therefore, legislation might very well stand over till next session. They had been told that it was the intention of the Government to call Parliament together early next year to pass the

Local Government Bill, the Land Bill, and other urgent measures. He had no doubt that before Parliament met, the report of the committee of inquiry would be published; and the first matter that should engage the attention of Parliament next session was the consideration of legislation relating to this bank. The institution was in a position to keep its doors open for twelve months owing to the guarantee given last week; therefore, there was no need for hasty legislation of this sort. Though he had expressed his sympathy with the bank, he must say that if all the branches had been conducted on the same sound principles as the Toowoomba branch the bank would not have been in the lamentable position it occupied at present. Money had been borrowed from time to time ostensibly for the purpose of creating employment and carrying out reproductive works, but it was no secret that at least one loan was floated for the purpose of bolstering up this institution, and the sooner they got all information the better. Personally, he would like a detailed statement to be placed in the hands of members showing the amounts advanced to individuals from a certain amount upwards, together with the value and nature of the securities, because that information would show exactly the true state of affairs; but he had heard—he did not know whether it was correct or not—that it would be impossible to get this necessary information unless the institution were placed in liquidation. He would be very sorry to see that, because it would almost mean national bankruptcy; and it was their bounden duty, if possible, to carry the institution along. At the same time, it might be in such a condition that it could not carry on; and temporary assistance might be only staving off the evil day and entailing additional loss on the taxpayers. The committee of inquiry recommended that the shareholders should forfeit the whole of the moneys paid by them. He knew of more than one case where the savings of three-fourths of a lifetime were invested in Queensland National Bank debentures, and they were not original shareholders. The original shareholder had a considerable advantage in having received dividends amounting to something like £10 5s. per share; but there were others who bought at a considerable premium, and had received no dividends, or scarcely any, and he thought means should be devised to give some relief to them. The State was a very large creditor, and he would be willing that from some of the public money relief should be given to persons who purchased bank scrip outside the original shareholders. He had every sympathy with the shareholders, and he thought their position was a most trying one. The committee of inquiry recommended that the 40s. unpaid be written off—that relief be given to that extent; but it was a relief in which he would not like to share. It was possible that by giving assistance the depositors might receive 20s. in the £1, and if an extension of time and a reduction of interest would be an assistance they should allow it. With that assistance, if the bank was anything like healthy, it should certainly recover within the next ten or fifteen years, but at this stage they could not say if the bank was in that position or not. They should have the second report placed in their hands, and if it could not be ready this session, a short session might be held early next year. It would take some considerable time to ascertain the wishes of the English and Scottish depositors, but he did not think the latter had any particular regard for this colony so far as this institution was concerned, as its doors were closed just one day previous to their deposits maturing. They were not treated well in that matter. If the depositors chose to accept the suggestion of the committee,

and become shareholders, that risk was entirely a matter for them; but there was ample time for a second report to be in the hands of hon. members before their wishes could be ascertained. He should be willing to attend a special session of Parliament to deal with the matter, and place the bank in a solvent state. He shared in the condemnation given by the committee to the directors for declaring dividends in an illegal way. The payment of those dividends was misleading to the shareholders, because it made them satisfied with the management of the bank, and they might have neglected opportunities of realising on their shares. A false security was created by the fact of that dividend being paid, and the action of the directors ought to be condemned in the strongest language. He did not like the report as a whole, because it proposed to inflict an injustice upon the shareholders. The Treasurer had pointed out that the committee thought that the bank might pull through if given certain assistance; but he forgot to mention the important fact that if the bank did pull through it would be at the expense of the present shareholders, in whose favour something ought to be said. He did not think the proposal was at all fair, and if they discovered that the institution was not in a healthy condition it would be much better that the State should aid the shareholders as well as the depositors, and recoup them to some extent for the loss sustained in the event of the bank going into liquidation. He should be sorry to see that condition of things brought about, but if they passed a Bill now, before the second report was received, they would be in the same position as they were in 1893, and have no idea of the condition of things. It was all very well to assist the Queensland National Bank, but there were other banks that had sought assistance, and he did not see why a comprehensive measure should not be introduced which would give them relief also. They had to compete with the Queensland National Bank with its great Government deposits, and ought to be considered. The current accounts were guaranteed for twelve months, and within three months they ought to have the information they required. The suggestion of the Treasurer was premature, and he hoped that the advice he was giving would be followed, although it came from an obscure hon. member like himself.

Mr. JACKSON did not share the pessimistic opinions of the hon. member who had just spoken regarding the terrible calamity it would be if the Queensland National Bank liquidated. He did not see how his party would gain anything by it. It had been said they had an animus against the bank, but it struck him that if there were anybody interested in the liquidation of the bank it was the other banking companies, because they would have their business increased. He did not think there would be any great injury to the colony, because accounts would be taken over by the other banks, and business would go on pretty much as usual, at any rate there would be no stoppage to speak of in the way of business, as some hon. members seemed to imagine. It was unfortunate that they should have this trouble hanging over them, but the colony seemed always to have some plague. First it was a drought, then it was a flood, then rabbits, then ticks, then the Labour party, and now it was the Queensland National Bank. He supposed hon. members on the other side would say that the Labour party was the greatest plague of all. To-night the other side had tried to prove two things—that the Government had meant all the time to have a further investigation into the affairs of the bank, and the Treasurer in particular had laboured to prove that the opinions of the committee of investigation were

exactly the same as the opinions he held in 1893. Neither of those points had been proved by hon. members opposite. He was sure that if the Treasurer had told the people of Queensland in 1893 that there had been a depreciation in the bank's assets of £2,000,000 the public would not have been satisfied with the opinion the hon. gentleman then expressed with reference to the solvency of the bank. There was a vast difference between the balance-sheet as published by the bank and as amended by the committee of investigation. The conditions of its solvency as mentioned by the committee were these: They proposed that the private depositors should become shareholders, and they recommended that  $2\frac{1}{2}$  per cent. interest should be paid to the new shareholders, and also to the Government upon their fixed deposits. The report, on the whole, was a very able document—a splendid report so far as lucidity went; but there was some vagueness on one point—that was whether Government deposits should take priority over the shareholders in regard to interest, or whether the Government were to become partners as it were in the concern. He thought that it was intended that the Government should be paid their  $2\frac{1}{2}$  per cent. interest first, and then the new proprietary should get their  $2\frac{1}{2}$  per cent. With regard to the other point he had mentioned that the other side had attempted to prove, he was inclined to think that the instructions given by the Treasurer to the committee of investigation were very wide, and really covered an inquiry into the past management of the bank. But, looking at the Queensland National Bank Agreement Act of 1893, it was very problematical whether the committee would have power to inquire into the past management. He was rather surprised that the point had not been raised by the hon. member for Flinders, because it was a very arguable one. Under the Queensland National Bank Agreement Act the Treasurer had power to demand information from the management, and it also gave him power to delegate certain authority to other parties so far as regarded the inspection of the bank and records of the bank; but nothing was said as to taking evidence from anyone else except the management. The hon. member for Charters Towers had said that the Treasurer had not made any definite statement as to whether a further investigation was to be made. He thought the statement of the Treasurer was clear on that point; but the question was whether the committee would have power to investigate the past management. If the Queensland National Bank Agreement Act of 1893 did give the Government power to make such an investigation, it placed them on the horns of a dilemma, because since 1893 they had had power to inquire into the past management of the bank, and they had undoubtedly neglected to do so. During the debate there had been some expressions of sympathy with the depositors. The hon. member for Toowoomba had referred to the unfortunate position of the depositors on the other side of the world, but the Home Secretary had rather discounted those remarks. The hon. gentleman seemed to think that they ought to have looked after their own business. There was something in that, no doubt. People in the old country who invested their money in colonial or foreign banks were usually fairly shrewd business men, who ought to know what they were doing. Depositors knew very well that directors had power to invest their money, and if anything went wrong with the bank's investments the depositors had to stand the consequences. At the same time, if people in the old country or in Queensland had been tempted to place money in the Queensland National Bank by false representations, there was no doubt that the directors or managers were guilty of a wrong, if not of a

crime. He had noticed some remarks in that morning's *Courier* with reference to an inquiry which was being made in Melbourne by a select committee of the Legislative Council. The point was whether bank directors should be allowed to get overdrafts in their own banks. The evidence of the bank managers in Melbourne seemed to be rather favourable to directors being allowed to overdraw their accounts. He was rather surprised at that, because it had been long recognised by banking authorities that it was not wise to allow such a practice, and in support of that he would quote a few sentences from a work written by Mr. Gilbert, an eminent banker of some years ago. It was evident in his time that a danger was likely to arise from directors being allowed to overdraw their accounts. He (Mr. Jackson) was not saying that the directors of the Queensland National Bank had done any such thing—he was just answering the criticisms, not particularly of the *Courier*, but of some hon. members who had spoken during the debate. Mr. Gilbert said—

"It would be a most wholesome regulation were it stipulated in all deeds of settlement that no bank director should be privileged to overdraw his account. The great facilities directors enjoyed of raising money by overdrawing their bank accounts had in some instances resulted in extensive commercial disasters and in the total wreck of large establishments."

In conclusion, he wished to say that he was glad the Government had consented to an inquiry being held. He had not believed that they intended to have a further inquiry. He believed the instructions given to the committee were wide enough to enable them to hold an inquiry into the past affairs of the bank, and when they furnished their report to the Government they were given an opportunity to allow the matter to drop, but the attitude adopted by members on the Opposition side of the House had compelled the Government to grant a further inquiry.

Mr. BATTERSBY: The Government had been accused of wanting to introduce a Bill that members knew nothing about. It would be wise to allow the Bill to be brought in, and if it was not satisfactory he was prepared to assist hon. members opposite in blocking it. They had been in session for six months, and had not done a month's work, therefore it was time they settled down to business. A number of second-reading speeches had been made to-night upon a Bill they knew nothing about, and it was only waste of time, as it would all have to come over again. He was prepared to vote for the introduction of the Bill; but if it was not in the interests of the colony to pass it he would vote against it.

Mr. DUNS福德: There were good reasons why they should not allow a Bill giving the Government power to make agreements with the Queensland National Bank to be introduced. It would empower the Government to fix interest and make other terms with the present proprietors.

The CHAIRMAN: The hon. member will see that he will not be in order in discussing the provisions of the Bill which has not yet been introduced. There has been a great deal of latitude allowed during the discussion, and I would ask the hon. member to confine his remarks to the question before the Committee.

Mr. DUNS福德: There had been a very full discussion on the history and past management or mismanagement of the bank, and it seemed to him rather late in the day to be told that they should not discuss the affairs of the bank.

The CHAIRMAN: My remarks applied more to the hon. member for Moreton. I must ask hon. members not to discuss a Bill which is not before the Committee.

Mr. DUNSFORD did not intend to enter into the affairs of the bank or its past management or history, because if they knew about the misdeeds of the past there would be no necessity for an inquiry. Therefore he should hold his hand until he had evidence before him of misdeeds. He believed a commission of inquiry would bring to light many misdeeds. He objected to allowing the Treasurer to make agreements, because they must be made with the present shareholders, but they were told by the committee of inquiry that the bank could only remain as a going concern by the fixed depositors or the State becoming the proprietors. He did not see that there was any urgency in the matter. The shareholders or depositors were not demanding legislation, but when they had come to an agreement, if they desired to keep the bank as a going concern, let them come forward and ask for what legislation they wanted. Legislation such as they had had recently was panic legislation, and the colony would yet be sorry for it. He hoped the bank would be kept as a going concern.

The TREASURER: You are trying to shake it.

Mr. DUNSFORD defied anyone to prove that he or his party had done anything to injure any financial institution. Hon. members opposite were always talking about the reward of thrift, and yet there were orphans and widows who had deposited their small savings in that bank, and hon. members would help the proprietors to take their deposits and give them out to the shareholders in the shape of dividends. If in 1893 the hon. gentleman had gone in for a full investigation, the bank would not be in the difficult position it was to-day, and widows and orphans and thrifty persons would not have been robbed to the same extent as they had been by the present proprietors of the bank. It was pretty clear from the report that there had been dishonest transactions, that dividends had been declared out of the deposits instead of out of profits. He did not wish the good name of the colony to be dragged in the mire any longer, and he therefore thought they would be wise in holding their hand at present.

The TREASURER: You are very angry because I said you were going to have an inquiry.

Mr. DUNSFORD: He was not; he was only sorry that there had not been an inquiry three years ago. If there had been, some transactions and some dishonesty which had occurred since then would probably not have occurred. If widows and orphans and the British public had been gulled into placing their deposits in this bank, it had been through the action of leading politicians and so-called statesmen of the colony, and the sooner they cleared the matter up the better for the colony. They would be going to the market for a new loan in a few days, and if they went to the market with the present want of confidence, they would get the loan on very poor terms indeed. He hoped the motion would not be pressed, as he felt it should not be carried this session at all. They should give ample time, put on their considering caps, and allow the shareholders, the public, and the people doing business with the bank to consider what legislation was required in connection with it before they were asked to push it through.

Mr. GRIMES agreed with the hon. member for Moreton that there had been a great waste of time in the discussion. At the commencement of the debate the Treasurer stated that it was the intention of the Government that the committee should go on with their inquiry, and that there should be a full investigation.

Mr. TURLEY: He did not state that. He said he believed two members should constitute the committee of inquiry.

Mr. GRIMES: The statement had been accepted by the leader of the Labour party, who said there would be no further opposition, and he was quite prepared to give the Treasurer every assistance in passing the Bill. Since that they had had speeches from nearly every hon. member on the other side, and for all their talking not a single one of them would have the courage to call for a division when the question was put; they would let it go on the voices. That was the way the time of hon. members and the country was wasted. The hon. member for Flinders had gone into ancient history of 1879, and even before that, to try to fix upon the present Government the blame for transactions which took place at that time. The present Government had had nothing whatever to do with the transference of the account from the Union Bank; not a single member of the present Ministry was a member of Parliament at that time. He might go further and say that not a single one of them was connected with public life at that time.

Mr. HOOLAN: They might have been getting overdrafts just the same.

Mr. GRIMES: The hon. member for Flinders wished the outside public to believe that the present Government were responsible for the transference of the account from the Union Bank to the Queensland National Bank in the first instance. Of course it was an attempt to discredit the Government, but the outside public would not have dust thrown in their eyes like that; many of them were quite aware of all the affairs in connection with that bank from its inception, and would distinguish between the present Ministry and those who took the part referred to by the hon. member for Flinders. He had no intention of stonewalling the motion, which simply affirmed that they should introduce a Bill to endeavour to put the bank right, and the sooner they got to that business the better for the bank and the country.

Mr. DANIELS: The hon. member had told them that the present Government had nothing to do with the actions of past Governments in connection with the Queensland National Bank, but they all knew that the Queensland National Bank put them where they were and kept them there, and it was their duty to fight not for Queensland but for the Queensland National Bank, their masters. They had been told by the Premier that they were not going to get a further inquiry, and now the hon. member had changed his mind and was going to give them an inquiry some hon. members got up and complimented him upon his condescension. He did not thank the hon. gentleman at all, because he had been forced to give some promise to that effect or he knew he would never get any Bill passed. He did not see any necessity for a Bill dealing with the bank until they knew the full particulars concerning the bank. However, he was glad they were going to have the inquiry, because it was a duty they owed to the people of the colony who wanted to know how the bank had been managed. For all they knew the depositors might have been robbed by managers and directors wholesale. He would not say they had been, but he wanted to know. In 1893 hon. members on that side asked for an inquiry, but they did not get it. They wanted to find out whether there had been any wilful mismanagement in connection with the institution, and, if so, who were the guilty parties? Lately there had been an inquiry, and either the Premier had been deceived by false balance-sheets in 1893, or he had told the House a falsehood when he said the bank was sound. On that occasion they placed confidence not so much in the Premier as in his colleague, who was an old bank manager. The result

had proved that it would have been far better to have had a searching investigation then. But the Premier's statement served its purpose at the time. It enabled a lot of the friends of the Government side to sell out their deposits and transfer their shares, which they had done. That would be proved, he believed, when the final report was brought up. The whole of the late depression could be attributed to the heaven-born financiers—he was going to say that the country had been cursed with, but that would be unparliamentary. Heaven save the colony from heaven-born financiers in the future if that was to be the result! The Home Secretary said a lot of members only wanted the inquiry because they were lovers of scandal. That showed the hon. gentleman was well aware that if the inquiry was made the scandal was made, and possibly he knew who would be mixed up in it. Perhaps if the inquiry asked for in 1893 had been held some gentlemen who now occupied very prominent positions would have been sent down to a little island at the mouth of the river, dressed in a beautiful canvas uniform with "St. Helena" branded all over it. Possibly that was the reason the inquiry was refused, and things were allowed to get a bit cool. Whatever the hon. member for Oxley might say about the Government not being connected with the bank, it was evident they knew before the 1893 election the state the bank was in. It was thrown out all over the colony that if Sir Charles Lilley and the Labour party got in the bank would break. They did not get in, but the bank broke all the same. He had not such a poor opinion of the colony as to imagine that if the institution were to collapse there would be ruin throughout Queensland. The colony had sufficient resources to stand a loss of £2,000,000 or £3,000,000, and all the good business would be done through the other banks. After the Premier had refused the inquiry, in reply to a question by the leader of the Labour party, he saw the position he was placed in, and backed down more or less gracefully; and it was just as well he did. A slur had been thrown out by members on the other side that the Labour party had no stake in the country. They were not altogether paupers on that side, though certainly none of them had an overdraft, and if they were called upon tomorrow to pay 20s. in the £1 they had just as much capital to do it with as hon. members on the other side, taking them all round.

Mr. BATTERSBY rose to a point of order. What the hon. member was saying had nothing whatever to do with the question before the Committee.

Mr. DANIELS: He had almost finished. The slur that was continually thrown at them that they had no stake in the country—

Mr. BATTERSBY asked for a ruling on the point of order he had raised.

The CHAIRMAN: There is no point of order, and the hon. member should have been satisfied when the hon. member for Cambooya stated he was about to conclude his speech.

Mr. DANIELS: It seemed to be the opinion of the majority of the Committee that they should let the Bill be introduced. If they were of his opinion they would allow no Bill to be introduced until after there had been the fullest inquiry with the past management of the bank.

Mr. TURLEY: There was still a considerable amount of misapprehension among members on his side as to what the Treasurer had promised. The hon. member for Oxley stated just now that the hon. gentleman had promised that there should be the fullest inquiry into the past management of the bank by the present committee; but though he (Mr. Turley) had listened very carefully to the Treasurer he had heard nothing to lead him to believe that he would

appoint the present committee and give them power to make the inquiry desired by members on that side of the House. Then the hon. member for Ipswich had raised the pertinent question as to whether the Government had the power under the Act to order an inquiry into the past management of the institution. If they had, then it was the duty of the legal members of the Government to tell the Committee that they did possess the necessary authority. What was necessary, and what was desired, was that there should be the fullest inquiry into the whole of the transactions in connection with that bank, more particularly with reference to persons who had been prominently mixed up in politics. As the hon. member for Oxley had stated, there were a number of people who knew something about the bank, and many were very sorry that they ever knew anything about the institution. Friends of his were very sorry to-day that they ever had connection with the institution, and he was satisfied that it was through misrepresentation that many of those people had been induced to maintain the connection they had had with the bank. If one person induced another to part with his money or property by misrepresentation, it was just as dishonest as if he stole it from him directly. The Treasurer stated some time ago, in answer to a question by the hon. member for Bundaberg, that he had no idea of ordering any further inquiry, because he believed it was the duty of the shareholders and depositors to make that inquiry. If it was right that they should take the initiative in that, then it would be better to delay the proposed legislation until the shareholders, depositors, and hon. members had the report of a further inquiry in their hands, so that they might know what they were doing in consenting to any scheme for the reconstruction of the bank. When Parliament came to the relief of that and other financial institutions in 1893, the agreement made by the Government with the bank was misrepresented and distorted by persons representing the institution in London to the shareholders and depositors in the old country, in order to induce them to sanction the scheme of reconstruction. Would the present be another case of the same sort? If so, it would be a case of deliberate fraud. The Labour party had been accused of almost every crime in the calendar, more especially in connection with the financial institutions of the colony, but notwithstanding all that he held that they were perfectly justified in asking that an inquiry should be held into the past management of the bank. The people did not forget that not many years ago persons connected with this institution practically abused the power placed in their hands, and removed from the bench a man who had the temerity to give a verdict in the Supreme Court which did not suit their interests, and placed in his position another person who, rumour stated, and apparently truthfully, was under considerable obligation to this particular institution. It was necessary, before confidence could be restored in an institution like this, that the country should know something about the past transactions of persons connected with it. Hon. members said, "See what the bank has done for Queensland! If it had not been for that institution, where would Queensland have been?" He maintained that the assistance it had given Queensland was very much like the assistance given by the hangman to his victim when he assisted him to the scaffold, and then let him drop with a big thud. They had been able, oftentimes by misrepresentation, but nearly always through the fact that the bank was connected with the Government, to get people to invest their money in this institution. That had brought money to the colony, but for the last



three years there had not been a bigger incubus on Queensland; and before any legislation was enacted again, before there was any possibility of other persons being deluded into investing money in Queensland under false pretences, under misrepresentations made by interested persons on the strength of what the Government might do, the party on his side asked that there should be an inquiry. And he was satisfied that they were voicing the opinion of nine out of every ten people in the colony. It had been stated on the other side that they were responsible for the depreciation of credit in Queensland. He denied that *in toto*. Nothing his party had ever done, or been able to do, had discredited the colony. It was the fact that people in England had lost faith in the persons occupying very prominent positions in public life and at the same time prominent positions in financial institutions that had destroyed the credit of Queensland. They found that in the neighbouring colony numbers of bank directors had committed actions contrary to law, and those directors were prominent public men. In Victoria they found exactly the same thing. Only within the last few weeks there was an instance of an institution with which a considerable number of fairly prominent men were connected, and the only plea put in on their behalf was that they were under the domination of the secretary of the institution. That was the plea of those men who were pointed out as grants of finance when they had to answer for their misdeeds. In Victoria there had been a number of prominent men whose deeds would not bear scrutiny, and numbers of them had been made to suffer. Take the colony of New Zealand, which occupied almost the same position as Queensland. Some years ago the bank doing the Government business there was found to be in a deplorable condition, and it was said that the Government would have to step in and assist. The Government did assist the institution; and on two different occasions since the Government had to pledge the credit of the colony for large sums; and to-day they were responsible for between £5,000,000 and £6,000,000 raised to carry on the business of that bank. And nobody was able to see the end yet. A commission was appointed to inquire into this institution, and in their report they said that after the first occasion when the institution asked for relief a committee of inquiry should have been appointed with the view of taking criminal proceedings against certain persons connected with the institution. Though instances such as that had occurred in Canada, Newfoundland, and the other Australasian colonies, the demand for an inquiry into the past management of this institution was deprecated. Yet they were told that, even if there was no inquiry, something could be done which would restore confidence. He did not believe anything would restore confidence unless people were satisfied that the men at the heads of these institutions were men of morality, who would not take advantage of their position to advance their material interests. Unless people were satisfied that such was the case they were bound to lose confidence. According to this report, confidence was lost now; and it would be wrong to pass legislation which would perhaps be used as a lever to coerce or induce people on the other side of the world to sanction a scheme which might be placed before them by the management of this institution. The present proposal meant that the Government would be made use of to induce people to invest money or carry on business with this bank, and the result would be that the country would be asked to come to the rescue again. It was not right for people who were running private institutions to expect the Government to come to

their assistance. They would be doing wrong to agree to this resolution unless the Treasurer could show them that he had the power to enforce an inquiry into past management, and would assure them that the inquiry would be ordered, and the result made known at the earliest opportunity. If that were done, the country would be placed in a fair position, and nobody would be able to cavil if mistakes were made.

Mr. GLASSEY did not see that they would be committing themselves to the Bill by merely agreeing to this resolution, and he respectfully asked hon. members not to offer any unnecessary hostility at this stage. As far as the Government were concerned, doubtless they would accede to the wishes of hon. members on this side when they came to deal with the Bill itself. He had listened to the statement made by the Treasurer with great attention, and so far as he was able to gather it seemed fairly satisfactory. A committee would be appointed, and that committee would have ample power to go into the question of the past management, and if the Act of 1893 did not give sufficient power the Government could take further powers by Executive minute, and make it a Royal Commission. He was not inclined to give way to the Government unless a committee of inquiry were appointed, and as that had been conceded, this motion should be allowed to pass. When the Bill came before them they could insist upon further guarantees being given to satisfy the claims put forward by hon. members; but it should be introduced so that they might know what the scheme was.

Mr. McDONALD thought they were entitled to further information from the Treasurer. They had had a quibbling speech from him that he could back down upon when he pleased, and knowing his quibbling disposition, he and other hon. members refused to take his statement. He did not think the Government had power to order the committee to make these investigations, because the Act of 1893 only empowered them to appoint persons to inspect and take copies of books, documents, or records relating to the affairs of the bank. Any person called upon to give evidence might refuse, and he could not be compelled to do so. They wanted extended powers given, and that could only be done by appointing a Royal Commission.

THE SECRETARY FOR PUBLIC LANDS: That would not do it.

Mr. McDONALD: A Royal Commission would be invested by Parliament with powers to make any inquiry they thought proper, but under the Act as it stood they could merely get the ordinary figures as to the relative position of the assets and liabilities. If they wanted a fuller investigation, without appointing a Royal Commission, they could only get it by an order from the Supreme Court. He had a great deal to say in connection with the institution, but he did not want to say it. He did not want to prejudice the bank or anyone connected with it, or any inquiry that might be made into the affairs of the bank; but if there was not going to be a full inquiry, he was going to have his say on the floor of the House, and it would not be creditable to the bank or those connected with it.

Mr. DAWSON felt very much like the hon. member for Flinders—that they had not had a satisfactory statement from the Treasurer. The hon. gentleman had not been in the Chamber for some considerable time, but his two faithful followers who were sitting on the Treasury bench might tell them what the hon. gentleman did mean.

THE SECRETARY FOR PUBLIC LANDS: Ask your leader. He is satisfied.

Mr. DAWSON: He was not aware that the leader of the Labour party was the interpreter



for the Treasurer. The Treasurer had given it as his opinion that there should be an investigation.

The SECRETARY FOR PUBLIC LANDS: He said, "I promise."

Mr. DAWSON: In a laboured and painful effort the Treasurer had argued that the committee of investigation had received instructions to investigate the past management of the bank, but the hon. gentleman had afterwards said that the investigation would be made by two members of the present committee. Which of those statements were they to accept? If the committee was to consist of only two members, who was to be the one to assist the Auditor-General? There were one or two other members of the committee whom he would not object to see associated singly with the Auditor-General, but with regard to one member he would not feel satisfied to see him act with the Auditor-General.

The TREASURER: Name!

Mr. DAWSON: Let the hon. gentleman mind his own business.

The TREASURER: My business is to get the name.

Mr. DAWSON: The business of the hon. gentleman was not to make disorderly interjections. He would like him to give some explanation about the misleading report he made in 1893.

The TREASURER: I did not say it was misleading.

Mr. DAWSON: The hon. gentleman said now that he was quite satisfied that the report of the committee was correct—that the bank could not pay 20s. in the £1 in 1893.

The TREASURER: I did not say that.

Mr. DAWSON: If that was the case, why had the hon. gentleman permitted the directors to pay two dividends since that time. All those matters required ventilation, and it was a very good thing that there were members of that Committee who were prepared to give them ventilation. The hon. member for Oxley had made a desperate effort to show that whatever disreputable transactions might have taken place between past Governments and the bank they had nothing to do with the present Government; but he looked upon the present Government as the lineal descendants of the Governments which had been mixed up in those transactions. Even since 1893, however, there had been actions which were not creditable to the responsible authorities, and he did not clear the present Government or their followers from that responsibility. For years and years the men who had been politically associated with the bank had tried all they possibly could to stop investigation; but they had now been driven into a position which prevented them from shirking an inquiry. He ventured to say that if an investigation took place it would disclose a state of affairs as discreditable, dishonourable, disgraceful, and criminal as anything that had taken place in connection with any bank in Australia. He believed that just as those who were responsible for the criminal mismanagement had sent as felons to St. Helena those whom they regarded as their political opponents, so would those who were responsible for the criminal actions which had taken place in the bank management be sent to St. Helena if they got their deserts.

Mr. TURLEY wished to know whether the Queensland National Bank Agreement Act of 1893 gave power to a commission to examine persons as to the past management of the institution, or whether they would simply be confined to the examination of books and documents?

The TREASURER: If the hon. member would read the report he would see that the reference to the committee was as wide as

possible. It covered everything. There was no objection to inquiry on the part of the bank. He had intimated already that the bank courted inquiry. He would draw the attention of the hon. member to the last paragraph of the report, in which the committee thanked the acting general manager for the courtesy he had shown them and the assistance he had rendered them during the course of their investigations.

Mr. HARDACRE had been under the impression that the Treasurer had promised a further inquiry, and, therefore, he had seen no necessity for continuing the discussion, but having considered the explanation which the hon. gentleman made of his statement in 1893 it was best to be suspicious of what the hon. gentleman said. He was not quite so satisfied now that they had a distinct promise that an inquiry was to take place. In reply to a request that a promise should be made the hon. gentleman stated that the bank courted inquiry, and then he very carefully went away from the subject and evaded giving a promise. The present bank and its present officers might court inquiry, but a new bank and new officers might take an entirely different view of things, and the stand which they took might excuse the hon. gentleman from fulfilling his promise. In 1893, according to the hon. gentleman, it was perfectly solvent, as much so as it was in 1896, and it was on that ground the hon. gentleman wanted them to enter into an agreement with the bank. But in 1896 they had a report stating that there was a deficit of nearly £3,000,000. That was a terrible condition of things, and the Treasurer must have known in 1893 that the bank was in an almost hopeless insolvent condition. If the colony progressed, if values improved, if a great many things happened that might never happen it was possible that the bank would be able to pay 20s. in the £1. That was only the plea of the gambler for risking money obtained by false pretences, that by a stroke of luck he might be able to pay it all back again. Such statements as the hon. gentleman had made in explanation of his report in 1893 justified them being on their guard with regard to any promise of an inquiry he had made that afternoon. He would like some more explicit and distinct promise than had yet been given that the inquiry would be authorised at an early date. He also wanted some statement as to whether in connection with the point raised by the hon. member for South Brisbane, there was power under the Act of 1893 to have the inquiry fully carried out. He would like some fuller power than that provided by the 6th section of that Act; there should be power to examine individuals as well as documents, and the committee should be in a position to question the officials of the bank and its branches, as well as persons outside to whom overdrafts, for instance, had been given, as to the properties upon which advances had been made. That was a power given in connection with the inquiry held in New Zealand, and it should be provided here.

Mr. HAMILTON: The Treasurer at the commencement of the proceedings made a distinct promise to the Committee that that inquiry should be made, and if the machinery did not now exist for carrying out that promise the hon. gentleman would be bound in honour to put machinery in motion to have his promise carried out.

Mr. BROWNE: The request of the hon. members for South Brisbane and Flinders was a reasonable one, and the Attorney-General being present might give hon. members some assurance as to whether the committee of inquiry would have the necessary power to conduct an inquiry into the past affairs of the bank, or whether the

bank would not have power to turn round and say to the committee that they had no power under the Act to do what they proposed to do.

The TREASURER hoped the Committee would be guided by common sense. He had already assured them that no objection had been taken to any inquiry.

Mr. GLASSEY: Is any objection likely to be taken?

The TREASURER: Not that he was aware of. He had stated that the bank courted investigation. What more could he say?

Mr. GLASSEY: Suppose they refused, and raised legal objections?

The TREASURER: He did not think there would be any necessity to go to a court of law. He would go further, and say that if the bank did start legal objections the bank would be gone.

Mr. McDONALD wished to state, with regard to Mr. Ralston, the acting general manager, that as far as he could learn that gentleman's actions in connection with the bank had been most creditable, and everyone spoke of him in terms of praise. He wished to know definitely whether the Government intended to appoint a commission of inquiry, and, if so, when it was likely to commence its labours, and when they might expect the report to be placed in their hands?

The TREASURER: He did not know when the report would come in, but if it came in before the House met—and he expected it to meet in May—he would have it sent to hon. members.

Mr. GLASSEY: When will the commission commence its labours—within a reasonable time?

The TREASURER: Within a reasonable time. I should say within a month.

Mr. McDONALD: How many commissioners?

The TREASURER: He had suggested two. If the Committee wanted the whole commission let them say so.

MEMBERS of the Labour party: Hear, hear!

The TREASURER: If they wanted the same commission to go on he would ask them to do so.

Question put and passed.

The House resumed; and the CHAIRMAN reported the resolution.

#### FIRST READING.

The Bill was then read a first time, and the second reading made an Order of the Day for Tuesday next.

#### SUPPLY.

##### RESUMPTION OF COMMITTEE.

##### SECRETARY FOR MINES.

The SECRETARY FOR MINES moved that £3,260 be granted for the Secretary for Mines. There was a slight increase in the vote, the chief clerk and accountant being increased from £260 to £300, one clerk receiving an increase of £20, and three other clerks an increase of £10 each.

Mr. BROWNE believed that every member who had had anything to do with the Mines Department, and knew the amount of work done by the chief clerk, would be pleased to see that small increase in his salary. Every session since he had been a member of the House, on every occasion when that vote had come before the Committee, he had brought forward the need of reform in the mining laws and regulations. The Minister had told them that he was going to appoint a Royal Commission to inquire into the question. Speaking for himself, he (Mr. Browne) did not agree with that proposal, as reading and experience taught him that, while Royal Commissions were generally a good deal of expense, they did very little good. At present they had on the Ministerial side of the House men who knew as much about the mining laws and regulations as anyone they could find in the colony. In the Home Secretary they had the best mining lawyer in Queensland,

perhaps in Australia, and in members like the hon. member for Cook, the two members for Gympie, the hon. member for Fitzroy, and others on that side, they had men who had a large knowledge of mining. On the Opposition side there were several members who, like himself, had been identified with mining for years, not only as working miners, but also as mine-owners. The Under Secretary for Mines was admitted to have as large an experience in regard to mining as any man in the colony, and he had during the last two or three years been sent on trips to the North for the purpose of collecting information respecting amendments of the mining laws and regulations. Then again, Mr. Shakespeare, one of their oldest mining inspectors, had been sent to Victoria to collect information for a similar purpose. Under those circumstances he did not see the use of spending a large sum of money on a Royal Commission. The last Royal Commission in connection with the mining industry was appointed in 1870, and it was not until four years afterwards, and then under a change of Government, that a Mining Bill was brought in. The measure was introduced by Mr. McDevitt, the then member for Ravenswood and Attorney-General, and the very gentlemen who appointed the commission were the ones who opposed that Bill on the ground that there was no necessity for a mining law. Mr. McDevitt acknowledged that it was not from the Royal Commission that he derived assistance in drafting his Bill, but chiefly from Mr. Macrossan and Mr. Hodgkinson. He believed the hon. gentleman at the head of the Mines Department would be willing to initiate some legislation, but that he was overruled by the other members of the Ministry.

The SECRETARY FOR MINES: Not at all.

Mr. BROWNE: A good few of the regulations wanted altering, and the mining laws were defective in some respects; but he was convinced that what was necessary could be done far more speedily in the manner he had suggested than by going to the expense of a Royal Commission.

The SECRETARY FOR MINES did not admit that the mining laws were so much in need of reform as some hon. members seemed to think.

Mr. BROWNE: It is the regulations.

The SECRETARY FOR MINES: They were altered from time to time. When they were framed twenty-five years ago the mining here was mostly alluvial. He did not think there was a shaft of 500 feet in 1872; now there was one of 2,400 feet, and the conditions of mining had altered very much. According to the law there must be twenty-five men employed on a 25-acre lease though six or eight men were sufficient. When application was made for permission to employ the smaller number it was granted, but that was not generally known outside the colony. There was too much power at present in the hands of the Minister. It would be better to have his power laid down in the mining laws and to have it curtailed. Exemption should be granted after a certain amount of money had been spent on a mine, and the number of men required to be employed should be reduced. If our mining laws were made a little more liberal, and our mines were made better known to the outside world, more people and more capital would come here; and he believed that a small commission, or committee, of three or five men visiting such places as Croydon, Georgetown, Herberton, Thornborough, Charters Towers, and Gympie, would be able to gather a lot of information that would be of great assistance in improving the law and the regulations. He believed that, without going outside, a sufficient number of members could be found to undertake the work.

Something was being done now by the department to bring our mines under the notice of mining investors. Pamphlets and lists of crushings were being published broadcast. Mr. Rands, who was going home on leave, would deliver lectures on our mining fields; and another lecturer might be sent home if a suitable person could be found. If the British public knew the mines we have going begging, they would rather invest their capital here than in some other places.

Mr. JACKSON: It was hardly right to go on with these Estimates after 11 o'clock, considering the amount of work they had done. He was inclined to agree with the Minister that a small travelling commission might do a deal of good, not only in getting a variety of opinions, but also in the matter of developing the mining industry of Queensland. A good many alterations in our mining laws were required. There was the question of the position of residents on goldfields holding land under pastoral lease or occupation license. That question wanted settling one way or the other. It was not until they passed an Act last year that settlers upon goldfields holding miners' rights were authorised to run cattle or horses there, although that authority might have been implied by other Acts. The Cape River Gold Field was held under pastoral lease, and not long ago he had a communication from some miners there stating that their horses had been impounded. The field consisted partly of alienated and partly of unalienated lands, and the miners had permission to graze their horses on one part but not on the other, which was very unsatisfactory. He pointed out what was likely to happen when the Act was going through, but the Minister said if such a thing were done the runs would be resumed. However, the Government did not seem disposed to act in that matter, and there had been a great deal of misapprehension in the departments, particularly in the Lands Department, as regarded resumptions for gold-mining purposes. Under the Act of 1884, if a resumption were made from a pastoral lease, the squatter had a right to throw the whole run on the hands of the Government, but under the Act of 1889 he could not do that; he could only claim compensation for the part resumed. Upon different occasions when he had tried to get portions of runs resumed for goldfields purposes, the objection was made that the whole lease would be thrown up, but that was not the case. The warden at Ravenswood, in his annual report, said that some fifty or sixty miners at a place called Piccadilly, had been asking for a goldfield to be proclaimed, but their request had not yet been acceded to. He had interviewed the Under Secretary, who had interpreted the Act as he had, and had given instructions to the warden to report upon the advisability of proclaiming this field; so he did not think there would be any further bother upon that head, and the compensation would not be a very great amount. In another case, not far from there, the warden had refused to proclaim a goldfield because he thought a large amount of compensation would be claimed, the very fact of the proclamation meaning resumption. One trouble was that our land laws dealt with the proclamation of goldfields, and it was necessary that there should be a consolidation of the law relating to mining. He had no doubt that the Royal Commission would be able to clear up some of the points in connection with tenures on goldfields. With respect to the deep-sinking vote, he understood the Minister, when they were discussing the vote on the Loan Estimates, to promise that advances would be made out of the vote for pumping and winding machinery.

The SECRETARY FOR MINES: Yes, but not for crushing mills.

Mr. JACKSON: It was not advisable to make loans for providing crushing plants, as they were expensive and heavy; and in the event of no gold being found, the cost of removal would be very great. Pumping and winding machinery was light, and, even if no gold was found, they could easily be carried to some other mine in the vicinity. He believed that Mr. Sellheim was a very good administrator, but there were passages in his report which would lead him to think that there was an apparent want of interest on his part in the wants of the working miners. He seemed to throw cold water on any reduction of rents and fees, and he had always been particularly strong on the Goldfields Stock Act. It might be only due to Mr. Sellheim's brusque way of expressing himself, but it ought to be the duty of the Under Secretary to reduce the burdens of the mining community as much as possible. Mr. Sellheim had again drawn attention to the discrepancy between the gold returns of the Customs and the returns furnished by the officers of the Mines Department, the difference being something like 30,000 oz., which represented a money value of over £100,000. Although Mr. Sellheim said that he was unable to explain the cause of the discrepancy, it had been hinted that the miners stole the gold, but that could not account for such a large amount, and he (Mr. Jackson) thought it must be stolen in the extraction works. He should have liked to say a great deal more, but other members no doubt desired to speak. It was not fair that the Estimates of such an important department should be brought on at that late hour of the night.

Mr. HAMILTON: The desirability of altering the mining regulations and codifying the mining laws had been brought under the notice of successive Secretaries for Mines, and also the way in which the mineral and land laws clashed in regard to tenures on mining fields. In consequence of those representations he had moved last year that a Royal Commission should be appointed to deal with the question, and the Secretary for Mines had agreed to appoint one. Seeing that the commission would deal with the various requirements of the mining community, it was hardly necessary for hon. members to repeat those things. At that late hour their speeches would not be reported at length, so that it was useless hon. members making long speeches simply to show their constituents what they were trying to do for them.

Mr. BOLES did not altogether believe in a Royal Commission as a means of remedying defects in the mining laws, although no doubt valuable suggestions might be made. He did not think the department had been as careful of the affairs of mining districts as they might have been. In his own district, the Maxwellton Gold Field at one time contained 300 men, but since coming on refractory ores the claims had been abandoned and the Lands Department had put up the land for selection, although the action had been strongly protested against. He believed the land had been taken up as grazing farms. He was aware that miners could still go upon it, but they had no means of providing themselves with proper accommodation or any place where they could run their horses. It was a serious question in the district, and he was surprised that the Mines Department had permitted the Lands Department to put up the land on that goldfield for selection.

Mr. DAWSON: Attention was drawn some time ago to the unprotected state of the ash-heaps on Charters Towers and the accidents which occurred in consequence among children. He would be glad to know that something was to be done in the matter. He would also like to know whether anything had been done in reference to

the 8d. an oz. charge through the post office on gold, and whether any action was to be taken in reference to companies which got leases selling the surface rights on goldfields, and then evicting those whom they did not care for.

Mr. SIM thought it was not justifiable on the part of the hon. member for Cook to say they should not talk upon the second largest industry in the colony simply because they would not be reported in *Hansard* at that late hour. He did not think they should be forced at such an hour to take up the discussion of such an important question. He wanted it distinctly understood that if they sat until late in the morning he intended to have his say as the representative of a mining constituency, whether he was reported or not.

Mr. HAMILTON denied that he had objected to hon. members discussing the mining Estimates. He had pointed out that hon. members were taking up time unnecessarily, who merely spoke for the purpose of being reported in *Hansard*, and would find themselves grievously disappointed in the morning.

The SECRETARY FOR MINES regretted very much that the Maxwellton Gold Field had been taken up as a grazing farm, but the information came to the Mines Department after the farm had been taken up. They generally referred such matters to the warden, and took his opinion upon them. If at any time they found it of sufficient importance to do so, they could resume the grazing farm by paying compensation; but he understood that men were working there and were not being disturbed. With regard to the ashpits at Charters Towers, the matter was mentioned to him a fortnight ago by the hon. member for Charters Towers, and as Mr. Sellheim was at Charters Towers at the time he had wired up to make inquiries, and take what steps he thought necessary. Mr. Sellheim had given the mine-owners an intimation that they must fence off their ashpits, and he believed they were doing it now. The matter of the postage of 8d. an oz. on gold had been brought up several times, and he was advised by the Post Office authorities that the rate was fixed by the Post and Telegraph Act of 1891, and it would require an amendment of that Act to alter the rate. He saw no reason why that should not be done, and he would make inquiries to see whether a short Act could not be dealt with this session. Last time the matter was mentioned it was suggested that arrangements might be made with the mailmen to take the gold at whatever rate he might fix, but the matter might be dealt with by the parcels post. He knew there had been some litigation of late on Charters Towers with regard to the selling of surface rights, but as there had been a difference of opinion on the subject between the judges and the warden he thought they would have to deal with the matter by legislation, as no regulations would be sufficient to deal with it. He did not think anyone had the power to sell surface rights. With reference to the remarks of the hon. member for Carpentaria, he might say he had no desire to stop discussion of the vote; he was prepared to sit there until 6 o'clock in the morning if necessary.

Mr. DUNSFORD did not think it would be necessary to sit so long, in view of the promise of the Minister respecting the mining commission, which he hoped would not be an expensive one, and would visit the various mining centres with a view to making recommendations for the amendment of the mining laws. There would be difficulty in framing mining laws that would be suitable for all goldfields, as the conditions in different mining centres differed considerably. For instance, in some districts the reefs were vertical, while in others they were nearly flat.

A very small area where the reefs were vertical was equal to more than ten times the area where they were flat. Those things should be considered in granting areas of land. He agreed that it would be advisable to relax the labour conditions in certain cases; but there was no occasion to go into those matters now, as they would all be inquired into by the promised Royal Commission. With regard to the department, it was the opinion of all mining members that it was one of the best departments in the Government. It might not be generally known that the mining members had formed themselves into a mining union, and he was pleased to say that whenever they had had occasion to approach the Minister they had been met with a courteous and sympathetic hearing. He hoped that when the commission visited the various mining centres they would not only meet the mine-owners and managers, but would receive suggestions from the wage-earners as to their grievances, and the way to remedy them.

Mr. SMYTH believed the commission would be only too glad to receive suggestions from working miners and anybody else who had any suggestions or information of value to offer. He hoped the commission would extend their inquiries to subjects only indirectly connected with mining, but which were a real grievance to persons engaged in mining. As to the department itself everything seemed to be working smoothly. The reports were improving in character, and were now nearly equal to those of Victoria and New Zealand, which were the best in the colonies.

At 12 o'clock,

The CHAIRMAN called upon Mr. Grimes, the hon. member for Oxley, to relieve him in the chair.

Mr. BROWNE: Since he had heard indirectly that a Royal Commission was to be appointed to report upon the mining laws he had written to a good many mining centres, and the opinions expressed in reply were that a Royal Commission simply meant shelving reform in the mining laws. It was because he was anxious to see those laws reformed that he did not agree with the appointment of a commission.

Mr. SIM: About two months ago Mr. Sellheim was at Croydon, and he told a committee who waited upon him that every suggestion they had made to him he had noted in his book on previous occasions, and that for twenty-two years he had been in the habit of noting every suggestion made with a view to reform the mining laws of Queensland. He believed that with the assistance of that officer the Minister for Mines could bring in an amendment of the mining laws that would be satisfactory to mining members, and he therefore regarded the appointment of a Royal Commission as a huge farce.

Mr. HAMILTON: There were members in that House who made laws for some of their most important goldfields before Mr. Sellheim commenced making his notes twenty-two years ago.

Mr. STUMM: Since 1889 there had been frequent references in Parliament and in the goldfields' Press to the necessity for an amendment of both the mining laws and mining regulations, but nothing had yet been done. Only the other day Mr. Justice Chubb, when trying a very simple case at Charters Towers, said that if a person liked to sit down for an hour and look through the Gold Fields Act, he would find such a number of conundrums as would not only puzzle him to solve but would be differently solved by the most eminent counsel of the day. It was therefore high time that some other line of action was taken, and he approved of the appointment of a small travelling commission, before which the miners on every goldfield could bring their grievances.

He could speak comfortably for an hour on this subject, but as every goldfield would have an opportunity of bringing its particular grievance before the commission, he would content himself at this late hour with expressing his approval of the Minister's decision to appoint a commission.

Mr. NEWELL was very pleased to hear so many mining members express the opinion that there was need for reform in the mining laws, but they appeared to forget that there was other mining than gold-mining in the colony. It was well known that the mining laws which suited goldfields were not applicable to mining for copper, tin, lead, and silver, and he trusted that this Royal Commission would obtain such information as would enable them to suggest amendments applicable to all sorts of mining. He thought that by amending the mining laws so as to give easier tenure and more liberal labour conditions a great deal would be done towards the revival of the mining industry.

Mr. STEPHENSON expressed the hope that coal-mining would not be overlooked by the Royal Commission. In his opinion some members of the commission should be working miners representing the different sections of the mining industry.

Mr. HOOLAN did not know that a mining commission was necessary, because there never had been a time when there were fewer complaints from the mining centres. His experience showed that the grievances did not spring from the mining regulations, but from the way in which they were administered, and as those regulations were now administered in a nearly perfect manner, which might be due to the present Secretary for Mines, there had been no complaints. A new field had been discovered which had produced from 12,000 to 15,000 oz. since last January, and there had only been one dispute there, which was settled by the warden in five minutes. Whether a Royal Commission could offer any valuable suggestions in regard to the encouragement of the industry remained to be seen, but something should be done in the way of encouraging prospectors. The present conditions had been passed in the most hurried way, and did not offer any real encouragement, and they required altering. The men who discovered the Mount MacDonald field ought to be rewarded, but they had received nothing, and he thought discoverers ought to be rewarded no matter how small the discovery might be.

Mr. McDONALD impressed upon the commission the desirability of inquiring into the erection of central crushing mills. He spoke particularly with reference to the Woolgar, where there were a large number of rich reefs, but only one small battery. In consequence of the difficulty of getting stone crushed, claims were abandoned which could employ from 300 to 500 men. He believed that there were going to be large developments in the Cloncurry district, and he hoped the commission would inquire into those fields, and see whether some system could not be devised by which they could be better prospected than they had been in the past.

Mr. BROWNE asked whether, in the event of the anticipated rush taking place to New Guinea after the wet season, the Mines Department of Queensland would have anything to do with making the regulations?

The SECRETARY FOR MINES: The New Guinea Government made their own laws, but he understood that their mining laws were a copy of those of Queensland. Sir William Macgregor had always taken the advice of the Mines Department of Queensland on matters of this kind.

Mr. STEWART: A very large proportion of his electorate was a proclaimed goldfield. The whole of the country had been prospected, and a little gold found. Agricultural land was very

scarce near Rockhampton, and much of the land he referred to was of no use so far as prospecting for gold was concerned. The department had consented to dispose of some of the land as grazing farms, but it was not suitable for that, as it was chiefly dense scrub only fit for agriculture. That land ought to be thrown open for ordinary agricultural selection. The two industries—mining and agriculture—should go hand in hand, and not come into competition with one another. He further thought that miners ought to be allowed to prospect for gold on private property. If such an alteration were made in the law, much of the land in his district would be developed.

Mr. BOLES hoped the Secretary for Mines would be very careful in throwing open to selection any land that was likely to prove auriferous. Already too much land had been treated in that way. Large portions of land in his district, which were known to be auriferous, were in the hands of private persons; but if that land were available it would afford employment to a great many miners.

Mr. JACKSON: The Minister had previously stated that he intended to wire to England the results of the gold returns of the colony. As a means of advertising the colony that was taking a leaf from Victoria's book, and he reminded the hon. gentleman that in Victoria a proposal had also been made to wire information respecting the percentage dividends. That, of course, could not be applied to every mine, but it might be done with respect to the dividends paid from our principal mines. The Minister might make a note of the suggestion.

Mr. McDONALD asked whether any portion of the Cloncurry Gold Field had been allowed to be taken up by squatters? He understood that an effort had been made for some time past to have two large blocks of the field taken up by squatters.

The SECRETARY FOR MINES: Not to his knowledge. They could only get lands on goldfields on occupation licenses, and those had been refused for some time past.

Question put and passed.

#### GOLDFIELDS.

The SECRETARY FOR MINES moved that £16,647 be granted for goldfields. There was not much alteration in the vote. Amongst wardens there was an apparent increase of £65 for the warden at the Etheridge, but that officer brought the salary with him from Herberton, where he had previously been. The warden at Mount Morgan got an increase of £20, and the warden at Gladstone an increase of £10. There were a few alterations in the votes for mining registrars. Under the Geological Survey Department the salary of Mr. Jack was increased from £850 to £1,000. He was sorry to say one of their assistant geologists, Mr. Maitland, was gone. That gentleman had been receiving £320 here, and he had gone to Western Australia at a salary of £600. Mr. Jack was well worth the salary now proposed for him, and he believed any of the other colonies would be very glad to get him at more money. Mr. Jack was almost indispensable now to the geological survey of Queensland. He had been here for seventeen or eighteen years and had done a great deal of hard and laborious work for the colony, and he had given entire satisfaction to the miners of Queensland.

Mr. CALLAN was glad to see the increase down for the warden at Mount Morgan, and also to know that he was to be given an assistant, as he had now to do the work which had previously been done by two or three officers. He wanted to know how the items for troopers and black trackers appeared on those Estimates?

The SECRETARY FOR MINES: They are attached to outside wardens.

Mr. SMYTH had been several times to Mount Morgan lately, and he had had to wait until 6 o'clock before the warden was at liberty to attend to him. That gentleman had to act as police magistrate as well as warden and mining registrar; and he had had to stop at an hotel, while in other places very good residences were provided for wardens. £320 was nothing like an adequate salary for the warden of so large a district as Mount Morgan. There was no warden in the service who did more work than Mr. Millican. Session after session he had been urging that the powder-magazine keepers were insufficiently paid at £100 a year, considering the great responsibilities resting upon them, but no notice had ever been taken of his representations. There were only two of them, and £20 or £30 might very well be added to their salaries. There were four inspectors, two at £400 and two at £300. In 1893 each salary was reduced by £50, although at best they were very poorly paid, and only one of them, Mr. Shakespeare, had had his salary restored. Why had that favouritism been shown? The other inspectors, especially Mr. Fryar and Captain Bennett, had been very badly treated.

Mr. CALLAN: It was quite true that the warden at Mount Morgan had a large amount of work to do, but he understood that it was the intention of the Government, from January next, to give Mr. Millican an assistant, who would take some of the work off his hands. He congratulated the Minister on the increase of salary given to Mr. Jack. There was no man in the service so deserving of a first-class salary. All mining members, and everybody who knew the services rendered by Mr. Jack to the colony, would say that the increase of £150 reflected credit on the Government who gave it.

The SECRETARY FOR MINES: It should be borne in mind that Mr. Millican was a very young warden; he had only just been appointed. He had this year got an increase of £20, and would in all probability get a further increase next year. Next year, if funds would permit, he would consider the case of the powder-magazine keepers and the restoration of the inspectors to their old salaries. Mr. Shakespeare, whose salary had been restored, was the inspector of the most important goldfield in the colony—Charters Towers—and he did his work exceedingly well. In saying that he did not wish it to be inferred that the other inspectors did not do the same. He might point out that in addition to their salaries they all received travelling allowances, and that last year Mr. Bennett got £150.

Mr. SIM pointed out that in the salaries paid to wardens no attempt appeared to be made to fix the amounts in accordance with the work performed. The warden on the Etheridge, which returned about 20,000 or 25,000 oz. of gold per annum, was paid £365 a year, while the warden at Croydon, which had a population of 4,000 and returned about 80,000 oz. of gold a year, got only £460. He had nothing to say against the warden at Etheridge, but he thought that the salaries paid to the wardens on different fields should correspond to the services rendered.

The SECRETARY FOR MINES: Mr. Macdonald, the warden at the Etheridge, was warden on the Palmer at that same salary. He was then sent to Herberton, and afterwards, very much against his will, to the Etheridge, where he had given general satisfaction. The Etheridge was a very much larger field than Croydon; there was a great deal of work there, and it would not be fair to Mr. Macdonald to

reduce his salary. Mr. Parkinson, the warden at Croydon, got £507 besides travelling allowances.

Mr. SMYTH explained that while Mr. Fryar did nearly all his travelling by rail, Mr. Bennett had to do five-sixths of his travelling by horse or buggy.

Mr. SIM: There was a warden in Gympie now who was receiving £500 a year. A better warden never sat in a mining court in Queensland than Mr. Towner, but he received £35 a year less than the warden at the Etheridge, and the warden at Croydon, which had been called the fourth goldfield in Australia, received only £460. He suggested that in the distribution of these billets the best men should be sent to places where the colony would get most benefit from their services.

Mr. SMYTH explained that Mr. Towner's duties were not confined to Gympie. He had to deal with the whole of the Wide Bay district.

Mr. SIM: The question was whether it was desirable to pay any warden £560 a year to administer a goldfield like the Etheridge, where the duties were not half as onerous as those discharged by other wardens. With regard to the vote for mining inspectors, he wished to point out that the Croydon inspector had to travel from the South Australian border to the Woothakata electorate. The *raison d'être* of the appointment of a mining inspector was to prevent accidents, but how could a man do that when he had to travel over such a large area of country? He hoped the matter would receive attention.

Question put and passed.

#### PROSPECTING.

The SECRETARY FOR MINES moved that £2,000 be granted in aid of prospecting. The amount spent last year from the vote was about £1,250.

Mr. JACKSON asked whether the hon. gentleman could see his way to make advances to miners out of this vote to enable them to procure machinery required in prospecting?

The SECRETARY FOR MINES: Not out of this vote. He did not object to allowing them £1 for £1 out of the vote for deep-sinking to enable them to purchase winding gear and pumps. In some cases where miners had no money their labour had been taken instead of money.

Mr. BOLES: The vote for prospecting was small compared with the amount voted in the other colonies. Although it might be said that the best results were not always obtained from this expenditure, a good deal of benefit resulted from it at times. The money was paid out satisfactorily last year, and the *bonâ fide* miners were satisfied.

Mr. SIM thought the contention of the hon. member for Kennedy was a reasonable one. If the Secretary for Mines wished to divert any of this money, it could be done by resolution.

The SECRETARY FOR MINES: The vote covered a good deal, and he would be willing to take the risk.

Question put and passed.

#### GOVERNMENT ANALYST.

The SECRETARY FOR MINES moved that £790 be voted for the Government Analyst. This officer received an increase of £10, one of the assistants received an increase of £30, and another assistant had been appointed at the same salary.

Mr. BROWNE thought this department might pay more attention to the work of the Mines Department than it did. He was there with the Under Secretary about a month ago, and found that there was not even a set of gold

scales or weights there, or even a mould. It would not cost a great deal to obtain these necessary appliances.

Mr. SMYTH did not think this vote should be under the Mines Estimates. He might point out that, although an agricultural college had been started without it costing the farmers £1, the miners had to subscribe towards schools of mines.

The SECRETARY FOR MINES: The Government Analyst had instructions to do the mines work first, and if he had not the necessary appliances he had only to ask for them. As a rule, no charges were made to miners. The school of mines opened up a big question. They had passed an Act authorising the Government to endow three schools of mines (one in each division of the colony), and he believed one would be shortly established in the South. It would not be much for men who had made millions out of Mount Morgan to subscribe the £2,000 that was required for that purpose. At Charters Towers they were now spending a great deal of money in deep sinking; but he believed they would also apply for the establishment of a school of mines there.

Mr. SIM said that Mr. Thomson had been sent from the winter of Herberton to the summer of Croydon some time back to deliver lectures on science applicable to mining. He (Mr. Sim) and another were the only students who survived out of a class of about 100. The fact showed how little knowledge Southern Ministers had of the climate of the North when they sent a man from Herberton to Croydon where the temperature was 110 in the shade.

Question put and passed.

The HOME SECRETARY moved that the Acting Chairman leave the chair, report progress, and ask leave to sit again.

Mr. McDONALD hoped that they would go on with the Railway Estimates.

Mr. BOLES thought they should do some business before they rose.

Mr. HAMILTON sincerely hoped the suggestion of the hon. member for Flinders would be acted upon.

Mr. HOOLAN: Now that they had got steam up they were prepared to discuss the Railway Estimates to any extent.

Mr. STORY: When hon. members opposite showed any inclination to transact business it would not be becoming if hon. members on the Government side balked their desire.

The SECRETARY FOR RAILWAYS: He was entirely in the hands of the Committee. If the Committee wanted to take the Railway Estimates he was quite prepared to go on, although it had been understood that they would not go beyond the Mines Department.

Mr. DANIELS did not think it right to go on, because it had been generally understood that they would not go further than the Mines Estimates. Hon. members were not making the suggestion out of any desire to do business, but out of pure devilment.

Mr. McMASTER: A large number of those hon. members who had kept them there from 4 o'clock till nearly 11 had gone home, and as those present were anxious to proceed, he hoped the Minister would accede to the request which had been made.

Mr. HAMILTON: Seeing that every member on the Government side was prepared to go on, and there was only one dissident on the other side, he hoped they would take the Railway Estimates.

Mr. KIDSTON did not think the suggestion had been made out of devilment. It was only fair to country members that they should go on.

Mr. HARDACRE: Personally he did not mind going on, but it would not be just to the

Railway Department. He should like to see a larger House present to discuss such important Estimates.

Mr. CALLAN: He was not aware that the mining Estimates were to be taken that night. As they had been dealt with, why should they not tackle the Railway Estimates?

Mr. STEWART entered a protest against members being called upon to work at an hour when they were not in a condition to do their work properly.

Mr. McDONALD felt as fit to go on with business now as he did five or six hours ago. He hoped the Minister would proceed with the Railway Estimates.

Mr. HOOLAN: Members on his side had often been accused of talking to *Hansard*. Now that they had an opportunity, and knew that they would not be reported, he should like to see who were really the talkers to *Hansard* and who were not. He was quite ready to go on with business.

Mr. BROWNE was willing to proceed with business, but as "whip" of the party he wished to state that he informed all the mining members that the Mines Estimates would be proceeded with and nothing more.

Mr. DANIELS: They had better adjourn, as the progress they would make with the Railway Estimates now would be harmless. Many matters required discussion, and hon. members who were away wanted to discuss them.

Question put; and the Committee divided:—

AYES, 17.

Messrs. Tozer, Philip, Dalrymple, Foxton, Hardacre, Kerr, Jackson, Browne, Newell, Lissner, Turley, King, Bartholomew, Daniels, Stewart, Dawson, and Stephens.

NOES, 20.

Messrs. Stephenson, Story, Tooth, McMaster, Kidston, Collins, Chataway, Smyth, Sim, Callan, Stodart, Boles, Castling, Stumm, Cribb, Hamilton, McDonald, Hoolan, Annear, and Corfield.

Resolved in the negative.

#### RAILWAYS—GENERAL ESTABLISHMENT.

The SECRETARY FOR RAILWAYS moved that £24,581 be granted for railways, general establishment. There were a few alterations and a few increases in the Estimates. The largest increase was to the General Traffic Manager—from £700 to £1,000. At one time the railways were managed at a cost of £6,000 for three railway commissioners, and they were now managing them with a Commissioner at £1,500 and a General Traffic Manager at £1,000, or really at a cost of £1,800, as the General Traffic Manager had previously received £700. The other alterations in the vote were unimportant.

Mr. McDONALD asked for what term the present Railway Commissioner had been engaged?

The SECRETARY FOR RAILWAYS: The new Railway Bill introduced yesterday provided that the engagement was for three years at £1,000 a year from the passing of the Bill. Mr. Gray had accepted the office on those conditions. The traffic manager would be deputy commissioner, and they would be able to give a very good account of themselves. The public had confidence in Mr. Gray, and he believed the bulk of the railway employees had confidence in him also.

Mr. McDONALD: What would be Mr. Gray's position supposing him to be removed from office before the end of the three years? Would some other position be found for him in the public service?

The SECRETARY FOR RAILWAYS: Not necessarily. He might retire on his pension. At the end of the three years the Government might re-engage Mr. Gray or dispense with his services.

Mr. DAWSON said it was probable, should Mr. Gray cease to be Railway Commissioner, that his old office would be restored to him, and the public service would be burdened with the increase given to Mr. Ryder in consequence of Mr. Gray's removal from the position of Principal Under Secretary. They did not want to have any needless burden on the State.

The SECRETARY FOR RAILWAYS: He could not tell what would happen three years hence. He could only say that Mr. Gray was engaged for three years, and that at the expiration of his term of office the Government would not be bound to find him any further employment. But if the railways were worked satisfactorily during that period they might find it to the advantage of the country to re-engage him as Railway Commissioner.

Mr. ANNEAR congratulated the Government on the saving they had effected by the present arrangement. There was no more competent man in the Australian colonies for the position of traffic manager than Mr. Thallon, and while he regretted that Mr. Mathieson had left the colony, he was confident that under Mr. Gray and Mr. Thallon the railways would be efficiently managed.

Mr. DAWSON: No doubt Mr. Thallon was a very able man, but he would like to know why he was entitled to this extra £300 a year?

Mr. McDONALD: Mr. Gray was under the 1863 Act, and would be entitled to a pension based on the salary of £1,500 a year.

The SECRETARY FOR RAILWAYS: When Mr. Gray was appointed seven years ago an understanding was arrived at that he should only draw a pension upon his then salary of £800 a year, and that arrangement would still hold good. They proposed to give Mr. Thallon another £300 a year in consideration of his increased duties. He would have a great deal of travelling, and would do a good deal of the work Mr. Mathieson had done. As they did not seem disposed to do any more business he would move that the Acting Chairman leave the chair and report progress.

Question put and passed.

The House resumed; the ACTING CHAIRMAN reported progress, and the Committee obtained leave to sit again at a later hour of the day.

The House adjourned at seventeen minutes to 3 o'clock.