

Queensland



Parliamentary Debates
[Hansard]

Legislative Assembly

TUESDAY, 8 DECEMBER 1896

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GOLD MINES DRAINAGE BILL—COMPANIES BILL—FACTORIES AND SHOPS BILL—RABBIT BOARDS BILL.

THIRD READINGS.

These Bills were read a third time, passed, and ordered to be transmitted to the Legislative Council for their concurrence.

PUBLIC SERVICE BILL.

MESSAGE FROM COUNCIL.

The SPEAKER announced the receipt of a message from the Legislative Council, returning this Bill with amendments.

The message was ordered to be taken into consideration in committee to-morrow.

FEDERAL COUNCIL REFERRING BILL (QUEENSLAND) No. 3.

THIRD READING.

The PREMIER: I move that the Bill be now read a third time.

Mr. DRAKE: I called "not formal" to this order, with the view of getting a matter cleared up which was left unsettled on the occasion of the second reading of the Bill. The hon. gentleman at the head of the Government was not then present. On the second reading I raised an objection, which I still entertain, to referring these important matters to a purely nominee body, and the Attorney-General informed us that it was his intention at the next meeting of the Council to make a move in the direction of placing the representation of the Federal Council upon an elective basis. I think it would have been better if we had delayed the referring of these important subjects to the Council until it had been placed upon such elective basis; but what I wish to ask the Premier now is, how the representation of the colony stands at the present time? I am aware that under the Act the representatives are appointed by the Governor in Council for a term of three years, and I have ascertained that by a *Gazette* notice of the 14th December, 1894, the Attorney-General, the Hon. A. H. Barlow, and Mr. Archer were appointed representatives for three years, but there seems to be some doubt as to the date of the appointment of the Premier and the Hon. B. D. Morehead. Those five gentlemen represented this colony at the Council in 1895. I do not ask for any information with regard to any future appointments, but simply who are the present representatives of Queensland in the Federal Council, and what vacancies there are. Personally I would feel inclined not to vote for the Bill at all, because even if we did not refer these questions to the Council, it would still go on; and I strongly object to referring important matters to the Council so long as Queensland is represented only by appointees of the Governor in Council. It is a curious thing that there should be any doubt as to who are the persons who actually represent the colony at the present time; but I am not aware of any way, except by an elaborate search through the *Gazette*, by which any member of the House can obtain that information. I should, therefore, feel obliged if the hon. gentleman would inform the House who are the representatives of Queensland on the Federal Council, and what vacancies there are in that representation.

The PREMIER, in reply: As far as altering the constitution of the Federal Council is concerned, that is a matter with which we cannot deal at present; we must deal with things as they are. There is a proper way of altering the constitution of the Federal Council and making it elective, which I myself would very much like to see. I believe it would be a very much more effective Council, if such were the case, than it

LEGISLATIVE ASSEMBLY.

TUESDAY, 8 DECEMBER, 1896.

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

MACKAY HARBOUR BOARD BILL.

On the motion of the TREASURER, it was resolved—

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 constitute a harbour board for the harbour of Mackay, and for other purposes relating thereto.

is at present. With regard to other matters to which the hon. member has referred, I am afraid he has not given much study to the Federal Council Act.

Mr. DRAKE: Oh yes, I have.

The PREMIER: Then I cannot compliment the hon. member on his intelligence.

Mr. DRAKE: I don't want any compliments from you.

The PREMIER: The constitution of the Federal Council is simply this: That any member who is appointed is appointed for a term of three years certain, and it is necessary that he shall be a member of one or other of our two Houses of Parliament.

Mr. DRAKE: Or a member of the Executive Council.

The PREMIER: I am not aware that any member of the Executive Council is not a member of one or other of the two Houses of Parliament.

Mr. DRAKE: But that provision is put in the Act.

The PREMIER: Such a thing as a member of the Executive Council not being a member of Parliament being appointed a member of the Federal Council has never happened here that I am aware of. The Act also expressly says that if any member who has been appointed ceases for six months to be a member of either House of Parliament his commission lapses. If hon. members would only read the Act they would see that for themselves. The consequence is that the commission of Mr. Archer, one of the latest appointees, has lapsed, and in the same way that of the Hon. B. D. Morehead has also lapsed, because he has been a member of the Council for more than three years. So far as Queensland representation is concerned, therefore, there are now only three effective members—namely, the Attorney-General, Mr. Barlow, and myself.

Question put and passed.

The Bill was then passed, and ordered to be transmitted to the Legislative Council for their concurrence.

INEBRIATES INSTITUTIONS BILL.

MESSAGE FROM COUNCIL.

The SPEAKER announced the receipt of a message from the Legislative Council, returning this Bill without amendment.

QUEENSLAND NATIONAL BANK, LIMITED (AGREEMENT), BILL.

RESUMPTION OF COMMITTEE.

On clause 4—"Terms of any such agreement"—

Mr. FINNEY wished to move the amendment which he had circulated to give the Government increased power.

The CHAIRMAN: There are some prior amendments given notice of, and I would like to know how the hon. member's amendment stands with regard to them?

Mr. FINNEY: He proposed his clause as a substitute for clause 4.

The CHAIRMAN: The hon. member proposed that his amendment should be substituted for clause 4, but the hon. member for Bundaberg had an amendment to follow the word "deferred," in the first paragraph.

The TREASURER: The amendment of the hon. member for Toowong strikes out the whole clause.

Mr. GLASSEY said they all desired that there should be no confusion, and that every amendment should be fully discussed. The question concerned the whole country, and was in no way a party matter. He presumed there would be no objection on the part of the Treasurer to taking the amendment of the hon.

member for Toowong first, as it dealt with the whole clause. Of course, if it was accepted, clause 4 would be settled.

The CHAIRMAN: The reason I draw attention to the matter is because clause 4 must be negatived before the clause of the hon. member for Toowong can be got in; and if clause 4 is not negatived it shuts out the amendment of the hon. member for Bundaberg.

Mr. DRAKE thought the hon. member had not correctly described his clause, which was not intended as a substitute for clause 4, but as a new clause to follow clause 3. There would be no difficulty if the Treasurer would withdraw his motion.

The CHAIRMAN: If the hon. member for Toowong moves it as a new clause to follow clause 3, it will be quite in order.

The TREASURER thought that the proper course was to move the omission of all the words after the word "provide."

Mr. DRAKE: That would raise an issue the hon. member for Toowong had no desire to raise. The hon. member wished to give increased power to the Treasurer, but he would not be doing that by omitting clause 4. The hon. member wanted his clause to be an addition to clause 4.

The CHAIRMAN: I think the hon. member will be in order in moving the insertion of his amendment after the word "provide."

Mr. DRAKE: He says he does not want to do that.

Mr. FINNEY did not want to strike out clause 4. He therefore moved the following new clause, to follow clause 3:—

Any agreement entered into under the authority of this Act may provide—

- (1) That the Government shall accept a composition of not less than thirteen shillings and fourpence in the pound in full satisfaction of any moneys due and owing or to become due and owing by the bank to the Government under the terms of the original agreement;
- (2) That the payment of such composition shall be made by such instalments payable at such dates as may be specified in such agreement, but so that the last of such instalments shall be payable not later than the first day of July, one thousand nine hundred and sixteen;
- (3) That such instalments, or such of them as shall for the time being remain unpaid, shall bear interest at such rate, not being less than three per centum per annum, commencing from such date or dates and payable at such time or times as may be specified in such agreement;
- (4) That in the event of a new company being formed for the acquisition and undertaking of all or any of the assets and liabilities of the bank, the Treasurer will accept the liability of such company in satisfaction and discharge of any claims or demands against the bank in respect of such instalments and interest;
- (5) That in the event of the payment of such instalments and interest in accordance in all respects with the terms of such agreement (but only in such event) the Government shall forego all right to enforce payment of any moneys due and owing or to become due and owing by the bank to the Government under the terms of the original agreement.

He had thought the matter out very carefully, and had consulted friends of large financial experience, and as their opinions coincided with his, he had decided to introduce the amendment. He might say that no party was behind him; he was simply acting on his own initiative. He considered it would be better for the Government to waive their preferential claim and join with the other creditors in accepting a composition. With good management he thought the matter might be carried to a successful issue, financial panic would be avoided, trade would not be dislocated, the industries of the colony would not be thrown on their beam ends, and depositors and shareholders would have a chance of working out their own salvation. There

seemed to be a strong feeling against the shareholders; but a great many of them were widows and orphans, who were deserving of every sympathy Parliament could extend to them. The Government money locked up in the bank was roughly £2,000,000, and after writing off shareholders' capital, suspense account, and reserve, the deficiency was about £1,250,000. When a commercial firm got into trouble they either got an extension of time, or made a composition, or liquidated; but creditors would not give an extension of time where the case was hopeless. They would only give an extension of time when it was shown that the house was in a solvent condition. It would be a great misfortune if the bank liquidated. Much of the bank's difficulties was due to past Governments borrowing money and pouring it into the bank's coffers. That action had led to unfortunate results, but they could not repudiate the actions of Governments who were representative of the people. The action of the Government now should be that of a benevolent creditor. He thought with such a start as he proposed to give the bank it could carry out its obligations in twenty years, paying 3 or 3½ per cent. interest. He did not believe the bank should get the money for less than the current rate paid by the Government, and he would fix it at the rate which had to be paid for the next loan. The bad debt which would be made would be from £500,000 to £600,000, but the extra interest that would be paid during twenty years would partly make up for that loss. Another thing he would suggest was, that the bank should be reconstructed on a foundation perfectly independent of the Government account, because so long as the bank held the Government account it would be a source of danger. A Pharaoh might arise that knew not Joseph, and take the Government account from the bank. It should be in a position to stand that. Until it was in that position confidence would not be established. Plenty of cautious people were to be found who, although they had confidence in the bank, yet, like the Home Secretary, preferred under present conditions to find investments for their money elsewhere. Under the scheme recommended by the committee, at the best the bank would have as much as it could do to work itself into a solvent position in twenty-five years. The committee said it would take twelve or fourteen years, but it was almost impossible for a firm to pull through if they started with such a great load of debt. It would be a great pity if the bank should be reconstructed upon a foundation that would not be found to be permanent, because that would only mean that they would be accumulating misery, misfortune, and sorrow for the future. Life was too short to spread a debt over thirty-five years, and twenty years should be the outside limit. The adoption of the committee's suggestion meant that £5,000,000 of presumably good accounts were to earn £350,000 a year to give 7 per cent. on the gross. That was simply an attempt to recover lost capital from profits to be made in the future. Anyone who knew anything of business would know that one of the most difficult tasks a firm could undertake was to face the world with a debt, and try to recover capital lost in the past from profits they hoped to make in the future. It reminded him of the proverb, "He had caught a great cold had he had 'nowt' to clothe himself with but the skin of an unslain bear." That was the position in which he thought the bank would be placed under the committee's scheme. He hoped hon. members would say what they thought of the scheme he proposed in contradistinction to the scheme proposed by the committee of inquiry, but he would point out that his intention was that the Government should have a free hand to adopt either plan, and

to make an agreement within the limits of the amendment. He was not a banker, but he had been connected with commercial life for a great many years, and if by the scheme he proposed they could put the bank in a solvent position it would make good running and go on safely and well.

The TREASURER need hardly tell the Committee that he could not accept the amendment. He believed the Committee was desirous of acting in a generous way towards the bank, but that was going beyond generosity altogether. The hon. member suggested that the Government should act the part of benevolent creditors, but he did not know any benevolence or philanthropy in the matter at all. He looked upon it as a business transaction. A further objection might be taken to the amendment that it was really appropriating a third part of the £2,000,000 and making a present of it to the future proprietors of the bank. They had no authority under the Bill to do that. They had not brought down the Bill as an Appropriation Bill, and they would hardly be justified in appropriating money under a Bill of that sort. He recognised there was a good deal of force in the hon. member's remark that previous Governments had been to blame for putting too much money at the disposal of the bank. He quite agreed with the hon. member that they were to blame for that, but he did not recognise that as a reason for holding the bank blameless. If previous Governments were to blame the bank had been equally to blame, because it was the duty of the bank on taking the money from the Government to pay interest on it, to invest it in a judicious and proper manner that would have rendered that money safe. The bank had failed to do that, and had they carried on their business as bankers in a proper banking way they would be saved all the trouble they had now. It had been well known that that bank had been trading beyond its capital for years. For a bank with £500,000 or £600,000 capital to grant advances to the extent of nearly £10,000,000 was altogether outside the ordinary pale of banking business. That was well known long before the crisis of 1893. What they had to do now was not to consider what previous Governments might have done, but how they could make the best of the present position in the interests of the colony and of all parties concerned. There was no doubt that the concession proposed would be a remarkably fine thing for the bank, but he did not see how the colony was going to gain by the scheme. It did not follow that if the bank was not maintained in an absolutely sound condition the colony would go to ruin, though it would land it in serious difficulty. The resources of the colony were sufficient to carry it through, even if the worst came to the worst; but they wished to avoid the serious difficulty which would follow the liquidation of the bank. Since 1893 the colony had suffered nothing from that money being locked up. On the contrary, considering what the money cost the colony, they were lending it to the bank at a rate of interest which resulted in a profit to the colony during those three and a-half years. As far as revenue was concerned the money that had been lying in the Queensland National Bank since 1893 had been a most profitable investment for the colony. It had paid them better than all their railways taken together, because they did not pay anything like 4½ per cent., and so far the colony had made no loss. They could not, of course, foresee in 1893 that money would be so cheap in 1894, 1895, and 1896 as it had been, but, having regard to the price of money in 1893, 4½ per cent. was more than in his opinion the bank ought to have offered to the Treasury, and ever since then money had become cheaper and cheaper every year, the consequence being that

other people could borrow money at a great deal less than $4\frac{1}{2}$ per cent.—at 2, $2\frac{1}{2}$, and 3 per cent.—so that they were able to compete against all those institutions which were paying their creditors $4\frac{1}{2}$ per cent. All that the Bill proposed was to give the Treasurer certain powers so as to secure that the principal should be paid within a certain definite period, and also to fix, not the exact rate, but the minimum rate of interest at which the Treasurer might make an agreement for the continuance of that loan to the bank. Though $2\frac{1}{2}$ per cent. was mentioned as the minimum, it did not follow that the agreement would fix the rate at $2\frac{1}{2}$. It might be more, and he intended to propose an amendment in subsection 2 to the effect that it might be $3\frac{1}{2}$ per cent. for a part of the money and a lesser rate for the other part; but the Bill provided that so long as they got $2\frac{1}{2}$ per cent. for the whole debt the Treasurer might go to that extent. He thought that was very generous. On two millions of money 1 per cent. would be about £20,000, so that as they could borrow money at $3\frac{1}{2}$ per cent., if they reckoned the minimum allowed by the Bill, they would be virtually making the bank a present of 1 per cent. during the period during which the agreement would continue. That was the outside limit to which the Bill proposed to go, but he hoped they would be able to make better terms. He was not so fearful of the bank as the hon. member for Toowong seemed to be, but thought that with long-dated terms, considering the sound business the bank now had, there was every reason to believe that it would be able to pay all its creditors in due time. But he was certainly not prepared to go the length proposed by the hon. member for Toowong.

Mr. GLASSEY did not agree with the opinions expressed by the hon. member for Toowong with regard to the old proprietary of the bank. He would be very sorry indeed to know that any orphan or widow, aged or infirm person, had suffered in any way through being shareholders in that bank, and no one would be more inclined than he to render them what assistance might be in his power; but he certainly could not support the amendment. He was not inclined to assist, by his vote, in handing over to the bank a sum of over £600,000, more particularly to the old proprietary and directors who had brought about the present very sad and deplorable state of affairs. The hon. member for Toowong said that, if they accepted the amendment, they would probably get a higher rate of interest for two-thirds of the money now owing; but that would go only a very short way to compensate the colony for the serious loss which would be entailed in surrendering the other third. If the hon. member could show that by giving a certain sum to the bank they would place the institution in a sound and satisfactory condition at once, and that the colony would be able to recuperate its losses by-and-by, there might be some justification for his proposal, but he had not shown anything of the kind, and he (Mr. Glassey) would be no party either directly or indirectly to having any more dealings with the old directors in any shape or form. They had brought that institution and the colony into its present most deplorable and disgraceful condition, and to have any more truck or business transactions with those directors would be committing a crime against the people whose interests they were supposed to represent. The shareholders were greatly to blame for the actions of the directors, because if they had discharged their duties properly they would have brought them to book long ago. There was no doubt that some very serious injury would overtake these people, but he did not see how it was to be prevented without the colony suffering.

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If he could see any means by which people who had been inveigled into purchasing shares could be relieved he would gladly join the hon. member in adopting such method of relief, but no such plan was suggested in the amendment. He hoped hon. members would rise to the occasion and declare once and for all that the present directorate must disappear and another take its place which would act honestly towards the people of the colony.

The HON. J. R. DICKSON: Looking at the amendment in a business light he thought that if it were embodied in the Bill it would be accepted by those with whom they would have to deal in other parts of the world as an intimation that the bank was insolvent; and they had no right to authorise the Treasurer to deal with the creditors of the bank upon the assumption that it could not pay 20s. in the £1. Even if it would take a very long time to enable the bank to pay 20s. in the £1, it would be better to grant that time than for the State to accept a composition of 13s. 4d. in the £1, which would alarm the deferred depositors in Great Britain. He did not see anything in the amendment by which the deferred depositors in Great Britain would be asked to forego one-third of their rights in order to form new capital.

Mr. FINNEY: I said the Treasurer should join with the other depositors.

The HON. J. R. DICKSON: So far as the amendment went, it simply said that the Government should accept a composition of not less than 13s. 4d. in the £1; but all they really wanted to do was to authorise the Treasurer to conclude a bargain upon such terms as were embodied in the 4th clause of the Bill, and thereby enable the bank to work out its own salvation in time. For the Government to accept this amendment would virtually be declaring that the bank would be unable to meet its liabilities, and this would not inspire the confidence that was necessary. A great deal had been said in reference to the directors and the shareholders, but the latter were in the peculiar position that they could not help themselves at present. The bank had not defaulted in any way, and the directors had been appointed constitutionally under the articles of association, and those appointments could not be rescinded until their term of office expired. The only way they could be got rid of was by liquidation, and therefore it was not right to blame the shareholders, to whom he did not think much blame was to be attached. No doubt many innocent people had bought shares in the bank as an investment, and in many cases trustees for minors and beneficiaries had invested their moneys in the bank in a *bonâ fide* manner in order to receive a certain amount of annual income. A large number of the shareholders were to be sympathised with in connection with their unfortunate investments, and instead of imagining that they were sustaining the directors in their late actions, it should be remembered that many of them felt that they were not called upon to take an active part in the management of the bank. They took it for granted that the directors, who were elected, were competent to take charge of the institution, and from conversations he had had with friends, he knew that it was almost impossible for the shareholders in Brisbane to introduce new blood into the directorate. A large number of the shareholders were in Great Britain, and no doubt they delegated their powers of election to the directors themselves, knowing them to be men in good positions in the colony. Therefore, with all due respect to the hon. member for Bundaberg, he thought a large number of shareholders were perfectly innocent of the misfortunes which had overtaken the bank. They had a *bonâ fide* desire

to invest in an institution which they thought was established upon a sound basis, and which had tended largely to develop the growing interests of the colony; and, also, however strong might be their grounds for animadversion upon the management of the bank, they must not shut their eyes to the fact that since 1893 there had been a great reduction in the values of securities. A very large sum would have to be taken to represent the difference in values of securities between 1893 and the present day. Misfortunes had overtaken the bank in common with the whole financial world, because they were all suffering from the depression which had commenced with the failure of Baring Bros. If things had gone on the upward grade, they would have been thanking the bank for its assistance in developing the industries of the country; but now undue blame was attached to it through depressed times which no one could foresee. He was not defending the directors from anything alleged against them in the report, but it was only right that they should do all they could legitimately to restore the bank to a sound position; and if they gave the Treasurer the extensive powers asked for in the Bill they would be doing all that they could fairly be asked to do. The passage of the Bill would certainly give confidence to those connected with the bank, and he hoped that in a very short time the Treasurer would be approached with a view to making an agreement with the deferred depositors and shareholders by which the bank would be resuscitated. While admiring the business view of the hon. member for Toowong, it would be unwise, in his opinion, to convey the impression that the bank was unable to pay 20s. in the £1.

Mr. CROSS could not compliment the hon. member for Toowong upon his amendment. The Bill had been introduced in the best interests of the country, and in view of that he could not even suggest the possibility of liquidation, which was the pivot upon which the amendment turned. No one who had read the report of the committee could come to the conclusion arrived at by the hon. member. According to that, the assets of the bank were £7,350,000, whilst its liabilities amounted to only £4,900,000, so that there was not a scintilla of an excuse for proposing a composition. The only reason he could imagine for the amendment was that the hon. member imagined the depositors, who were principally resident in Great Britain, were fools. He took it they were all business men, who were anxious to get 20s. in the £1. In the present condition of affairs in Queensland and in all the colonies, anything like liquidation would lead to a disaster that few of them could realise. He gave the hon. member credit for sincerity; he simply questioned his judgment and his conclusions. He was not thinking of the old institution in connection with the question at all. From the mere fact that the management had offered to give every facility for investigation, it was evident that they desired there should be a clean sweep made. He was satisfied that the present shareholders might also be regarded as dead. He cordially agreed with the hon. member for Bulimba that the great body of shareholders were deserving of pity rather than of scorn or blame. It was well known that at meetings of shareholders the directors—a body of unscrupulous malleasants—had had their pockets bulging out with proxies, and that they controlled the institution in spite of the protests of resident shareholders. But it was not likely that widows and orphans would pay up £2 a share when deposits could be purchased for 15s. which would get the same interest. For many reasons it was not likely that the present shareholders would ever face them as proprietors again. He agreed with the declaration of the late member

for Toowong, Mr. M. Reid, that the Queensland National Bank had been a great benefit to the colony. The Treasurer had dealt with the question of the proportion of share capital to liabilities, but he would like to point out that the bank was not in a more peculiar position in regard to that matter than other banks. Indeed, it might be pointed out that nearly every other institution was in the same position; and some of the alleged sound banks were in a worse position as regarded their disproportion of capital to liabilities. It might also be found that there was a very serious discrepancy with regard to the value of shares and deposits. That was a feature of the banking system to which a great deal more importance was attached than was necessary. Banks did not lend against their capital, but against the securities given, and that was a feature in regard to that institution which he would like hon. members to understand. Under the commissioners' scheme the bank had assets of £7,360,000 against £4,900,000 of liabilities after writing down the various amounts mentioned. They might even write down £1,000,000 or more, and yet the bank, so far as its capacity to meet its liabilities was concerned, would stand without exception as the strongest institution in Australia. He mentioned that to show that the institution ought to have a serious place in their consideration. He hoped the Committee would dismiss the amendment from their consideration promptly as utterly unnecessary. Seeing that the commercial relationships of the bank had extended far and wide, and that its influence had permeated every industry in the colony, they should do the very best they could for the institution, in the interests of the working population especially. Another feature which the Treasurer had mentioned was with regard to the pastoral securities. The *Worker* published a list of the banks and financial institutions which held pastoral securities, and he found the bank of New South Wales held 29,000 square miles; the Australian Joint Stock Bank, 20,000 square miles; the Commercial of Australia with something less, and the Queensland National Bank he found was fifth on the list with 14,000 square miles, showing that so far as the pastoral industry was concerned the securities stood in a far better position than those of many of the other banks. Taking that view of the matter, seeing that they were discussing the whole Bill with the light thrown on the bank's affairs by the commissioners' report, he thought the amendment of the hon. member for Toowong was certainly unnecessary and not calculated to assist the Committee in arriving at the very best results in the interests of the colony.

Mr. TURLEY was surprised to hear any hon. member making the statement, in view of the report of the commission, that the Queensland National Bank was perhaps in a better position than many other financial institutions. They had been often told that that was not the place to cry stinking fish, and apparently it was not enough that that institution should be in a very bad position, but the idea was now to permeate the public mind that very many other institutions were in a worse condition. He thought it deplorable that any hon. members should endeavour to spread abroad such an idea, which would result in even more harm than the liquidation of the Queensland National Bank. To him it appeared to be a terrible thing to be a financial authority, and he was glad he was not one. He had followed the careers of some, and found that a financial authority was a person who borrowed 20s., spent 19s. 6d., and then handed back the odd sixpence to his creditors, with an intimation that that was all they need expect from him. One gentleman in a southern colony, who had for years posed as a great financial authority

handed back to the people with whom he had had dealings the smallest coin that Great Britain produced—the nine hundred and sixtieth part of a pound. He knew of many other institutions managed by financial authorities that had paid 3d. or 6d. in the £1 to those who had been induced to invest their money with them. He would like to know if the hon. member for Toowong claimed to be a financial authority on the strength of his scheme to give the bank about £660,000. Would the hon. member do that with his own money?

Mr. FINNEY: Certainly, if I thought I could not get anything more.

Mr. TURLEY: Of course the hon. member would, but they were invited to believe by the Government and by members on the other side, that if they were willing to prop up the bank for another twenty or thirty years the country might get back 20s. in the £1. He held that hon. members should deal with the money raised on the public credit of the colony in exactly the same manner as they would deal with their own money. The belief in the public mind was that that institution had for years been carried on in the interests of a few persons who had control of the bank and of the colony at the same time, and there was no guarantee in the Bill that the shareholders or directors of that institution were going to be shifted from the positions they now occupied. There was nothing in the Bill to say that there should be a new proprietary, or to prevent the old shareholders putting in the same position as directors the persons who were there now. Whether that was done or not did not make the slightest difference to him, but he knew that the utmost endeavours would be used, and all the influence possible would be exerted, to gain from the community some further consideration than had already been gained; and the object would be, by spending money and by all sorts of misrepresentation as in the past, to endeavour to get people connected with that institution again into the House and in occupation of seats on the Treasury bench. The Bill did not prevent those persons from occupying seats on the Treasury bench, and as long as that was left open, what guarantee had they that a future Government would not do exactly the same thing with the institution as past Governments had done? The majority of the people in the colony recognised that the credit of the colony had practically been prostituted by Governments for the purpose of bolstering up the institution. He knew that a large number of the shareholders in Queensland had been induced to go into the institution by the representations of interested parties that it was absolutely sound, and because those persons had made a bad investment they were told that they must seriously consider them on the ground that widows and orphans were amongst them. That was all very good; but would they do the same in connection with other institutions which had gone down in Queensland and in which the savings of lifetimes had been lost and widows and orphans had practically been turned out on to the streets? Had Parliament attempted to come to the rescue of those people? Not at all. But here they were told that a bank was concerned, and that past Governments had been responsible for the position in which that bank was at the present time, and it was right that they should do something to see that the persons whose money had been invested in that institution should not suffer. He did not see that they should do anything of the sort. The duty of the House was to guard the interests of the public, so far as the moneys of the public were concerned. If they went further than that and introduced sentiment into their legislation, they

would be compelled to do the same thing for the widows and orphans similarly interested in other institutions. Did the directors of that institution consider the widow and the orphan in calling up their capital since 1893? Not at all. They expected them to pay their money into the institution the same as other people. How often had they not had cases of widows with children dependent upon them going round the streets of Brisbane to earn 18d. or 2s. per day? They were told that the country could not take them into consideration, they were not supposed to find work for people outside, and those widows and orphans must make the best shift they could for themselves. Yet when that question came on they had the cry raised of the poor widows and orphans whose money was invested in the bank. It would have been better if the hon. member for Toowong had not brought forward his amendment, because the majority of the people in the colony would be satisfied to see the last of that institution to-morrow. A great many were wishing that the thing had been finished up in 1893, that they might be clear of everything in connection with it now, and be in a better position than they were at present. The hon. member for Toowong said he was satisfied that the scheme of the committee of inquiry would only lead to further destitution in the long run. If that was so, he took it that the hon. member would be against the Bill. If the scheme of the Bill was only a palliative which would allow the bank to drag on for a time, and it was to come to Parliament again by-and-by for further consideration, then they had better let the bank go into liquidation. When it was recently said on that side that the colony would survive the liquidation of the bank, hon. members opposite replied that no one was able to realise the enormous extent of misery and destitution that would come upon the colony should such an event happen. But that afternoon the Treasurer told them that they could get along fairly well even if the institution were placed in liquidation.

The TREASURER: When did I ever say anything else?

Mr. TURLEY: There had been statements made in the House since the matter had been under consideration to the effect that the liquidation of the bank would mean widespread misery and destitution. He did not believe that, but was of opinion that even if the institution were finished up and investors in the colony had to take a proportionate payment along with the other creditors, the colony would not suffer to such an extent as it would by placing the bank in a position to drag on for a few years, and then have to ask for further consideration, as was suggested by the hon. member for Toowong. If that was to be the case they should reject both the amendment and the clause which it proposed to supersede.

Mr. JACKSON was not very much in favour of the amendment. He was not quite certain whether the object was that the Government should cut the painter from the bank altogether, but it evidently applied only to deferred deposits. He would like to know what the hon. member proposed to do with the large amount of money the Government had in their current account.

Mr. FINNEY: That is at the disposal of the Government, and the Treasurer told us the other day that he was going to pay for the railways with it.

Mr. JACKSON did not see that that money was available, though it might be worked on gradually. He was rather surprised to hear the hon. member depreciate the scheme of the committee of investigation, which he did when he said he doubted whether the debts owing to the

bank would be able to pay 7 per cent., the amount they would have to pay if the bank was to pay 2½ per cent. to depositors. Evidently the hon. member agreed with the Melbourne *Argus*, from which he (Mr. Jackson) had quoted last week. The average rate of discount was not more than 7 per cent., and the average rate of interest for bills of sale would probably be about 8 per cent., though many money-lenders got very much more than that. The hon. member for Toowong seemed to imply that the Government would abandon their prior right to the money they had in the bank, and no doubt many members would support the view that it would not be fair for the Government to exercise that right after the report made to Parliament by the Treasurer and Mr. Barlow. But if the bank was reconstructed now after the report of the committee of investigation they would be perfectly justified in the future in enforcing their claim to priority. As to the objection the Treasurer urged against the amendment, that accepting 13s. 4d. in the £1 really amounted to an appropriation, that was a very small argument, as the reduction in the rate of interest as proposed in the Bill was equally as much an appropriation. Under the scheme proposed by the Government the bank would be in a remarkably strong position, as its surplus assets, if the depositors became shareholders, would be about £2,764,840. Of the £5,000,000 liabilities of the bank, £3,500,000 were due to the Government, and if they tied up £2,000,000 the immediate liabilities of the bank would be only £3,000,000. The coin, bullion, and money at short call in the bank amounted to about £2,000,000, so that their assets would be about 40 per cent. of their liabilities. He did not think any bank in the world had such a large proportion of coin, bullion, etc., to liabilities. The English joint stock banks only kept 10 per cent. of coin on hand to meet their liabilities; but under the scheme of the committee the Queensland National Bank would have nearly 40 per cent. Even accepting the argument of the Melbourne *Argus* that the bank could not earn 7 per cent., yet his opinion was that the bank could make further advances, or issue credits, as he believed it was termed, upon which interest could be earned, and in that way the bank would be able to show a very fair profit. There was about £5,300,000 due to the bank, but the committee reported that about £500,000 was not interest-bearing, and he believed that the bank would be able to earn 6 per cent. upon £4,750,000. Unless the bank were placed in a strong position it would be no use its going on at all, because even its old customers would not be satisfied if they knew that it would not be able to grant further assistance to them to develop their businesses. With this large reserve the bank ought to be able to make advances to new customers also, and if it could not do that its position would not be too good. The amendment only referred to the deferred depositors, and it would be too much of a concession to the old shareholders, who did not deserve such a great deal of consideration.

Mr. STORY said this was the most hopeless, sorrowful, and shameful amendment he had ever seen. It was all very well to say that it was introduced with the best of motives, but it fore-shadowed liquidation. They all understood that they had affirmed three principles on the second reading of the Bill. The first was thorough investigation, the second an extension of time, and the third a reduction of interest. From that position nobody ought to move, because upon it was based the hope that the bank would pay 20s. in the £1, and no doubt ought to be thrown upon the ability of the bank to do that. The Government could not possibly do less, and

nobody would ask them to do more, and if the bank could not get through upon those terms it could not get through at all. Any amendment that affected the position that had been taken up would do harm.

Mr. BROWNE agreed with some things said by the hon. member who had just sat down, but he did not agree that the House had affirmed the three principles he had spoken of, because a large number of hon. members were prevented from speaking upon the second reading. Everybody would sympathise with the benevolence of the hon. member for Toowong, but it was an old saying that it was easy to be generous with other people's money, and when they were dealing with the money of the taxpayers there was no reason to consider benevolence or generosity at all, unless they were prepared to put their hands into their own pockets. A great deal had been said about the unfortunate widows and orphans, but it was a great pity some hon. members did not remember Sam Weller's advice regarding widows. The question as to what they were to do for the bank was continually cropping up, but what was the bank? It was simply a corporation, and they all knew that a corporation had no "body to be kicked or soul to be saved." Banks borrowed a certain sum of money at 4½ per cent., and lent it out again at from 8 per cent. to 10 per cent., and out of the profits, for years, this bank paid dividends of from 10 per cent. to 15 per cent., and now that it got into trouble they were asked to sympathise with it. But they had to consider the interests of the people, and not those of the bank. He was ready to admit that the bank had done some good in times past, but it had been generous with other people's money, and the men who ran the bank had made profits by being generous with other people's money. The Treasurer, in replying to the hon. member for Toowong, deprecated the amendment for the strong reason that it would be an admission that the institution was not solvent. There was a strong feeling all over the colony that that was really the case, but he did not believe in the amendment for all that. He agreed with what the hon. member for Bundaberg had said with regard to the directors, but he also agreed with the hon. member for Bulimba that they had no power to shift those directors. The Bill really empowered the Treasurer to treat with the present corporation, although it provided that in the event of the formation of a new company the agreement might be made with it instead of with the present proprietors. He also agreed with the hon. member for Clermont that at the present low price at which deferred deposits were selling, it would pay the shareholders to buy those deposits, and form themselves into a new company. That would be an easy way out of the difficulty. He could not see why they should be asked to give one-third of the public funds invested in the bank to the shareholders. The Treasurer and other hon. members had pointed out that the scheme proposed by the committee of investigation was going to pull the bank through, but they all seemed to be arguing on the assumption that during the thirty-five years the agreement would be in existence the bank would continue to be the sole banker for the Government. He for one strongly objected to that, and for many years past the outside public had been opposed to it. They had no right to bind the country to keep its money in the Queensland National Bank for thirty-five years. A good deal had been said about other banks. Other banks might be in a far worse position, though he hoped for their sake and for the sake of the country that that was not so; but that had nothing to do with them, as none of the other banks had come

cap in hand to them asking for relief. He believed the hon. member for Toowong had introduced his amendment with the best of motives, but it was a great deal worse than the proposals of the Bill—and they were bad enough.

Mr. CURTIS could not support the amendment, because it would not be necessary. The position of the bank was not so bad after all. After wiping off £2,400,000 for depreciation, the assets only showed a deficiency of about 3s. in the £1, which, considering the enormous depreciations in values which had taken place since 1893, was not so bad. If the scheme suggested by the committee of investigation was adopted, the deferred deposits, amounting to some £4,000,000, would be converted into an asset, and the bank would then be placed in a thoroughly solvent position. The extension of time and the reduction of the rate of interest from $4\frac{1}{2}$ to $2\frac{1}{2}$ per cent. would be a sufficiently large concession to give. Since 1893 the bank had been paying the Government $4\frac{1}{2}$ per cent. on about £2,000,000, and by reducing the rate to $2\frac{1}{2}$ per cent. the saving to the bank would be £40,000 a year, which, extended over the thirty-five years, would mean £1,440,000 at simple interest, and at compound interest it would amount to a great deal more. Surely that was a large enough concession to give to the bank. A great deal had been said about the great discrepancy between the statement of the Treasurer in 1893 and the present position of the bank; but if they considered the large amount which had been written off by the committee, and which had previously been written off since 1893, they would find that the statement of the Treasurer was approximately correct. No doubt the committee had taken into account the enormous depreciation in the value of cattle stations, which formed one of the principal assets of the bank, from the recent ravages of ticks. Then another large item which would help to explain the apparent discrepancy was the £750,000 which the bank had paid in interest since 1893. Although he was satisfied that the amendment had been introduced with the best motives, he could not support it. Several hon. members on the other side had advocated liquidation. He thought that would be the worst thing that could happen both in the interests of those connected with the bank and the colony. It would be much more advantageous to the colony and to all concerned if the bank could be placed on a sound footing, and if that could be done without the colony taking less than 20s. in the £1 so much the better.

Mr. FINNEY: As he saw that the feeling of the Committee was against him, and as he did not wish to assert his opinion in opposition to the majority of hon. members, he would, by leave, withdraw his amendment.

Mr. McDONALD did not wish to object to the withdrawal of the amendment; but thought hon. members should have an opportunity of discussing it. The hon. member for Rockhampton had told them that the amount written off had been chiefly dealt with since 1893. He would like to point out that the commission did not bear out that statement. They distinctly stated that they had taken a valuation of the securities assuming that they were realised judiciously, and he understood the idea of the commission was that the properties should be held until fair values could be obtained. He had been much surprised at one statement of the hon. member for Bulimba as to the depressed condition of the affairs of the colony. On every recent Financial Statement that hon. member had assured them that the colony was on the upward grade, that it had turned the corner, and so on. Either the hon. member was wrong on the occasions referred to, or he was

wrong in the statement made that afternoon. It only showed how little reliance could be placed on opinions expressed by hon. members on the state of the colony and its finances. The hon. member for Toowong had come down with a very nice scheme, and asked the colony to present to the Queensland National Bank £600,000, and give extended terms also. Although they would get $2\frac{1}{2}$ per cent. for the balance, it must not be forgotten that they had to reckon the interest paid by the colony on the money borrowed; so that the institution would practically be presented with £1,266,600, and under the hon. member's little scheme the colony would only get £844,400. Hon. members might argue, Was it not better to get $2\frac{1}{2}$ per cent. than to lose the whole lot? Well, if it meant that in the long run they were going to lose more than half of the amount they had in the bank he thought it would be far better to take 10s. in the £1. Another objection to the proposal of the hon. member for Toowong was that under it the institution would still remain a semi-political institution for the next twenty years. The Treasurer stated that previous Governments were to blame for placing too much money in that bank, and while he agreed with the hon. gentleman as to that he pointed out that since 1893 and during the time the hon. gentleman had been at the head of affairs the amount of money which had accumulated to the credit of the Government in the bank was nearly £1,000,000 over and above the amount to their credit in 1893; so that the hon. gentleman had not only followed the example of previous Governments but had really gone "one better" on the same lines. He was pleased also to hear the hon. gentleman say that the prosperity of the colony did not depend on the soundness of the Queensland National Bank. He agreed with that, and had made a similar statement himself the other night. The hon. member for Kennedy talked of the splendid position the bank would be in if the scheme of the committee of inquiry was carried out. It looked well on paper, but he did not think it would work out quite so well as some hon. members imagined. It was said that if the deferred depositors, other than the Government, turned their deferred deposits into shares that would relieve the bank of a certain amount of liability. Just so; but they must recognise that, in spite of there being about £2,000,000 of coin and bullion in the bank, the most of that money was at the call of the Treasury. They had already sanctioned a loan to be floated in London at an early date to pay interest on their national debt. That would, of course, save a certain amount of money being sent from the bank to England; but the Government during the next year would draw very nearly £1,000,000, or perhaps over that sum, according to the works they were going to carry on, and that would very considerably reduce the liquid assets. Then, if the Government did not choose to keep such a large reserve as they had at present in the bank, the working capital the new proprietary would have to carry on with would hardly allow of the extension of business in the manner predicted by some hon. members. The hon. member for Bundaberg had touched upon the question of management so far as the present directors were concerned; and if no one else did it he would try to introduce an amendment to prevent the present directors having anything to do with the bank when it was reconstructed.

The TREASURER: The hon. member was quite right in his forecast of the future of the bank when he said it would be folly for the proprietary of the bank in the future, whether it was in the hands of the old or a new company, to depend

too much upon the Government current account. They could make little or no use of the Government current account, and it was doubtful whether it was an advantage or a disadvantage to the bank. He knew that sometimes it had been a great disadvantage to the bank which had to pay interest upon it which no other bank paid to a current-account holder. With regard to the money in the bank to the credit of the Government, it was of course larger at this time of the year than at any other. They must make allowance for that, as if they spent all their money as it came in they would soon get to the end of their tether, and be compelled to drop all the public works they had in hand. The account would of course be reduced in a week or two by the payment of the half-yearly interest, which would absorb a certain amount, but that was all provided for. As far as previous Governments were concerned, what he said was that they might have made a mistake, and in his opinion they did make a mistake, in raising money long before it was absolutely required or appropriated by Parliament. The policy he had always advocated was not to raise money until it was absolutely required. That was the lesson that had been taught them by the experience of the past, and he hoped that the error which had been committed in previous years would not be repeated in future. As far as the bank was concerned it would not help it very much if the Government account were extended over a certain number of months, but at present they could not get other banks to take it over. Hon. members might think that any bank would jump at an account of £100,000, but they would not look at it, more particularly when it was a Government account, because it was now widely known that the Government was a preferential creditor, and when a bank had a creditor which came before all others, that was to some extent prejudicial to the bank. Suppose a bank in which the note issue was made a first charge on the assets had a considerable amount of Government money, what would be the position of the depositors in that bank? First, the Government would come, then the note-holders, and then the depositors would come third. That was not good banking business. The proper thing would be for all creditors to share and share alike. But whatever bank took the Government account must be prepared to find the money as soon as the Treasurer required it, and that had been the case up to the present. He did not think hon. members need consider the current account very much. They were not dealing with the current account, and he thought they might confine themselves to the deferred deposits, which was really the subject dealt with in the Bill.

Mr. GLASSEY: In discussing a great question like that members could hardly refrain from diverging to some extent to other matters which had some connection with the institution under consideration. The statement made by the hon. gentleman just now with regard to the current account would have a very beneficial effect in the country in allaying to some extent the suspicion which existed in the minds of many people that the current account was not absolutely safe. There was a feeling abroad that the large sums of Government money at present in the Queensland National Bank should be distributed among other banking institutions, and if the Treasurer showed a willingness to do that, and the different banking institutions declined to take charge of their current account, the public would then come to the conclusion that they were incorrect in supposing that those moneys were put into that institution merely for the purpose of propping up the bank, instead of being at call for the purpose of prose-

cuting public works. That information would be very useful to the community, and would do a lot to allay the suspicions which now existed, and very likely inspire greater confidence in the bank.

Amendment, by leave, withdrawn.

Mr. GLASSEY: On the second reading of the Bill he raised some objection to it on the ground that it was defective, inasmuch as while it stipulated when the re-payments should cease, it made no provision as to when they should begin, and he had framed an amendment to remedy that defect. He had also said that he thought the time mentioned in the Bill—thirty-five years—was too long, and that he would move an amendment shortening the period. Then, in regard to the $2\frac{1}{2}$ per cent. interest, he had pointed out that the bank might get into a prosperous position, and be able to pay a higher rate. If the depositors took over the bank they might not care about continuing to receive only $2\frac{1}{2}$ per cent., and might pay themselves more, and he considered that if the position of the bank enabled them to do that the Government were also entitled to receive more. He had also foreshadowed that, in order to inspire more confidence in the bank, he would move an amendment to provide that an official appointed by Parliament, and not by the Government, should represent the Government in the management of the bank as long as the Government had any moneys there. That officer should be appointed by both Houses of Parliament, and should only be removed by a vote of both Houses, although he might be suspended. Great exception had been taken to this proposal, and all sorts of objections had been urged that it would be unfair and unjust, and that the Government would incur enormous liabilities; but he would deal with them later on. He had also suggested that it would inspire greater confidence in the minds of people who had money in the bank if its accounts were audited periodically by a Government officer, and that a report from such officer should be presented to Parliament in the same way as the Auditor-General's report on the savings bank was. With the object of putting his views before the Committee in a practical form, he moved that all the words in the first paragraph after the word "deferred" be omitted, with the view of inserting the following:—

"so that the repayment thereof shall be made in equal instalments, of which the first shall be payable at such date not later than the first day of July, one thousand eight hundred and ninety-nine, and the last shall be payable at such date not later than the first day of July, one thousand nine hundred and twenty-one, as may be specified in such agreement."

That was his first amendment, and he might point out that the date he mentioned for the payment of the first instalment was in accordance with the Agreement Act of 1893. It had been admitted on all sides that the bank had never yet declined to meet its engagements, and therefore they might assume that it would be able to make this payment on that date. Of course the Treasurer might have further information which he could give the Committee, but he thought the bank should be able to meet that engagement. He did not stipulate what the instalments should be, but only that the debt should be paid in equal instalments after that date. It might be urged that the time between the present and the date of the first instalment was too short; but the commission reported that under ordinary circumstances the bank should be able to pay $2\frac{1}{2}$ per cent. interest and yet have a surplus to the amount of about £100,000 every year. They also said, or implied, that the expense of management was about £35,000 less now than it was in 1893, and, that being so, they might reasonably infer that there would be an annual surplus of £120,000 or

£130,000 a year, instead of £100,000. Taking all these matters into consideration, he had proposed this amendment, which he hoped would be fully and fairly discussed.

The TREASURER: The hon. member had gone pretty fully over the large number of amendments he had mentioned on the second reading. Some of them he had no objection to. The only question was whether it was necessary, or even advisable, that they should be inserted in the Bill. He was to a large extent asking the Committee to trust the Treasurer, and to give him, as far as possible, a free hand to make the best agreement he could in the interests of the colony. At the same time he preferred, if it could be done in a practical way, that all the details should be as minutely defined as possible. Of course they ran the risk, if they defined all the details minutely, of rendering the attempts of the Treasurer to come to an agreement with the other parties abortive. As far as the date of the final payment was concerned, he was not at all wedded to the year 1931, and if it was considered that the time was too long it could be reduced; but he did not think it advisable to prescribe that the first payment should be made at any particular date, and more particularly at the date mentioned in the amendment. The 1st of July, 1899, was the date fixed in the agreement of 1893 for the first repayment; but the bank had anticipated that payment, and had paid him about £167,000, which he now had in gold in his coin reserve.

Mr. DRAKE: The Government had paid in about £350,000.

The TREASURER: The first payment which was now due by the bank under the agreement of 1893 was not due till 1st January, 1900.

Mr. GLASSEY: If my date is wrong it can be corrected.

The TREASURER did not think it would be a good thing either for the bank or for the Treasurer to say that the first instalment should be paid on any particular date. No Treasurer who had any sense would make any agreement which did not provide that the profits of the bank, over and above the interest mentioned in the agreement, should be set aside and not distributed to anyone until the Government had been paid off. As to the alteration of the articles of association, if it was necessary to alter them he would make no agreement until they were altered. That was a matter of very much more importance than fixing the time at which small refunds should be made. It was far more their business to provide that no profits should be distributed amongst shareholders or others until the liability to the Government had been paid off. That was a reasonable provision, but he did not think of putting it in the Bill because it was a thing that any person making an agreement would insist upon. If they prescribed too much it was just possible they would render the whole thing nugatory. With regard to the amendment that the amount of interest should never be less than the maximum rate which other persons were paying, nobody but a fool would make an agreement which would provide for anything else. There was no harm in putting it in the Bill, but it was quite unnecessary. With regard to subsection (b) that no person should have priority over the Treasurer in the matter of repayments, the hon. member might depend upon it that whatever rights others had the country would have the same. Subsection (c) could be dealt with later, but he did not agree with it. As to the provision that the Auditor-General should make a half-yearly or yearly report to the House, that was an amendment suggested to the hon. member by himself. He had no objection whatever to it. It would be a good thing for the country and for

the bank. Instead, however, of making it permissive, he would make it imperative. With regard to the 6th new clause of the hon. member, there was only one alteration he would make in it—namely, the omission of the words “by any means whatever,” and the insertion of “except by the consent of the Governor in Council.” He thought the hon. member would effect his object by moving an amendment on the words “one thousand nine hundred and thirty-one.” He might move the insertion of the word “thirty” and the insertion of the word “twenty.”

Mr. DRAKE did not propose to follow the hon. gentleman through all the amendments. He would take them one at a time. The hon. gentleman seemed surprised at his remark as to the repayment of the £167,000. He did not consider that a repayment to the Treasurer, for the reason that the total liability of the bank had steadily gone on increasing since 1893. How under those circumstances could the hon. gentleman say that the first instalment had been paid? It was simply a change in the bank's books from one account to another. Unfortunately, it seemed that the payments by the Treasurer into the bank had always been real, whereas the payments by the bank to the Treasurer had sometimes only been book-keeping entries. A debtor had not made any real payment to his creditor if the total amount of balance against him had increased. But presuming the Treasurer was right, and the bank had been able to pay the first instalment three years before it became due, did that not show that the bank would be able to pay the first instalment under the new agreement a little earlier? If the payment of the £167,000 was a genuine payment, that was a strong reason in favour of the amendment of the hon. member for Bundaberg.

The TREASURER: What the hon. member wanted him to do was to pay the £167,000 back into the bank and ask them to renew their debt to the Government. The hon. member said it was not a genuine payment. If that was so it would come to the same thing if he put it back into the bank and said it was not due. If the sovereigns were taken away one day and put back into the bank the next day there might be a little more reason in the hon. member's argument, but they had never been paid back. Although the current account went on running that did not affect the matter at all. The coin account of the Government had actually been increased by the amount paid. If they had not paid that amount out there would be £167,000 more to the credit of the Government in the bank than there was at the present time. Of course it was a genuine payment, and there must be some confusion in the hon. member's mind when he said it was not a genuine payment.

Mr. GLASSEY did not say the Treasurer was wrong in the statement he had made, but it was as well they should know where they were in the matter of those payments and the actual amount involved. According to the agreement of 1893 the amount was £2,000,000, and the repayments were to be made in twelve equal instalments, commencing not later than the first day of July, 1899, the time he mentioned in his amendment. He asked by his amendment that the agreement should be carried out, and that the bank should, on the 1st July, 1899, pay the first instalment previously arranged for. If, as the Treasurer stated, the bank had paid £160,000, the amount they were dealing with now was not £2,000,000 but £1,840,000. That was the position. Taking the old agreement and comparing it with the new proposal, he thought the date at which the bank should begin to pay being fixed at 1899 was a fair one, and the term at which the payments should cease should not be 1931 but 1921. He had no

other desire than to see the bank put in a sound financial position and to safeguard the interests of the public, and unless they stipulated a certain time when the repayments should begin the country would not be satisfied. If a year later than he provided for would be more beneficial and would cover the point raised by the Treasurer, he was sure the Committee would be willing to hear arguments in favour of that, and he certainly would not stand in the way.

The TREASURER: If the hon. member would fix a final date, and leave the rest open, that was all he would ask him to do. He had explained before that the bank owed the Government in Brisbane £1,228,317, and in London £605,000, and those sums together made £1,833,326. That was so far as the agreement made in 1893 was concerned. He had also explained that at the same time that they passed the Act authorising that agreement they passed another Act giving relief to a number of depositors, including all the divisional boards and other local bodies. That had been taken advantage of to the extent of £160,000. Those deposits had no priority, and were in the same position as any other private deposits the bank held. If the hon. member would take his advice he would move some year for the final payment, and he thought that would be sufficient.

Mr. GLASSEY: I have done so.

The TREASURER: Yes, but the hon. member's amendment also included a year for the first payment.

Mr. GLASSEY: They could discuss that point. The hon. gentleman had now proved that they were not dealing with a sum of £2,000,000, but practically with a sum of £1,840,000, and that enabled the Committee to come to a decision as to when the repayments should be commenced. He was willing to go two years forward if that would be satisfactory, and say that the repayments should begin in 1901 and cease in 1921. He said to hon. members in all sincerity that if they wanted to inspire confidence and put the bank in a sound position they should state a time at which the repayments should commence as well as cease. He honestly believed that if that was not inserted in the Bill it would cast a cloud of suspicion over the Treasurer which the Treasurer should not have to bear, and there would not be that confidence in the minds of the community that there should be. There would not be that confidence in the Treasurer which the Treasurer was entitled to receive. He said that in the interests of the country and in the interests of the Treasurer himself. The persons whom the Treasurer had to meet knew what he had to do, and it would be a mean and shabby thing if those persons were not prepared to meet him after Parliament had stipulated when the repayments should commence and when they should terminate. He should regret exceedingly if the Government did not agree to the amendment, which was an exceedingly reasonable one.

The ATTORNEY-GENERAL: The hon. member had said that his desire was to see the bank re-established upon a stronger basis, and so far as the discussion on the Bill was concerned he had by voice and vote shown that his intentions were in that direction; but if that amendment were carried, his good purposes would be absolutely defeated. He did not agree with the hon. member that there should be laid down in the Bill any hard-and-fast lines as to when the repayments to be made by the bank should commence, and in any case what the hon. member proposed was absurd, the period being far too early.

Mr. DRAKE: Why?

The ATTORNEY-GENERAL was going to show why. But he would like to know what position the hon. member for Enoggera took up in that matter—whether he was for the reconstruction of the bank or not. The hon. member gave a vote one way and then voiced suspicions, attacked the Treasurer, and brought up matters of the past which had absolutely nothing to do with the Bill before the Committee. What did it matter how the bank paid the £166,000 in the past? The hon. member for Enoggera and the hon. member for Flinders were like a stupid old Tory dynasty in Europe, of whom it was said that "they learnt nothing and forgot nothing." Those hon. members forgot nothing, and spoke as if they were discussing the affairs of the Queensland National Bank ten years ago. It mattered not to him whether the £166,000 had been paid out of current deposits that might have been paid into the bank. The fact that it had been paid was sufficient for him, and what they were now dealing with was the question as to how the rest of the money was to be repaid. Before it was repaid they must consider the interests, not only of themselves, but of other people, some of whom were citizens of their own, and others citizens of other countries. They had to consider three classes of persons—the Government, the depositors, and the country at large. What they were chiefly concerned with was the country at large, and the rehabilitation of the bank, not its present proprietary, but the bank as a medium by which the trade and commerce of the country might be developed. They wanted the bank to be put into such a position that it might repay its debts, and still continue as a medium that would do good service to the country. The proposal of the hon. member for Bundaberg might be the means by which the present debt of the persons concerned might be repaid; but it would be absolutely destructive of the continuance of the bank upon a new basis that they hoped would be permanent and absolutely impregnable. Every bank in the world depended for its existence upon the supposition that the new deposits of money coming into the bank would equal the withdrawals, and credit was the basis of new deposits in the bank. As the committee of investigation said, credit was an asset without which no bank could live. It was on its credit that money was attracted to a bank, and afterwards distributed by it over the whole trading community, and it was the credit of the Queensland National Bank that they wanted to restore. How was that credit to be restored? The hon. member said that in July, 1899—and they might take it that it would be July, 1897, probably before matters in connection with the bank could be put on a firm basis—two years after the bank entered upon its new career, it should be asked to pay back to the Government a sum of something like £100,000. They might expect that the other creditors would insist upon equal terms, so that within two years of its new existence the bank would be asked to meet a sum of about £300,000.

Mr. DUNSFORD: Not if the depositors become shareholders.

The ATTORNEY-GENERAL: If they did become shareholders they would not do so in the sense the hon. member supposed, and leave the whole of their moneys in the bank when they saw that within two years after the bank had started upon its new career the Government were going to begin to subtract their money from the institution. If the creditors saw the Government show such a want of confidence they would begin to withdraw their money, and where would the credit of the bank come from? This was departing from the well-thought-out scheme of the commissioners to retain the

institution, perhaps not under its present proprietary, but as a permanent financial force in the colony. The commissioners said the interest should be reduced so that there might be a fair margin of profit, which would restore the credit of the bank, and attract money to it, but the scheme of the hon. member was only liquidation under another and a most ungenerous form, and it was not an inducement to the depositors to come to generous terms. Even if the bank were liquidated by the Supreme Court the realisation of its assets would continue over a large number of years. He did not think the ultimate period was too long. It was all very well to make the term 1910 and say they would let posterity look after itself. They fixed the first and last terms in 1893, but they now had to come to Parliament again and ask for a further extension; and it was better to make the period too long, if anything, so that it would be sure to cover all possibilities, than to make it 1910, and say the Government would be repaid then, when they knew in their hearts that it would not be repaid. If the amendment were carried the moment the bank was reconstructed the process of liquidation would commence. The management would begin to screw up accounts to raise this money to pay the Government and other people. He knew that was not what the hon. member intended. The hon. member was consistent in his views, and would rather see the repayments made out of the profits of the bank, and the credit that would be restored, but the credit of a bank was like the life of a nation. As the nation depended upon the excess of births over deaths, so the credit of a bank depended upon the deposits being, at any rate, not less than equal to the withdrawals. That could not be insured in this case when they had the fact staring them in the face that within two years, after all the discredit cast upon the bank, and the investigations and the harsh things that had been said about it, it would have to repay those large sums of money. The hon. member was departing unintentionally from the scheme laid down in the report of the committee, which was the only method of salvation of the institution. They might write down so much and pay a higher rate on the amount written down, but the scheme of the committee, whereby a provident fund would be built up, was the scheme upon which ultimately the bank would be able to pay its creditors and continue as a national institution. If Queensland was to be a self-contained colony it must have a centre of national finance. In the old days it was practically under the heel of foreign institutions, against which he had not a word to say; but this institution came forward and to a great extent saved the colony from that position. When they read the lessons of the past they must see that this centre of national finance was necessary; and it must have sufficient money to carry on the business of the country, and must be managed practically by the ideas of the people of the colony.

Mr. DUNSFORD: The new proprietors may be absentees.

The ATTORNEY-GENERAL: A large number of the present proprietors were absentees, but when money came into the country it did not matter whether the people who sent it were absentees or not. If the people at home put £100,000 into Charters Towers mines, the money might have been owned by absentees at first, but in the end it might be owned by the constituents of the hon. members for Charters Towers. They were agreed that the present proprietary had largely ceased to have a controlling interest, and that the true owners of the bank were the people who had money in it, and a great portion of that money was owned by people abroad.

The SECRETARY FOR PUBLIC INSTRUCTION: So is the money we put in.

The ATTORNEY-GENERAL: Every shilling of it had come from abroad. What every patriotic member wished to see was a bank built up here to do business with the people of the colony, to be a safe repository for the money of the people of the colony, and to be a medium through which the people of Queensland could get commercial accommodation without being unduly oppressed; and they wanted to see the bank conducted on the lines on which banks were generally conducted. If the bank they were trying to reconstruct was saddled at the outset by premature engagements to the Government and to the outside public, then all their work would be in vain. What they should do was to postpone the periods of repayment, reduce the rate of interest—it was only a postponement, he believed—and let them provide in their agreement that when prosperity was restored, as it inevitably must be, they, as well as the other creditors of the bank, should share in that increased prosperity. By that means they would be doing good to themselves, and at the same time showing that, although the people of Queensland wanted to see themselves paid 20s. in the £1, they also wanted to see the rights of people who invested money in the colony conserved by the Parliament of Queensland. He hoped the amendment would not be pressed, so far as the commencement of the period of repayment was concerned, because if repayment was to commence in anything like two years he could see nothing but disaster ahead of the scheme of reconstruction.

Mr. GLASSEY said that the hon. gentleman and he wished to attain the same end, but their methods were different. The hon. gentleman gave him credit for good intention; that was to say the hon. gentleman claimed superior wisdom in those matters. He admitted that on questions of law the Attorney-General was his superior, but he declined to take his instructions from the hon. gentleman on questions of general politics. The hon. gentleman should not be so dictatorial to politicians with as much experience as himself. If he did not believe that he had equal ability with the hon. gentleman to form and express an opinion on a matter of that sort, he would have no business sitting there. The hon. gentleman had said that they might as well have no scheme of reconstruction at all if they accepted his amendment, and also that the amendments were at variance with the proposals of the committee of investigation. Nothing of the sort. He had intimated that, in view of the fact that the bank had already repaid the instalment due in 1899, he was willing to make the date of the first payment two years later than he had first proposed. The committee of investigation in their report had stated that, in their opinion, under ordinary favourable circumstances the bank should be able to extinguish its deficiency of £1,250,000 in a period of twelve or fourteen years. His proposal meant that the bank should pay nothing for a period of nearly five years. He proposed that the repayments should commence in 1901. He certainly thought that the bank ought to be acquiring a sound position by that time, and ought to be able to pay the first instalment. Therefore he thought the Attorney-General had treated his proposal in a most unfair manner.

The TREASURER: The paragraphs in the commissioners' report which the hon. member referred to were certainly most important, but they rather pointed in the opposite direction to that from which the hon. member argued. The hon. member would see that the commissioners' said that there was a deficit of £1,250,000, and that under favourable circumstances it would

take a period of from twelve to fourteen years to wipe that out. If they stipulated that before the expiration of twelve or fourteen years the bank should pay not only two-fifths to wipe off that deficit, but also be in a position to pay some of its creditors some of the money due, they might render all attempts to put the bank in a sound position abortive. Those were matters which might safely be left to the agreement. They did not know yet whether the depositors would accept the scheme proposed, but the acceptance of the hon. member's proposal might seriously embarrass the bank. It should be their object to draw the agreement in such a way as not to seriously embarrass the bank. He thought it might be reasonably assumed that such arrangements would be made as would not prejudicially affect the interest of the colony.

Mr. GLASSEY had not by any means overlooked the point mentioned by the Treasurer in reference to the £1,250,000. It was too big an item to overlook. He made the same allowances as the commission did. They pointed out that it was only reasonable to expect increased business, and he had also made allowances for increased economy in the management of the institution. The cost of management was now £35,000 less than it was three years ago, and they might fairly expect further economies. He had taken the whole of those elements into consideration, and he had come to the conclusion, after most careful consideration, that his proposal was a reasonable one. He thought he knew something of public opinion, and he believed that if some such stipulation was not insisted upon confidence would not be restored and suspicion would still exist.

The Hon. J. R. DICKSON must say that the hon. member for Bundaberg had not combatted the arguments of the Attorney-General. The hon. member assumed that the bank would go on with a gradually increasing earning power. During the present crisis and inquiry the earning power of the bank must be either stationary or retrogressive, and it would take some time to reacquire anything like the earning power which it had in former days. Banking was not so profitable a business at the present time for any of the banks. They had only to look at the balance-sheets of the Anglo-Australian banks to see that the dividends they exhibited now were very small compared with those of previous years.

Mr. HARDACRE: They will not necessarily have to pay this money out of earnings.

The Hon. J. R. DICKSON: It should be so, or out of satisfactory realisations, but who could say when that time would arrive? It was expected in 1893 that long before this a satisfactory time for realisation would have arrived. No one could predicate with anything like certainty that the time for a satisfactory realisation of the dormant assets of the bank would arrive in the next five years. It would be but an additional disaster to rehabilitate the bank for two or three years only and then have its affairs once more raked up and considered by Parliament. It would be better that the bank should be liquidated than that this should be kept continuously as a wet blanket over it. They were only now authorising the Treasurer to enter into negotiations for an agreement which would be fair to the colony, and they should not trammel his hands. While he objected to a time being fixed for the commencement of repayments he agreed that thirty-five years was too long a term over which to extend the repayments, and thought twenty-five or even twenty-one years would be quite long enough; and a bank that could not be rehabilitated in that time must be in a very bad way. The Treasurer, with the approbation of the other side, had said that the Government, in addition to receiving their interest, whatever

it might be, should receive all accumulations of future surplus earnings until they were paid off in full. He did not think that was what the hon. gentleman intended, and it was not what the committee of inquiry proposed. If the depositors who were asked to convert their deferred deposits into shares were not to receive any dividend upon their investment for twenty-five years, there would be little inducement for them to follow the advice of the committee of inquiry. It would be well if the Treasurer would explain that point.

The TREASURER would put the matter simply in another way. During the time the bank was owing the Government any money, whether as a new company or not, the profits made over and above the 2½ per cent. should be capitalised and paid into an account which might be called a capital account, and would not be distributed, and from that account the Government would receive the amount of money the bank owed them.

Mr. DRAKE: The arguments of the Attorney-General and of the Treasurer showed that his previous contention had been well grounded, and that he was right in the position he took up with regard to the repayment made by the bank. The position the Attorney-General took up was that if the bank, being rehabilitated under a fresh agreement in 1896, was to be called upon within five years to pay one instalment of the money owing, that would mean the absolute breaking of the institution.

The ATTORNEY-GENERAL: I did not say anything of the sort.

Mr. DRAKE: That was what he gathered from what the hon. gentleman said. They had previously been told that the same bank, under a less favourable agreement in 1893, had been able three years before it matured to pay back a first instalment, and he had contended that if that repayment had been genuine—which he did not admit—the bank should certainly be able under a more favourable agreement in 1896 to pay back a first instalment in five years. Then the hon. gentleman said that he (Mr. Drake) spoke one way one day and another way another day. He would like the hon. gentleman to show that he had ever acted in that way.

The ATTORNEY-GENERAL: Then what is your position on this question?

Mr. DRAKE was not prepared with any scheme of salvation that would carry out what apparently a number of people desired. A certain number of persons had for some time been riding on the back of the Queensland National Bank, and the bank had been riding on the back of the colony, and the question was how the colony could carry on the bank without carrying the people who had dragged down that bank. No scheme would be successful unless it discriminated between the accounts of persons who were unfortunately in temporary difficulties and the accounts of those who were hopelessly insolvent.

The ATTORNEY-GENERAL did not want to speak again on that question, but the hon. member for Bundaberg and the hon. member for Enoggera had made statements which called for some reply. During the course of the remarks of the hon. member for Bundaberg he disclaimed that he was dictatorial. It was nonsense to say that if a man expressed his opinion in an emphatic way he was dictating. The hon. member knew as an old member that when he proposed amendments they were liable to criticism, and should be prepared to concede to others the same latitude that he claimed for himself in that respect. He had not been in any way offensive in his criticism, but on the contrary had given the hon. member all the credit to which he was entitled for proposing his

amendment. The idea of the hon. member was that the bank might be restored, and he said they might look forward to the bank having an increased volume of business, but that increased volume of business would not come to the bank unless its credit was absolutely restored. With regard to the objection that he had taken two years after the bank had started on its new career as the time when the hon. member proposed the repayments should commence, he was dealing with the printed amendment, and was not aware that the hon. member intended to propose an amendment upon his amendment, under which different conditions would of course arise. But in any case he objected to fixing a period in the Bill, because they were not acquainted with the opinions of the other people concerned, and if they limited the margin in regard to the length of time or rate of interest too closely they would to that extent diminish the strength of the bank for the future. He would rather make one job of the thing than leave it to those who came after them to again indulge in that work of patching up, and would recommend that they should deal with the bank as generously as possible on the basis of the report of the committee. The hon. member had replied to his challenge to say what side he was on by saying that he had no hope of the bank, and had no scheme by which it might be saved. By the bank he understood, not the shareholders of the institution, but the bank as a going concern assisting the development of the trade, and commerce of the country, and if the hon. member had no scheme to bring forward he should give some credit to the people who had the courage to propose a scheme, and allow that scheme to pass.

Mr. HOOLAN: The Attorney-General seemed to take up a despairing attitude. While he said the bank could be reconstructed he also said he did not believe in patchwork. The Government, having got into this hole through the action of their former colleagues, commercial associates, and blood relatives, now demanded the very widest powers in fixing up the bank, but he maintained that the Committee had some right to know when the money would be repaid by the bank. No man, of course, believed in patchwork while he could get a big overdraft to buy a new garment, and that was what had caused all the difficulties of the bank in the past. They had all been through the penitent form, and were now ready to make some other move, but the persons who were now so full of laudable intentions in regard to honesty might be swept away, and others might take their places, and so the same wild speculation might set in again. The Government objected to the Committee regulating anything or restricting them to any particular line of conduct; but the Committee did not know whether the Government would act according to the scheme of the commissioners, who perhaps spent many days arranging it, or whether they were going to adopt some other scheme. If the depositors agreed to forego their deposits and become shareholders, the institution might be put into a sound position again; especially if they were worth anything beyond their mere deposit slips, and no doubt some of them were. There was no reason to suppose that they would not be able to meet their engagements to the Government gradually. He considered it very likely that when the depositors came to think over this large territory, and saw that some good business was being done, they would be prepared to go, not one, but several steps in advance, and put more capital into the bank. They might not be content to go on with the present bit of business, but would counteract the steps taken by the present shareholders, whom he might call the first robbers,

and who had a large share capital, and after they had dipped into the coffers of the bank as far as they could they determined to regulate the wreck. The only commendable thing the old directors did out of generosity to the shareholders was to pass a resolution to reduce the capital by so many hundreds of thousands, so that the shareholders were made liable to the Government and the depositors to the extent of £2 per share instead of £4. The large speculators in London had put £40,000,000 into West Australian mines, most of which would be thrown away, but if the Treasurer or anybody else went home and showed them a large concern in a substantial way of doing business, and with tremendous business possibilities in future, they might be prepared to put a few thousands of pounds into this institution to enable it to meet its engagements. Even if this first payment was too soon, as fixed by the amendment, he could not see why the date should not be defined, because, if the bank was not to be reconstructed in a form in which it could meet its engagements year after year, it would be as well not to reconstruct it at all. The institution and its business must be offered to the world's capitalists, and they should take care, before the Bill passed, to hedge the Treasurer in so that he could not do business with the existing shareholders, who should be left out of the question altogether. They had had enough of them, and it was no wonder that suspicion was cast upon them, because they were a suspicious lot, both shareholders and directors; and if they got out of paying up the liability on their shares it would be only through the generosity of the Government. It was a weak argument to say that they would be hampering the persons who might be entrusted to conduct the negotiations, by observing this little precaution, which was a very small one indeed, seeing that the business was to be done in London, where they handled hundreds of millions the same as people here handled thousands.

Mr. GLASSEY: In case he was beaten on the date for the first payment, and was thereby prevented from altering the date for the final payment, he asked leave to withdraw his amendment. He would then move the omission of the word "final" before the word "payment" in the 15th line, with a view of subsequently moving the insertion of something else. Although hon. members might not agree upon the date for the first payment, they might agree upon the date for the final payment.

Amendment, by leave, withdrawn.

Mr. GLASSEY then moved the omission of the word "final."

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

AYES, 37.

Sir H. M. Nelson, Messrs. Foxton, Tozer, Byrnes, Dalrymple, Stephens, Castling, Crombie, Chataway, Armstrong, McCord, Battersby, McMaster, Stephenson, Lord, Hamilton, Stodart, Corfield, McGahan, Lissner, Tooth, Stamm, Bridges, Bartholomew, Finney, Story, Leahy, Newell, Fraser, Bell, Collins, Grimes, Callan, Curtis, Smyth, G. Thorn, and Smith.

NOES, 23.

Messrs. King, Kerr, Cross, Glassey, Keogh, Dunsford, Dawson, Stewart, Daniels, Browne, Jackson, Dibley, Fogarty, W. Thorn, Drake, McDonald, Sim, Fitzgerald, Hardacre, Turley, McDonnell, Hoolan, and Dickson.

Resolved in the affirmative.

The TREASURER moved the omission of the words "thirty-one" with the view of inserting the words "twenty-one." The year 1931 was purely optional.

Question—That the words proposed to be omitted stand part of the question—put and negatived.

Mr. McDONALD: Now that a blank had been created, if the Treasurer moved that the date be 1921, he would move as an amendment on that that the date be made 1910. That would prevent confusion.

The CHAIRMAN: I would remind the hon. member that a blank has been created, and the question now is that the words "twenty-one" be inserted.

Mr. McDONALD wished to move an amendment upon the amendment.

The CHAIRMAN: The hon. member cannot do that. The motion to insert "twenty-one" must be negatived before the hon. member can move another amendment.

The TREASURER: Only one question at a time could be before the Committee. They could not have members on one side voting for the insertion of "twenty-one" and members on the other side voting for the insertion of "ten."

Mr. HARDACRE: If the Treasurer's motion was carried there would be no opportunity for the hon. member to move his amendment.

The TREASURER: Surely hon. members would see that the Chairman must put the question in such a way that there would be a direct yes or no to the motion.

The CHAIRMAN: The blank having been created, and the insertion of the words "twenty-one" moved, I maintain that it is my duty to put the question for the insertion of those words.

Mr. HARDACRE maintained that the Committee should be allowed to make their choice of amendments, which they could not do under the Chairman's ruling.

The Hon. J. R. DICKSON called attention to Standing Order 163, which provided that when a blank had to be filled up, and there came a question between a greater or lesser sum or a longer or shorter time, the least sum and the longest time should first be put. That compelled the putting of the Treasurer's motion first.

The CHAIRMAN: Standing Order 52 says when an amendment has been proposed to a motion the original motion shall not be withdrawn until the amendment has been withdrawn or negatived. Hon. members will see that the motion to insert "twenty-one" must be put.

Mr. McDONALD: There was a nice question whether the hon. gentleman's proposal was a motion or an amendment. It seemed to him it was a motion to fill up a blank in the Bill.

The CHAIRMAN quoted Standing Order 163, referred to by the hon. member for Bulimba. He was of opinion that the insertion of the words "twenty-one" must first be put.

Mr. HOOLAN: Surely the head of the Government was not afraid of the hon. member's amendment. If he was not he might show him the courtesy of withdrawing his own amendment and allowing the hon. member for Flinders to put his. If the hon. gentleman was afraid it showed that there was some bad business behind it all.

The TREASURER was not afraid of the whole Labour party, but he wanted business done in a businesslike way. He was following the usual practice. If a majority wanted to see the amendment of the hon. member for Flinders inserted, then they would vote against the motion before the Committee.

Mr. McDONALD said Standing Order 95 provided that amendments might be proposed to proposed amendments whenever it came to a question whether the House should agree to such proposed amendments. He maintained that he was perfectly in order in moving an amendment upon the amendment.

Mr. HARDACRE: Standing Order 163, which the Chairman had quoted, showed that the hon. member for Flinders was entirely in order, as no question as to the longer or shorter

term could arise unless the hon. member's amendment was accepted. What the hon. member wanted to do was to get his amendment before the Committee for discussion.

The CHAIRMAN: I do not think the hon. member is in order. The hon. member for Flinders stated what he wished to be put in, and that cannot be done until the amendment now before the Committee is disposed of. The hon. member drew attention to Standing Order 95, but it does not apply to the present case, as it deals with the omission from or addition to words upon a proposed amendment.

Mr. McDONALD would move another amendment. He moved the omission of the word "twenty" in the amendment proposed by the Treasurer.

The Hon. J. R. DICKSON: That will still be the shortest time.

The CHAIRMAN: I must decline to take the amendment of the hon. member.

Mr. McDONALD: Then I may have to disagree with your ruling on that point.

The CHAIRMAN: It makes no difference to me. I am carrying out what I believe to be the Standing Orders.

Mr. HARDACRE rising,

The CHAIRMAN: Does the hon. member wish to propose a motion? The hon. member cannot occupy the time of the Committee the whole evening. He can speak to the question before the Committee, which is the insertion of the words "twenty-one."

Mr. HARDACRE said he would occupy the time of the Committee as long as he chose. All they wanted was the chance of deciding between the shorter and the longer time, and the Chairman's ruling prevented that, though Standing Order 163 allowed it.

The CHAIRMAN: The hon. member can vote against the insertion of "twenty-one," and that is the only way in which the business can be done. We cannot have two amendments of this nature before the Committee at the same time.

Mr. DANIELS: If they were not in order in moving an amendment on an amendment, all that the Government would have to do would be to move an amendment first, and no matter how unreasonable it might be it would have to go to the vote straight away.

The CHAIRMAN: The hon. member must see that this is a specific case to alter a date set forth in the clause, and it can only be done in the way in which it has been submitted to the Committee.

Mr. DANIELS: It was to fill in a blank with a certain number, and some hon. members might think it should be filled in by "ten" and others by "twenty."

The CHAIRMAN: The hon. member can vote against the "twenty," and if that is negatived he can propose "ten." I think the hon. member is not talking in an intelligent way to the question before the Committee.

Mr. SMYTH thought the usual rule was that when an amendment was made and carried it became the proposition. Then it was put as the proposition, and an amendment could then be moved upon it.

The TREASURER: The desire of the hon. member opposite was to take precedence of his motion, and he could only do that by increasing the time. The hon. member could move that "twenty-two" be inserted.

Mr. McDONALD: The hon. gentleman was very fond of quibbling, and he knew that what was wanted was not to take precedence of the Treasurer's amendment but to reduce the time. He might have got his amendment on if he had not waited to let the hon. gentleman move his first.

The TREASURER: My motion would have taken precedence then all the same as the longer time.

Mr. McDONALD: However, they had already had a discussion on the matter, and as it seemed to be the desire of the majority on the other side that they should not have a vote on his amendment he would not press it, but would vote against the amendment proposed by the Treasurer.

Mr. BROWNE agreed that according to Standing Order 163, when two sums of money or two periods of time were proposed, the larger sum or the longer period took precedence, but held that the Chairman could not give a decision on the question until the two propositions were actually before the Committee.

The CHAIRMAN: The hon. member distinctly stated what he intended to move, and I therefore decided that the longer time must take precedence, and that is the amendment before the Committee.

Mr. BROWNE was contending that the shorter period was not before the Committee until it was actually moved.

Mr. DAWSON: The very fact that the Standing Order provided that in the event of two sums of money or two different periods of time being proposed, the larger sum or the longer period should take precedence, implied that it was competent to have the two propositions before the Committee. However, it would be competent for members to vote against the amendment of the Treasurer, and if they were successful in defeating it, the hon. member for Flinders could then move the shorter period. He intended to vote against the term proposed by the Government, which, though better than that proposed in the Bill originally, was too long. If they gave the bank until 1910 it would do exceedingly well.

Mr. DANIELS did not think they were justified in giving to the bank or any other company money belonging to the people for twenty-five years, more particularly to a company formed of absentee shareholders. The colony had borrowed that money at 4 per cent., and why should they give it to a private syndicate for 2½ per cent. and allow them to charge the people who really owned the money 8, 9, and sometimes 10 per cent?

The CHAIRMAN: I would remind the hon. member that there is an amendment before the Committee, and that he has not once referred to it. I would call his attention to Standing Order 258.

Mr. DANIELS was endeavouring to show that by the adoption of the amendment before the Committee the colony would not be able to get its money for twenty-five years, and he should certainly vote against the amendment.

Mr. CROSS intended to vote for the amendment, not because it was proposed by the Treasurer, but because it had been suggested by his leader and accepted by the Government.

Mr. BROWNE said he hardly knew whether to vote for or against the amendment. The time specified was certainly too long, especially seeing that there was no provision for any payments at all in the meantime. The Attorney-General had said that hon. members on that side were like some Tories who never learned anything and never forgot anything. He would not say anything about the first part of the saying, but was proud to say they did not forget very much. They were asked to impose unlimited trust in the Treasurer, but there was no stipulation as to when the repayments should commence, and he was not prepared to entrust any Treasurer with the sole right of making an agreement of that nature. Even if he had the greatest faith in the Treasurer, he still thought twenty-five years was too long a time. They

might have half a dozen Treasurers in that period, and this trust would be imposed in them just as much as in the present Treasurer; and there might be two or three more crashes in connection with this institution. Of course twenty-five years was better than thirty-five years, and that was the only reason why he should vote for the amendment.

Mr. GLASSEY was anxious to tie the hands of the Treasurer as much as possible, because he had not implicit confidence in him. He had gone very carefully into the matter, and, taking the committee's report as it stood, it appeared that the bank would not be able to repay this money in a shorter time than that now proposed. If they doubled the amount the bank had to pay it would not be able to pay it, and if it was to be restored to a sound financial position a considerable length of time must be given. That being so, he would have to stick to the amendment substituting twenty-five years for thirty-five years.

Mr. TURLEY was opposed to the amendment because he considered the time proposed to be given altogether too long. When they considered the position that had been taken up by the Assembly in times past, it seemed to him that a majority of hon. members should also adopt that view, because when the agreement was sanctioned in 1893 between the Treasurer and the directors the time was limited to twelve years, and the directors stated that they would be able to pay interest at the rate of 4½ per cent. It was now stated by financial authorities that if that agreement had provided that the interest should be only 2½ per cent. or 3 per cent. the bank would have been able to meet its liabilities in the way of interest, and have also paid back the capital at the end of twelve years. The Treasurer had stated that it was not owing to the period fixed for the repayment of the money that the agreement had broken down, but because the rate of interest had been too high. The Bill proposed to give the Treasurer power to make the time for payment more than double the time fixed under the agreement of 1893, whilst the rate of interest was to be a little more than half. Practically they were asked to give the Treasurer power to lock up £2,000,000 in that institution for twenty-five years, because there was nothing in the clause to say that one penny should be repaid before the expiration of the twenty-five years. The amendment moved by the hon. member for Enoggera, providing that the agreement should be submitted to Parliament for ratification had been rejected, and they were asked to repose unlimited faith in the Treasurer. There was a large number of people in Queensland who had no faith in the hon. gentleman. The Treasurer had told them that the agreement would give the institution a gift of £20,000 a year, that was taking the difference between the rate at which the Government could borrow the money now and the rate the bank would have to pay; but they had to pay the people from whom they had borrowed that money more than they would have to pay now. But taking the Treasurer's own estimate, they were asked to empower the hon. gentleman to make a gift to the bank of £500,000. If they took the difference between the rate they paid for that money and the rate the bank was to give them for it, it was equivalent to a gift of £750,000. Surely the hon. gentleman did not believe that a majority of the people of the colony were prepared to give the Queensland National Bank £750,000? That was a sort of bushranging in finance without the courage of the bushranger having to be displayed. It would be better to limit the time to considerably less than was proposed by the Treasurer. The country had been asked in the past to place

unlimited faith in a number of persons, but the result of their placing such unlimited faith in those individuals had been that they had been mulcted in very large sums of money. In fact, that institution had been an incubus hanging over the colony for a number of years, which had stifled trade and commerce. They were asked in the face of those statements to place unlimited faith in the present Treasurer. He thought that fifteen years was a sufficient time in which to allow that institution to rehabilitate itself. The hon. gentleman might enter into an agreement by which it would be possible for the institution to carry on the whole of the Government business as in years past, and he thought that would be wrong. If they were to employ an outside institution to do the banking of the country they had no right to give the Treasurer power to confine the whole business to one institution.

Mr. McDONALD did not intend to vote against the amendment because he disagreed with the idea of shortening the time, but because he would like to see it further reduced. If he could not get it reduced to ten years he would go for reducing it to twenty-one. The bank had been a semi-political institution for the past sixteen years, and had run the colony. The late Treasurer was so involved and mixed up in its affairs that it became a public scandal. It was their duty to as far as possible get rid of the incubus, but he was of opinion that all the legislation they passed would not affect the matter very much. It would be settled at the other end of the world, and when everything was agreed to it would not be very satisfactory to Queensland. If the motion to extend the term to 1921 was carried there would always be this staring them in the face: That should there be a change of Government they would be in the position that the Treasurer was in when the change of Government took place in 1883. After Sir Thomas McIlwraith had given the Government account to the bank in 1879, it became so entrenched in the affairs of the colony that when the opponents of the bank came into power they were unable to disturb the arrangements they found existing. The parties in power in 1883 dared not break the agreement because their political existence depended upon further bolstering up the institution. He was very sorry that he had been unable to move his amendment to reduce the term to 1910, because he believed that would meet the real wishes of the people.

Mr. STEWART: That Parliament was in a most unfortunate position in having to deal definitely with a matter of so much importance as the reconstruction of the Queensland National Bank. They were heirs to a legacy of incapacity and mismanagement which had no parallel in the history of any British community. As the Attorney-General said, they were dealing with the present and not with the past, but he for one maintained that if wrong had been done it should be exposed. He hoped an exhaustive inquiry would be made, and that if anything criminal had been done the parties responsible would be brought to justice. So far as he was concerned, he had been guided in the matter by the committee's report. The committee said that if the bank was re-established it could fairly pay about £100,000 per annum, and if they fixed the time at twenty-five years they would have to pay £80,000 a year on the basis of the committee's report; and he had no other to go upon. On the same basis, and under the amendment suggested by the hon. member for Flinders, the bank would have to pay £130,000 a year, and he did not think it could do it. It was useless to make a bargain which they could not expect would be performed. For that reason he was prepared to vote for the

twenty-five years' term, but he thought it a great misfortune that the Treasurer, who desired that the limits within which he should act should be defined as closely as possible, had not been consistent enough to accept a limit within which the first payment should be made.

Question put; and the Committee divided:—

AYES, 41.

Sir H. M. Nelson, Messrs. Foxton, Byrnes, Tozer, Tooth, Hamilton, Stephens, Castling, Smyth, McMaster, Bartholomew, McCord, Corfield, Armstrong, Stewart, Battersby, Collins, Crombie, Stodart, Chataway, Lissner, Lord, Cribb, Stumm, McGahan, Sim, Newell, Jackson, King, Story, Fraser, Bridges, Callan, Curtis, Grimes, Stephenson, Dickson, Cross, Glassey, McDonnell, and Browne.

NOES, 12.

Messrs. Dawson, McDonald, Kerr, Fitzgerald, Turley, Hardacre, Keogh, Drake, W. Thorn, Dibley, Dunsford, and Daniels.

Resolved in the affirmative.

The TREASURER: They now came to subsection 2 of clause 4, which prescribed the minimum rate of interest, and said that it should not be less, on the whole, than $2\frac{1}{2}$ per cent. It had occurred to him as a possible contingency that it might be necessary, while reserving that minimum rate on the aggregate amount, to make provision for a differential rate—that was to say, that the rate might be 4 per cent. on one portion of the money, $3\frac{1}{2}$ on another portion, and $1\frac{1}{2}$ or 1 per cent. on another portion, so long as not less than $2\frac{1}{2}$ per cent. was secured for the total amount of the deposits. He therefore proposed to alter the subsection so as to read, "That the Treasurer will accept as interest for any such moneys, or for so much thereof as for the time being remains unpaid, an amount calculated at a rate not less than two and a-half per centum per annum thereupon," etc. He moved that after the word "accept" there be inserted the word "as."

Mr. GLASSEY presumed that the hon. gentleman was likely to make such provision in that subsection as would carry out his suggestion that in the event of the bank being in a position to pay more than $2\frac{1}{2}$ per cent. the Treasurer should participate to the full in the improved state of affairs; but if not he would submit his amendment to the Committee. No doubt the hon. gentleman knew certain accounts on which the bank might be able to pay the higher rate of interest, but it struck him that by adopting the proposal for differential rates they were likely to get into confusion, unless the matter was worked out with mathematical precision. He therefore wished to have the terms and conditions clearly defined in the measure, and a provision inserted to the effect that no priority should be given to other persons before the Treasurer in respect of old deposits.

The TREASURER thought the hon. member had himself provided for that in subsection (a) of his amendment.

Mr. DRAKE: That is not carried yet.

The TREASURER: But he had expressed his willingness to accept it, and also subsection (b). He saw no objection to those two provisions being included in the Bill if hon. members thought they were required. But at present he was only providing for the minimum rate of interest on the aggregate deposits, and making it possible for the Treasurer to agree to differential rates, and he thought the clause as he proposed to amend it would be improved, if followed up by subsections (a) and (b) of the amendments of the hon. member for Bundaberg.

Mr. GLASSEY thought it was possible that the higher rate of interest which the hon. gentleman might agree to accept from the bank might in years to come prove a disturbing element in the arrangement, and that the matter was worthy of serious consideration. The Treasurer might have data in his possession which would

enable him to come to certain conclusions, but he wished to hedge him around with every safeguard, so that there would be no disturbances for many years.

The HON. J. R. DICKSON: It was all very well to discuss banking matters as academical questions, but they had now to deal with them in the view of maintaining the bank's business connections. It was possible for the Government to make terms which might be beneficial to the State, but which might cripple the bank unless it were allowed to make terms with constituents whom it might wish to retain. He could understand that the Treasurer should not accept interest below the maximum rate paid to other persons; but, as the bank paid off the Government, a certain proportion of the private creditors' money would also have to be released; and it was quite possible that at the time these moneys came to be released the rate of interest might be greatly in excess of $2\frac{1}{2}$ per cent., in which case the money would be withdrawn at once. It was quite possible that there might be a reaction, and, therefore, it was desirable that the bank should be able to retain its money by offering the same rate that was offered outside, and that the depositors whose money was released should not consider themselves as escapees.

The TREASURER said that if the depositors received their money and re-invested it in the bank it ceased to be old money. All that the hon. member for Bundaberg asked for in those two paragraphs was that nobody should take priority over the Treasurer, and he quite agreed with that.

Mr. GLASSEY: If the bank was able to pay more than $2\frac{1}{2}$ per cent., the State and private depositors should be placed upon terms of equality.

Mr. McDONALD wished for some definite information regarding the matter of interest. He understood that if any rearrangement was made the higher rate of interest would be paid first, but if that were not the case the Treasurer might accept 1 per cent. for the first fifteen years, and then increase the rate for the remaining ten years to bring the average up to $2\frac{1}{2}$ per cent. By that time there might be another depression, and the bank might be unable to pay the higher rate, and they would be in the same position as they were now.

The TREASURER: It was not his place to make suggestions as to any scheme of agreement, but it occurred to him in reading the commissioners' report that if the depositors took the bank into their own hands they might write down 25 per cent. of their claims. That would leave 75 per cent. of the deposits. If the bank allowed 4 per cent. on that 75 per cent. and nothing on the other 25 per cent., the 4 per cent. on the 75 per cent. of deposits would be equal to 3 per cent. on the whole of the deposits. He did not say that that would be done.

Mr. McDONALD: How would that affect the Government, seeing they are not allowing any of their money to be written off?

The TREASURER: They might agree to allow 25 per cent. of their money to run until the end of the period fixed for repayment without interest, so long as they got a higher rate of interest on the remaining 75 per cent. That was a possible, and not an altogether unlikely, thing to happen. There would be no advantage to the Government from that, but there would be an advantage to other people, because, if they turned their deposits into stock, they might, if they were pushed for money, sell the 75 per cent. of their stock at a good price if it bore interest at the rate of $3\frac{1}{2}$ or 4 per cent. If the maximum was fixed at $3\frac{1}{2}$ per cent. on 75 per cent. of the deposits, that would be a little better than $2\frac{1}{2}$ per

cent. on the whole amount. Of course, he was assuming that paragraphs (a) and (b) would be carried—as he hoped they would be.

Mr. JACKSON thought the object of the hon. member for Bundaberg was to prevent deferred depositors, if they became shareholders, getting a larger rate of interest on their capital than would be paid to the Government.

The TREASURER: That is so.

Mr. JACKSON thought that was a proper provision, and the Government should have no objection to it.

The TREASURER: I have no objection to it.

Mr. JACKSON: It would be better for the Government to get more than $2\frac{1}{2}$ per cent., even if they gave a longer period for repayment. It was impossible for the bank to repay the Government out of profits. The only way in which they could make repayment was either by calling in advances or by realising on securities: but, as the Government always had a very large amount to the credit of their current account on which they could operate, it made no difference to the finances of the colony whether the bank met the deferred deposits or not.

Mr. DRAKE: They should not accept an amendment like that without seeing it in print. When the amendment was considered in conjunction with the clause the hon. member proposed to insert, he did not know that it would be any advantage to the Treasurer or to the bank. The hon. member for Flinders had read the amendment to mean that the Treasurer could accept a differential rate of interest between amounts that were going to be paid at an earlier date and those which were to be paid at a later date. He had thought that it would enable the Treasurer to exact a larger amount of interest on a certain proportion of the money and a smaller rate on another portion, which would run concurrently.

The TREASURER: That may be so.

Mr. DRAKE: Coupled with subsections (a) and (b), to be subsequently moved by the hon. member for Bundaberg, it appeared as if it was intended to enable differential rates to be given to certain creditors and another rate to other creditors. He did not know the exact object the hon. member had in view in moving his amendments, but he had intended to move the following clause to follow clause 3, which might carry out the object of the hon. member:—"The terms of repayment and the rate of interest agreed to by the Treasurer in respect of moneys due to and owing by the Government shall be the same as those agreed to by other creditors of the bank in respect of their deposits."

The TREASURER: The clause would fix the rate at the minimum of $2\frac{1}{2}$ per cent., but it was possible that that might not suit the arrangements to be made by the bank with its creditors, and he wanted to put the Government into the same position as the other creditors.

Mr. McDONALD: It seemed to him that the object was to enable the bank to show that it was paying a higher rate of interest than the actual rate, which was unwise even in the interests of the bank.

Mr. DRAKE said it appeared to him the Treasurer was contemplating that the bank might make an arrangement with its English creditors by which it would pay 4 per cent., $3\frac{1}{2}$ per cent., and 2 per cent. to different classes of creditors.

The TREASURER: The idea of the bank paying different rates to different classes of creditors was too absurd to entertain for a moment. What he suggested as a possible condition was that every depositor might allow 25 per cent. of the debt due by the bank to be treated in a different way to the other 75 per cent.; and this provided that the Government

might agree to such a condition, provided that the rate received on the aggregate amount was not less than $2\frac{1}{2}$ per cent.

Mr. DAWSON objected to giving the Treasurer power to accept anything less than $2\frac{1}{2}$ per cent. at any time during the twenty-five years upon any portion of the debt due to the Government. He might accept more if he could get it. The bank would then be paying 4 per cent. upon 75 per cent. of its deposits, and that would be publishing to the country that it had so far recovered and regained confidence that it was able to pay that amount. That would be deceiving the public again and drawing in other deposits, and the inevitable crash must come once more. He was not going to give an advertisement to the bank at the expense of the public.

Mr. McDONALD was not satisfied with the Treasurer's explanation. The hon. gentleman said the amendment was of no importance, and yet he refused to withdraw it. Surely he must have some other reason for wishing to carry it.

Mr. GLASSEY: There seemed to be some real doubt as to the meaning of the amendment. He hoped the Treasurer would give a clearer and more thorough explanation of it. He must confess he had been unable to grasp it. If it meant that the Treasurer should insist upon having $2\frac{1}{2}$ per cent. per annum then he could understand it. If it meant that he should receive $1\frac{1}{2}$ per cent. for one period and $3\frac{1}{2}$ per cent. for another, that was a different matter.

The TREASURER: There might be a proportionate amount, say 75 per cent., bearing one rate of interest and 25 per cent. bearing another rate. But the amendment did not give authority to say that the rate of interest should be less at any period than at any other period. From start to finish the rate of interest on the aggregate amount of the debt due to the Treasury must not be less than $2\frac{1}{2}$ per cent. per annum.

Mr. McDONALD: That did not clear up the matter. From what had fallen from the hon. gentleman and the Attorney-General they must have an idea of the sort of agreement which was about to be made. If 75 per cent. of the deposits bore $4\frac{1}{2}$ per cent., then the result would be not only that they would be saleable stock, but that they would be sold at a premium, and that would be the means adopted for restoring confidence. He thought it would be far better for the public to know clearly that only $2\frac{1}{2}$ per cent. was going to be paid right through from start to finish. The outside public would not inquire into what amounts were paying $4\frac{1}{2}$ per cent. and what amounts $1\frac{1}{2}$ per cent.

Question—That the word proposed to be inserted be so inserted—put; and the Committee divided :—

AYES, 32.

Sir H. M. Nelson, Messrs. Byrnes, Foxton, Tozer, Tooth, Castling, McMaster, Curtis, McCord, Hamilton, Stodart, Battersby, Crombie, Lissner, Corfield, Lord, Armstrong, Bartholomew, Stumm, Chataway, McGahan, Stephens, Nowell, Fraser, Story, Smyth, Stephenson, Grimes, Cribb, Callan, Jackson, and Collins.

NOES, 21.

Messrs. Cross, Hoolan, Glassey, Kerr, Dawson, King, McDonald, Dunsford, Sim, Fitzgerald, Dibley, Keogh, Drake, W. Thorn, Daniels, Jackson, Browne, McDonnell, Stewart, Turley, and Hardacre.

Resolved in the affirmative.

On the motion of the TREASURER, the clause was further consequentially amended.

Mr. GLASSEY moved the addition of the following subsections to follow subsection 3 :—

That the rate at which the Treasurer agrees to accept interest shall never be less than the maximum rate at which interest is for the time being paid to any other person in respect of any moneys which were owing by the bank on the fifteenth day of May, one thousand eight hundred and ninety-three.

That the terms upon which the Treasurer agrees to allow any moneys to be repaid to him shall not enable

repayments to be made to any other person of any moneys which were owing by the bank on the fifteenth day of May, one thousand eight hundred and ninety-three, so as to give such person any preference or priority over the Treasurer.

Mr. DRAKE thought the last two lines of subsection (b)—“so as to give such person any preference or priority over the Treasurer”—were unnecessary, as the first part of the paragraph provided that no person should have priority over the Treasurer.

The ATTORNEY-GENERAL: The meaning of the words was exactly what they stated—namely, that the Treasurer should not be allowed to enter into an agreement whereby any portion of the moneys made payable to him should be postponed to the repayments that might be made to other creditors, and he thought they were necessary.

Mr. HARDACRE wished to know how the rate of interest would be fixed under subsection (a) if the depositors became shareholders, as suggested by the committee of investigation. It seemed to him that in such a case they might pay themselves a higher rate of interest in the form of dividends than was paid to the Treasurer, and no provision was made against such a contingency.

The ATTORNEY-GENERAL: The amendment provided for that, as it stated that “every such agreement shall contain all such provisions as may be necessary to secure the following objects,” among which was the one that the Treasurer should never be paid less than the maximum rate of interest paid to other people; and the agreement would contain safeguards to prevent interest being paid vicariously in the form of dividends.

Mr. DRAKE was not quite sure that the amendment meant exactly what he (Mr. Drake) meant. Did it mean that in the agreement made by the bank the Treasurer would enjoy exactly the same terms with regard to rates of repayment and interest as were enjoyed by the other creditors?

The ATTORNEY-GENERAL: He took it that it meant that the Treasurer was not to be worse off than other people. He might possibly be better off.

Mr. GLASSEY thought the subsection carried out his intention that no person who had money in the bank should participate in any advantage over the Treasurer, and that the wording was perfectly clear.

Amendment agreed to.

Mr. GLASSEY suggested that as the next amendment, which related to the appointment of one of the directors of the bank by the Government, was a very important one they might now adjourn, and consider it at a time when it could be fully discussed. He was anxious to have it discussed in the fullest possible manner.

The TREASURER: They had a great deal more important business than that to get through, such as the Estimates; besides, that was a matter upon which every hon. member had made up his mind. If they discussed it for three months they would not alter the opinion of one hon. member.

Mr. GLASSEY disclaimed any idea of unnecessarily delaying the Bill; but, as this was a matter in regard to which there was great difference of opinion, further consideration of the Bill might now be postponed. They would not lose a single hour by adopting that course.

The TREASURER: The matter had not been sprung upon them, and he could not see any reason for delay, unless the hon. member wished to have his speeches reported. They could not be accused of rushing the Bill through, because

hon. members had had opportunities of digesting it and making up their minds, and nothing could be gained by delay.

Mr. GLASSEY: There were many things he should like to see more fully discussed than they could possibly be at that hour. However, he would move his amendment. First, he might say that he did not think it unreasonable, seeing that the State had £2,000,000 in this bank, that it should have an officer to look after its interests. That officer should be appointed as the Auditor-General was, and should not be under the control of the Governor in Council. It had been said that he would be of no value unless he had the power of veto; but he was not anxious to confer any such right. He should be a director and discharge the duties of a director as long as the Government had money in the bank, and his business would be to see that the other directors were not so lavish as they had hitherto been in granting advances, and to see that the operations of the bank were carried on in such a manner as to protect the interests of the State. It had been contended that he would be a spy and would make known the affairs of private individuals; but he had sufficient confidence in the Government to suppose that they would appoint only a gentleman of ability and integrity who would discharge his duty in such a way as to give satisfaction to the other directors and to the community. It was also contended that if the Government had a director on the board the bank would ask the Government to make good any bad debts which might be incurred while he was on the board, but that was absurd. By having such an officer confidence in the institution would be restored. He moved the insertion of subsection (c).

The TREASURER hoped the hon. member would not think, because they could not accept that amendment, and because it was not inserted in the Bill, that the idea would not necessarily be included in the agreement. That did not at all follow; but he objected to making it a hard-and-fast part of the Bill. Some hon. members wished to make the bank a State bank.

Mr. GLASSEY: I certainly do not.

The TREASURER: The committee of investigation had been strongly opposed to that, and he was opposed to it, unless it was absolutely necessary. It might be necessary to take some step in that direction, and the committee had indicated as much when they said in their report that although they were averse to any connection between the bank and the Government, yet they thought the Government should have someone on the board. The hon. member had provided for all that was absolutely necessary in the clauses he intended to move subsequently, which proposed that an independent officer should report on the state of the bank every half-year, or at least every year. He accepted that, and he believed it would be good both for the bank and for the country. The present Auditor-General having now a sufficient grasp of the situation, and having all the accounts at his fingers' ends, it would not be such a heavy task as it would have been otherwise. Of course, they had to consider that they were piling work on to the Audit Department every year, and that department would have to be increased, but that could be overcome for the time being. If they got that, they would have sufficient guarantee that the agreement was being carried out. He would not object to giving the Auditor-General power to examine the books of the bank without notice, just as he could examine the books of the Treasurer without notice; and if he found anything wrong, he could at once report to the Treasurer. He could also send an annual report to Parliament based upon the balance-sheet of the bank

of 30th June, which should afford all the information desired. He hoped the hon. member would not press his amendment. He did not say that the idea would not be carried out, but it might prevent a good agreement being made if it was made imperative.

At 12 o'clock,

The CHAIRMAN called upon the hon. member for South Brisbane, Mr. Stephens, to take the chair.

Mr. STEPHENS took the chair accordingly.

Mr. GLASSEY had no desire to have that a political appointment, even if it were made, nor did he desire to see the Queensland National Bank made a State bank, though he hoped to see a State bank established at no distant date. He was not going to withdraw the amendment.

The Hon. J. R. DICKSON did not see what benefit would accrue either to the State or to the bank by having a director acting in the Government interest. He must either have a controlling authority or else he must subordinate his views to those of the other directors, and in any case the State would be held responsible for the efficient management of the bank. If a thorough audit were made periodically that was all the State should require in the meantime. But, however valuable the report of the Auditor-General might be so far as clerical accuracy was concerned, there was still the difficulty of getting auditors thoroughly seized of the current values of properties, and able to certify with confidence as to the bank's position. A large amount of work had lately been imposed upon the Auditor-General, and he trusted that some additional remuneration would be given to that gentleman on account of the extra work he had been called upon to do.

HONOURABLE MEMBERS: Hear, hear!

Mr. DANIELS said there ought to be somebody to look after the Government interest; but he would very much like to have seen the whole thing taken over as a State bank. The committee of inquiry had said there was some money in the bank, and if there was only 10s. in the £1, and that money was lent out to the farmers at 5 per cent.—

The ACTING CHAIRMAN: I would remind the hon. member that it is not a question of the management of the bank, but of the appointment of one director to represent the Government.

Mr. DANIELS agreed that there were evils as well as advantages in the proposal, and though he would be outvoted by the other directors all the blame for anything that went wrong would be thrown upon the Government director.

Mr. McDONALD: The amendment was for the appointment of a "receiver" to be a check upon the other directors of the bank, and he could not support it. If they put in one director they must give him an absolute veto or he would be of no use at all, and if they gave him a veto and anything went wrong the State would have to bear the brunt of it. If it had been possible to have converted the bank by a reasonable scheme into a State bank he would have agreed to that, but considering the political aspect of the question, they ought to keep as far from that institution as they could.

Mr. CRIBB agreed with all the hon. member for Bulimba had said, and he would only add that where losses were sustained the shareholders would be in a position to say that, as the result of having a Government director dealing with their money, those losses had occurred, and the Government should share in them.

Mr. STORY did not think it judicious that the Government should take one step nearer to the bank than they proposed in the Bill. As to Governments in the past being to blame for pouring a lot of money into the bank, it was just as if a young man who had dissipated money

given him by his father to make a good start turned round when he had gone to wreck and ruin and blamed his father for putting the money into his hands. Every sin of commission and omission on the part of the bank would be laid at the door of the Government director.

Mr. GLASSEY: The hon. member had forgotten that the Treasurer had said that it did not follow, even if the amendment was not carried, that the idea would not find a place in the agreement. As to that officer being blamed for all the disaster and ruin that might overtake the bank, he said fearlessly that if such an officer had been appointed years ago no such disasters would have overtaken it. With regard to the argument that unless such a director had a power of veto he would be of no use, he held that a man with a knowledge of the value of property would, even if he had no more voice in the management than the other directors, exercise a check on their extravagance. He believed that an appointment of that kind was absolutely necessary to safeguard the public funds, and that it would further the interest of the bank in the future by inspiring confidence in the public mind. As the amendment seemed to be too ridiculous to be accepted by some members, he did not intend to press it to a division.

Mr. JACKSON thought it was desirable to have a representative of the Government on the directorate of the bank until those deferred deposits were paid, and was sure that even if he had no power of veto he would have a very big say in the management of the institution, as he would be backed up by the Government, who could always put the screw on the bank by operating on their current account. If the Government did not accept the amendment of the hon. member for Bundaberg, he thought they should at least adopt the recommendation of the investigation committee on the subject.

Mr. CROSS was not in accord with the proposition of the hon. member for Bundaberg, though he admitted that there was much to be said in favour of it. The appointment of a State director would attach a moral if not a legal responsibility to the Government in connection with the business of the bank, and would be no guarantee against any such disaster as that which had occurred, as the periodical calamities which happened to banks were due to something more than the management of directors. He was still a believer in a State bank, but such a bank should be established on entirely different principles from those upon which banks were worked at present.

Amendment put and negatived.

Mr. GLASSEY moved that the following new subsection be added to the clause:—

That so long as any moneys payable to the Treasurer under the terms of the agreement remain unpaid the accounts of the bank or (in the event of the Treasurer accepting the liability of any such company as aforesaid) the accounts of such company shall be examined by the Auditor-General, or some person appointed by him, once at least in every half-year, and that for this purpose he shall have a list delivered to him of all books kept by the bank or company, and shall at all reasonable times have access to the books and accounts of the bank or company, and may in relation to such books and accounts examine the directors or any other officers of the bank or company:

Provided that if the bank or company has branch offices beyond the limits of Queensland it shall be sufficient if the Auditor-General is allowed access to such copies of or extracts from the books and accounts of any such branch office as may have been transmitted to the head office of the bank or company in Brisbane.

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

Mr. GLASSEY moved the following new clause to follow clause 4:—

The Auditor-General shall make all such examinations of accounts as may be necessary for the purpose of giving full effect to the terms of any agreement

entered into under the authority of this Act, and on the occasion of every such examination shall prepare a report on the accounts so examined by him, and upon the latest balance-sheet laid before the bank or company in general meeting, and in every such report shall state whether the balance-sheet referred to in the report is a full and fair balance-sheet properly drawn up, so as to exhibit a true and correct view of the affairs of the bank or company as shown by the books of the bank or company.

Within seven days after preparing any such report as aforesaid, if Parliament is then sitting, or if Parliament is not sitting, then within seven days after the next meeting of Parliament, the Auditor-General shall transmit the same to both Houses of Parliament.

The TREASURER had no objection to the clause. As the hon. member for Bulimba pointed out, as long as the present Auditor-General held his office these reports would be valuable, as he was seized of all the facts relating to the affairs of the bank; but a new Auditor-General would have to devote about six months to the affairs of the bank or else his report would simply be a report upon the books. The amendment would do the bank no harm, and would satisfy the public.

Mr. CRIBB thought it would be a very serious matter if the Auditor-General reported to Parliament upon every separate account, and hoped that that was not intended.

New clause put and passed.

On the motion of Mr. GLASSEY, the following new clause was inserted:—

Notwithstanding anything in any Act to the contrary contained, any condition or regulation inserted in the memorandum or articles of association of the bank or any such company as aforesaid, for the purpose of enabling full effect to be given to the terms of any agreement entered into under the provisions of this Act, shall not, so long as such agreement remains in force, be, or be deemed to be, capable of rescission or alteration except by the consent of the Governor in Council.

Mr. McDONALD moved the insertion of the following new clause:—

The Government shall not enter into any agreement under the authority of this Act with the bank until the present directors of the bank shall have ceased to hold office, and a directorate consisting of persons, not one of whom shall have previously held office as a director of the bank, shall have been elected.

He moved this new clause, because the report of the commission was sufficient proof of what had been said in the past that something ought to be done. The report showed conclusively that the present directors were incapable of managing the affairs of the bank, and he moved his amendment to get rid of them altogether. It would require men of more than ordinary ability to manage the bank in its new position.

Mr. STORY: They could not possibly agree to such an amendment. Although there were all sorts of rumours abroad, there was no proof that the present directors had lost the confidence of the shareholders. When the investigation showed that the directors were wanting in honesty or ability, it would be time to introduce such an amendment; but as for passing it, and condemning men unheard, no one but the hon. member would have thought of doing such a thing.

Mr. McDONALD: The report of the committee proved what he had said all along. It showed that the bank was almost in a state of hopeless insolvency, and that since 1893 two dividends had been paid, which was dishonest. It was ridiculous to ask them to give the Treasurer power to enter into an agreement with the present directors, who were not capable of transacting business. Of course, if it was their intention to resign in the near future, he was prepared to withdraw his amendment.

Mr. O'CONNELL: The Government had been proceeding all along on the assumption that the present depositors would become the proprietors.

The directors might be very much to blame for the past management of the bank, but they could not possibly carry on the institution.

Mr. HOOLAN said the directors were carrying on. The same mistake had been made in 1893, when not the slightest effort was made to shift the directors. Hon. members might say they were not dishonest, but if not they were poor men when they allowed their names to be bandied about the street. Their reputations stank, and they were on a par with those men in the southern colonies who were now serving sentences for the same actions. It looked as if the Government connived at the whole thing. It was the duty of the shareholders to shift the directors, but unfortunately the shareholders seemed to have gone into the institution as a speculation. If the directors were not dishonest they should take steps to vindicate their characters, because it was said everywhere that they had brought the bank into this horrible muddle. If the directors would not remove themselves the Government should call upon the shareholders to remove them; and if the Government did not do that, it would be necessary for some other persons to take steps to have them removed in their own interests and for their own reputation. If nobody else took action, he would see how far the magistrates and judges would help to conceal large embezzlements and financial crime.

Mr. DANIELS long ago came to the conclusion that the directors were rogues and that they ought to be shifted. Both the Government and the directors knew the position of the bank before 1893. A dividend was declared shortly previous to the closing of the bank, and dividends had been paid since. Some might call that mismanagement, but he called it robbery. It had been said that these men should not be condemned unheard; but they had been heard too much. Even the committee of inquiry said practically that the directors had been taking money belonging to the depositors and dividing it amongst the shareholders. The hon. member for Balonne would have snorted as loud as anybody if he had been a depositor and had found his money divided in that way amongst the shareholders. It was quite clear that those men were unfit to take the position of directors if the bank was reconstructed.

The Hon. J. R. DICKSON had heard the directors referred to as dishonest directors, and the amendment would stigmatise them as men who were unfit to be appointed to such an office; but he could not admit that the evidence they had entitled them to say any more than that they had committed errors of judgment. If the deferred depositors chose to come forward as shareholders and guarantee the repayment of the money owing to the Government, under an agreement, he did not see that they had any right to interfere with their choice of directors, even though they chose to appoint the men who now held the position.

Mr. BROWNE: Putting the question of dishonesty on one side, three out of the four men who were at present directors of the bank had managed the affairs of the bank practically from its inception, and they had run it into a terrible hole from which they were now in that Committee trying to extricate it. They had a perfect right to say that they would enter into an agreement with the proprietors of the bank, but they were not willing that the management of the institution should be left to those who had so grossly mismanaged it in the past. If a captain ran a ship on to the rocks and so caused the loss of a number of lives they would not immediately put him in charge of a new ship. The committee of inquiry had gone further in paragraph eleven of their report, and dis-

tinctly charged the directors with dishonesty. That new clause simply proposed that the Treasurer should not enter into an agreement with the bank until new directors were appointed. He considered that that was fair and reasonable, and should certainly vote for it.

Mr. DANIELS argued that the new clause would not stop other people from employing the present directors, as had been alleged. As a matter of fact the capital of the bank belonged to the Government, and the directors had proved themselves incompetent to manage the institution.

Mr. JACKSON thought it would be a great mistake if the present or past directors had any further connection with the bank, and that it would be better to wipe them out. There were several passages in the report of the committee of investigation which reflected very discreditably on the directors, the worst reflection being in paragraph 11, where it was pointed out that the profits shown were to some extent fictitious. If the directors had simply blundered in making advances, there would not have been much fault to find with them, but to declare fictitious profits was illegal, and a violation of the Companies Act. But if there had been nothing else but bad management on the part of the directors that would justify them in accepting the amendment of the hon. member for Finders.

Mr. TURLEY did not think they were casting a stigma on the directors in urging that the Government should not enter into an agreement with the bank while the present directors remained in office. He had heard thousands of men slandered and charged with all the crimes imaginable by members on the front Treasury bench, who stated that they required all sorts of powers to deal with certain persons who were criminally inclined, although those persons had not given the slightest evidence that they were anything of the sort; and now when they came to deal with three or four persons who had been instrumental in getting the colony into its present position they were told that they were casting a stigma on the characters of those people. These men had shown that they were not competent to manage the bank, and the hon. member for Bulimba had admitted that he did not know that they had been actually dishonest; but at any rate they had committed grave errors of judgment. What were considered errors of judgment on the part of bank directors were crimes when committed by other individuals, especially if the former had friends in Parliament. They had been told that the shareholders had absolutely finished with this concern, but that might not be correct, and the Treasurer had said he was inclined to believe that a considerable number of shareholders would refuse to give up their positions. That being the case, it was quite possible that the present directors might hold their present offices; and, as it had been shown that they had done badly in the past, hon. members should make sure that the Treasurer was not allowed to enter into an agreement with them.

Mr. HAMILTON said it might be presumed that the new shareholders would not be idiots, and no one but an idiot would appoint directors to look after his affairs if their previous career had shown that they were untrustworthy.

Mr. DANIELS said no one but idiots would have allowed them to be there so long after the blunders of 1893. If these men had paid dividends they were not fit to be shareholders, and if they did not examine the accounts they were not fit to be directors, because they were obtaining money under false pretences; and if they did examine the accounts and did not know the position of the bank, then, again, they were not fit for the position of directors.

Mr. CRIBB said if they passed a clause like this it would be an eternal disgrace to the Parliament of Queensland. The present directors might or might not be deserving of what had been said about them; but hon. members had nothing to do with that at present. To condemn these directors after an inquiry had been promised was an act which would be condemned throughout the civilised world, and as the matter was *sub judice* it should not be entered upon the records of the House. The report of the commission did not justify what had been said against the directors, and they must remember that it was in the power of a general manager to mislead directors in matters of this kind. If they were guilty they should be punished; but until the matter was investigated they should not pass a clause of this kind.

Mr. KEOGH was in accord with the amendment. Seeing that the present directors had been found wanting, they should have nothing to do with them. Though he had every confidence that the Treasurer would carry out his duty well, the public would have been better pleased had the amendments of the hon. member for Bundaberg been agreed to. In the event of the bank stopping, the other banks would be prepared to take its place, but, at the same time, he thought it would be a good thing if the bank was able to carry on. He did not blame the directors for the condition of the bank so much as the late general manager.

Mr. BATTERSBY said it was the duty of Parliament to give to the Government of the day—whatever Government might be in office at the time—power to enter into an agreement with the bank as far as the Government money held by the bank was concerned. It was not their place to say that they were going to shift the directors.

Mr. DUNSFORD had come to the conclusion from reading the report of the committee that the directors were both dishonest and incompetent, and he intended to vote for the amendment. They had not only to safeguard the interests of the Government but also the interests of private individuals doing business with the bank, because they had no chance of living if dishonest directors were allowed to squeeze high rates of interest out of them. The directors had used their position to better the condition of themselves and their friends. They had also declared dividends out of deposits, and those were dishonest actions. Those people, in conjunction with the Government, had robbed the State repeatedly, and the Government had gone to the extent of floating loans to bolster up the bank. They were being asked to authorise the Treasurer—who was himself the president of a dishonest bank that broke down and did not pay its creditors—to enter into an agreement with men who had been proved by the committee of inquiry to be dishonest and incompetent. The Treasurer had impressed him with the belief that he intended to enter into an agreement with the present directors, and the Attorney-General had gulled hon. members into believing that the agreement would be entered into with a new proprietary. He thought they should do what they could to frustrate what he believed to be the desire of the Treasurer, and he would support the amendment.

Mr. McDONNELL was strongly in favour of the amendment. There might be a difference of opinion as to the advisability of passing the Guarantee Bill or the Bill now before the Committee, but there was very little difference of opinion as to the wisdom of removing the present directorate of the bank. They should have an assurance from the Treasurer that he would not enter into an agreement with the present directorate. A few weeks ago he had a conversation

with a man who had been a manager of the bank for fourteen years in two of the principal towns of the colony, and who made very severe charges against the present directors, upon which he was prepared to give evidence before the investigation committee. He would not, under the privilege of Parliament, refer to those charges; but, from what he had heard on the subject, he said it would be unwise and unjust to make any agreement with the present directorate.

Question—That the new clause stand part of the Bill—put; and the Committee divided:—

AYES, 21.

Messrs. McDonnell, Keogh, Kerr, Dawson Dunsford, Cross, Stewart, Glassey, Dibley, Daniels, Drake, Turley, W. Thorn, Jackson, King, Hoolan, Fitzgerald, Browne, Sinn, McDonald, and Hardacre.

NOES, 31.

Sir H. M. Nelson, Messrs. Foxton, Tozer, Stephenson, Dickson, Tooth, McLeod, Callan, McGahan, Castling, Fraser, Newell, Smyth, Bartholomew, Collins, Story, Armstrong, Chataway, Cribb, Battersby, Curtis, Lord, Crombie, Corfield, Stodart, Lissner, O'Connell, Annear, Hamilton, McMaster, and Grimes.

Resolved in the negative.

Mr. DRAKE wished to move a new clause to follow clause 4. It had been noticed by several hon. members that the committee of investigation in their report expected that the bank as reconstituted would have a certain volume of sound business, and it had been generally considered that they were relying to a considerable extent upon the Government account. Many members, though disagreeing as to the exact apportionment of the blame between the Government and the bank, were of opinion that the Government were to a large extent the cause of the disaster that had come upon the bank, and he thought that if an agreement were made under that Bill, and the bank were reconstituted, they should not continue the practice of pouring as large an amount of Government funds as possible into the bank, as the probability was that if they did the same thing would happen in the future as had occurred in the past. The new clause he proposed was as follows:—

At the expiration of six months after the execution of any agreement under the provisions of this Act the agreement made between the Treasurer and the Queensland National Bank on the thirteenth day of September, one thousand eight hundred and ninety-three, shall cease and determine.

That would leave it open to the Treasurer to make any fresh banking agreement that might seem advisable in the interest of the colony. If the amendment were carried a new agreement would have to be made, and he did not think the new agreement would be anything like that which had been made in the past. It was necessary to give six months' notice, and this amendment would operate as notice, and he hoped an agreement would be entered into similar to that superseded by the agreement of 1879.

The TREASURER could hardly think the hon. member was in earnest in moving this new clause, but even if it were carried there would be nothing to prevent him from entering into a similar agreement again. If the House passed a resolution to the effect that the Government account should no longer be in the Queensland National Bank that would be a direction to the Government, but the amendment only said that notice was to be given without saying what was to follow, unless the hon. member intended to follow it up by some other clauses. As it stood the clause was useless.

Mr. CROSS said the clause had come upon him as an absolute surprise, and a clause which embodied such a drastic arrangement as the dissolution of an agreement ought to have received some explanation. It was indefinite and vague, and had not been justified, and even if it were

accepted the Treasurer might put a lot of money into another bank, and create another political institution. He could not support the clause.

Mr. DRAKE said he had moved the new clause because hon. members had attributed the disasters of the bank to the connection that had existed between it and the Government in consequence of the agreement, so that it was only a fair thing that a fresh agreement should be entered into. It was not desirable to lay down the exact lines upon which the new agreement should be drawn. After that discussion it was probable that the Treasurer, having a free hand, would enter into a fresh agreement of a very different character from the present.

Mr. GLASSEY had no wish to prevent the Treasurer from entering into an agreement that would safeguard the public funds, and at the same time assist to place the bank in a sound position. Unless more information on the subject was given, he could not support the amendment. If the agreement was wrong, it could be amended at the proper time.

The Hon. J. R. DICKSON said that it was very likely a fresh agreement would be required, but in the meantime it was no use cancelling the present agreement. It seemed a very fair one, and it might be considered an inducement to the new proprietary to make a reasonable proposal to the Government.

Mr. DRAKE thought the new proprietary should not be led to build upon making an agreement with the Government. The Government account was supposed to have been the source of danger and loss to the present proprietary, and they should not expose the new proprietary to the same danger.

Mr. TURLLEY : The new proprietary should not be led to enter into an agreement on the supposition that the Government account would be allowed to continue in that bank as it had done for the last sixteen or seventeen years. The general opinion was that the Government should not single out any particular bank and make it purely a political institution. Hon. members attributed the position of the bank to its connection with politics, and that connection had been due to the fact that the money of the Government had been entrusted to it, and whenever it had required money it had depended upon the Government to raise it. According to the Auditor-General's report, in 1893 the Government deposits in the Queensland National Bank had amounted to £2,400,000, and since then the amount had increased. In 1894 the amount had been £3,200,000; in 1895, £3,500,000; and this year, £3,400,000. There was a certain risk in connection with all the institutions into which public money was put, and it would not be right to allow persons to be deluded with the idea that the Government money would all be kept in the Queensland National Bank, because no protest was raised in Parliament.

New clause put and negatived.

The remaining clauses of the Bill were passed without discussion.

The House resumed; and the ACTING CHAIRMAN reported the Bill with amendments.

REPORT STAGE.

The TREASURER moved that the Bill, as amended, be now considered.

Question put and passed.

Mr. McDONALD moved that clause 4 be amended, so as to make the year of final repayment 1910 instead of 1921, by omitting the word "twenty-one" and inserting the word "ten."

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

AYES, 38.

Sir H. M. Nelson, Messrs. Foxton, Tozer, Tooth, Sim, Stephens, Corfield, Stephenson, Castling, Battersby, Smyth, McCord, Hamilton, McMaster, Callan, Annear, Armstrong, Stodart Crombie, Lissner, Chataway, Newell, Bartholomew, Glassey, O'Connell, Cross, Hoolan, Story, McGahan, Stewart, Lord, Curtis, Collins, Dickson, Cribb, and Grimes.

NOES, 16.

Messrs. Dunsford, Dawson, McDonnell, Keogh, Kerr, King, Hardacre, Turley, Drake, Browne, Daniels, W. Thorn, Dibley, Jackson, McDonald, and Fitzgerald.

Resolved in the affirmative; and the third reading of the Bill made an order for the next sitting of the House.

The House adjourned at a quarter to 3 o'clock.