

MR. MOLLOY: I rise to move the adjournment of the debate until Monday next.

THE PREMIER (Hon. Sir J. Forrest): Will not Thursday next suit you?

MR. MOLLOY: There is a public meeting to be held in Perth on Thursday evening.

THE PREMIER (Hon. Sir J. Forrest): Monday is too long an adjournment. I will accept Thursday.

MR. PIESSE: I propose to amend the motion by making the date Thursday next.

Question—That the debate be adjourned until Thursday—put and passed.

#### ADJOURNMENT.

The House adjourned at 10 o'clock p.m.

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## Legislative Council,

Tuesday, 22nd November, 1892.

Federal Council: resignation of Sir J. G. Lee Steere as delegate to—Safety of Defences Bill: second reading—Treasury Bills Bill: second reading—Companies Bill, 1892: second reading—Adjournment.

THE PRESIDENT (Hon. G. Shenton) took the chair at 3 o'clock.

#### PRAYERS.

#### FEDERAL COUNCIL—RESIGNATION OF SIR J. G. LEE STEERE.

THE PRESIDENT (Hon. G. Shenton) announced the receipt of the following message from the Governor:—

In accordance with Section 5 of the 49 Vic., No. 24, the Governor informs the Honorable the Legislative Council that the Honorable Sir James Lee Steere, M.L.A., has resigned his office of Representative of this colony in the Federal Council of Australasia.

Government House, Perth,  
21st November, 1892.

#### SAFETY OF DEFENCES BILL.

##### SECOND READING.

THE COLONIAL SECRETARY (Hon. S. H. Parker): In consequence, sir, of Western Australia having now embarked upon a system of fortifications at Albany and Fremantle, it is necessary we should pass a Bill to prevent the unauthorised disclosure of information in reference to them. By this Bill the sketching, drawing, or photographing, or the making of any picture of any defence work is made an offence. It is also an offence for any person to be at or near any defence work with drawing material. The Bill also provides a penalty on persons trespassing on the works. I do not know that there is any necessity for me to explain the measure at any length, because it is very short, and no hon. member can read it without seeing at once what is its object and scope.

Question—That the Bill be now read a second time—put and passed.

#### TREASURY BILLS BILL.

##### SECOND READING.

THE COLONIAL SECRETARY (Hon. S. H. Parker): I now rise, sir, to move the second reading of a Bill intituled "An Act to provide for the raising of a sum not exceeding £836,000 by the issue of Treasury bills." I may say, sir, that since this Bill was introduced into and was passed by the Legislative Assembly, the Government have received information that their agents at Home—the London and Westminster Bank—propose to place £400,000 of the money authorised to be raised by the Loan Act of 1891, on the market, and I have no doubt but that the issue will be successful. In these circumstances I propose to ask hon. members to affirm the second reading of this Bill, and then, when we get into committee, I shall suggest the reduction of the amount from £836,000 to £436,000, that is, by the £400,000 which will be raised to-day in London. It will be observed that it is proposed by this Bill to give power to the Government to raise the larger sum I have named by means of Treasury bills, which will run for a period not greater than three years, and which will bear such rate of interest as may be fixed by the Treasurer, but not exceeding 5 per cent. It is also provided

that the principal sums for which such bills may be made out and issued shall be chargeable upon and paid out of the moneys to be raised under the Loan Act of 1891. It will be observed that these bills are to be issued in the colony, and are to be signed by the Treasurer; but there is power given to the Governor in Council to authorise the sale or disposal of them beyond the limits of the colony. I have no doubt but that hon. members are aware of the reason which induced the Government to bring in this Bill. It was in consequence of the difficulty there appeared to be of raising money in London. We hope now, however, that eventually the whole of the money authorised by the Act of 1891 will be raised without recourse having to be made to this Bill. I may add that the Government consider that the sum of £400,000 which the Government is now raising through the London & Westminster Bank will be sufficient to meet the requirements of the colony during the year 1893. It seems, therefore, highly improbable that the Government will require to take any advantage of this Bill; but as it has passed the Lower House the Government deem it advisable to proceed with the measure, so that they may be prepared, in the event of any necessity arising, to put it into force.

**THE HON. J. W. HACKETT:** I have only one remark to make, and that is to express a hope that the Government will not place too much reliance on the power they are taking in this Bill, and that they will endeavor to float the balance of the loan before issuing these bills, either in the colony or outside.

**THE HON. J. A. WRIGHT:** That has been promised already.

**THE COLONIAL SECRETARY (Hon. S. H. Parker):** I can assure hon. members that the Government look on this only as a last resource if they fail to raise the money by way of loan.

**THE HON. E. T. HOOLEY:** We must all deplore, sir, the necessity that has arisen for such a Bill as this. The Hon. the Colonial Secretary has stated that it is only to be used as a last resource, but I do not think that the occasion for it has ever, so far, arisen. At the present time there is every chance of raising the money by other means, and we should avoid the pitfall of issuing Treasury bills. They

are acknowledged throughout the colonies to be but a last resource, and I regret that at this early stage of our new form of Government we should be called upon to pass a Bill of this kind. The Hon. the Colonial Secretary has said that if they failed to raise money by way of loan there was no other way of raising it; but I happen to know of my own knowledge, although I daresay the Government were quite right in not accepting it, that the colony was offered a portion of the money on better terms than the last instalment of the loan was floated at. Nothing is so damaging to a colony as the issue of Treasury bills, and for my part I think that even under present circumstances we shall be making a mistake if we pass this Bill. £400,000 will be placed upon the London market to-day, and at least we should wait and see how that goes off. I do not, however, intend to oppose the Bill, but I regret that the Government should think that the necessity has arisen, and also that they did not accept the favorable offer that was made to them a short time ago.

**THE HON. T. BURGESS:** I see no reason, sir, why we should not pass this Bill, and in this respect I am sorry that I cannot agree with the Hon. Mr. Hooley. The explanation which has been given by the Hon. the Colonial Secretary is an assurance to this House that the provisions of this Bill will not be brought into force without some very great necessity arising, and I understand that the Government are only passing this Bill in order to provide for an emergency. That emergency may never arise; but it is wise, I think, that they should have power to raise money without being at the mercy of London brokers or companies. I know that the Government has had an offer from a private firm, but I see no reason why because of this they should not also have the power to raise money by Treasury bills, if they think it desirable. After all it is only placing a power in the hands of the Government to be used in the event of an emergency arising, and I hope it may not in any way injure the credit of the colony. I see no reason to anticipate any such misfortune, and I only hope that the loan now on the market will be successfully floated. I believe it will be, and in the future I

have very little doubt that when we want to raise the balance of the money our bonds will be met with favor on the London market, and hence we shall not require to make any use of this Bill.

**THE HON. D. K. CONGDON:** I agree, sir, with the remarks of the last speaker, for in my opinion it is very desirable that this power which the Government has asked for should be granted. The Government is carrying out large public works, and we have it that the English market is not in a very satisfactory state for raising money, and hence the Government is fully justified in taking every possible precaution. I shall, therefore, with pleasure support the second reading of this Bill.

**THE HON. J. MORRISON:** I thoroughly approve of this new system which is being adopted by the colonies of raising money by means of Treasury bills. With one or two alterations, I think we shall find this an improved way of raising money.

**THE HON. J. W. HACKETT:** An improvement on loans?

**THE HON. J. MORRISON:** Yes, by all means, and on this account: For years we have been borrowing money under the ordinary system of loan. It is well known if you enter into conversation with capitalists in England that there is an almost impossibility of anyone putting his or her money into a colonial loan, because they are all taken up by syndicates which tender for large parcels at a low rate, and after holding it for a time retail it out at a profit. This Bill, therefore, inaugurates a new system of finance which will be a credit to the colony. Three or four years ago, if I remember rightly, this system was started in South Australia when there was a ring in the London money market against that colony having any more money. The Government issued Treasury bills, and found other people quite willing to lend them money upon them. Consequently, South Australia got £1,000,000 or £2,000,000, but had she trusted entirely to getting the money by way of loan, she would never have got it, because there was a combination against her. The British investing public can have no safer investment than colonial securities. The system of Treasury bills, I think, can be very much improved, and, as

far as this colony is concerned, we are only now acting in the wake of the other colonies; but what I should like to see is a commission appointed to take into consideration the best way of working and borrowing money by means of Treasury bills. We have many men of sound financial experience among us who could advise the Government on this subject. I do not profess to be a financial man myself, but I can see that there is a class of people in England who would only be too thankful to take up our Treasury bills, and who have not, under present arrangements, the slightest chance of getting hold of our debentures. I am not referring to the particular Treasury bills intended by this measure, but I am referring to what I think might be the beginning of a beneficial change in Australian finance. These Treasury bills have been issued in the colonies before. In Queensland, for instance, a wealthy colonist—Mr. Tyson—took up £100,000 or £200,000 worth of bills in his own colony, and there are people not only in this colony, but in other colonies quite outside the London financial circle, who would be only too glad to invest their money at 4 or 5 per cent. in Treasury bills. By this method, it seems to me, we should have a great many more people interested in the colony and more likely to support it than we have now. In clause 4 of the Bill I notice that the bills are to be signed by the Treasurer and issued here. I think words might be inserted by which they could also be obtainable from the office of the Agent General in London. We should have two places of issue, one here and the other at the office of the Agent General in London. If we are going to have them issued in London through any other office, I take it we shall be doing away with one of the best phases of Treasury bills, for we shall force people to go to brokers and bankers.

**THE HON. J. W. HACKETT:** Is what you propose done by any other colony?

**THE HON. J. MORRISON:** I believe it is.

**THE HON. J. W. HACKETT:** I believe they are always signed by the Treasurer.

**THE HON. J. MORRISON:** Yes; but I say they should be issued either here or at the Agent General's office in London. I see also by the Bill that the

bills are to be issued from £25 each and upwards to £1,000. When in committee I think we should insert the words "ten pounds," because ultimately I believe Treasury bills will be equal to National Bank notes, and will change hands at par, the holder at the end of every half-year having the interest by way of bonus. I think the bills might run for 20 years, the Government having the right of retiring them by ballot in lots of £20,000 worth each by giving six months' notice.

**THE HON. J. W. HACKETT:** Then what distinction would there be between these bills and debentures?

**THE HON. J. MORRISON:** Simply that you cannot go and get cash for the debentures. If we had £10 Treasury bills we should be able to get cash for them; but not so with debentures, and I doubt very much if anyone wanted one of our debentures whether he would be able to obtain it in the colony. I want the people interested in the colony to hold the bills, and not be shut out as they are now by financial rings. I quite agree with the principle of issuing Treasury bills, and I should like the Government to appoint a commission to inquire into the best method of working them, and to see if, instead of issuing a loan repayable in 30 or 40 years, it would not suit better to issue Treasury bills redeemable in 20 or 30 years, with the right of taking them up at any time. I know that in England there is a certain class of people who hold a great deal of money, and who have no chance of investing without being made to pay a premium through brokers or financial agents.

**THE HON. J. A. WRIGHT:** In the first place, sir, I may say that this Bill has my entire good-will, more especially as the Hon. the Colonial Secretary has told us that in view of the raising of £400,000 in London to-day (and my ideas with regard to it are even more sanguine than his) he proposes in committee to reduce the amount provided by this Bill by the sum which will be raised. Having said this, allow me now to congratulate the Hon. Mr. Morrison on his speech, which is the most patriotic I have ever heard in this Council. He has told us that the people of Western Australia are quite prepared to take up any amount of Treasury bills that may be required.

**THE HON. J. MORRISON:** I did not say that.

**THE HON. J. A. WRIGHT:** My experience is evidently not the same as that of the hon. member. At the present time there is a great cry about there being very little money, and I much doubt whether there would be any very large subscriptions were they issued under the auspices referred to by my hon. friend, and which means nothing more or less than the formation of a State Bank. The hon. member has, however, to a great extent, spoilt his argument, by requiring that the Agent General shall have power to issue capital at 5 per cent., as against the 4 per cent. at which we can obtain it by loan. I feel sure that the loan which is being put on the market to-day will be taken up at considerably more than par, and surely it is better to obtain the money by this means and pay 4 per cent. for it than to pay 5 per cent., even if we do pay it to these West Australian capitalists my hon. friend refers to. Besides, we shall not only be paying one per cent. more, but we shall be exhausting the colony of its wealth if we adopt the hon. gentleman's suggestion, whereas by obtaining the money from friends in England we shall not be weakening our own internal resources.

**THE HON. J. MORRISON:** The hon. member has evidently misunderstood me. I do not think I said the bills should be issued at 5 per cent. The Bill provides "not exceeding 5 per cent." What I intended to say was that I thought the interest attaching to these Treasury bills would induce the people to take them up at par. I believe they would be taken up here at par.

**THE PRESIDENT (Hon. G. Shenton):** The hon. member can only speak again in explanation.

**THE HON. J. MORRISON:** That is all I am doing.

**THE PRESIDENT (Hon. G. Shenton):** Before putting the question to the House I shall exercise my right of speaking. I cannot, in the first place, agree with the remarks of the Hon. Mr. Hooley in reference to this Bill. Had the Government asked the House to pass this Bill in anticipation of the loan, then, perhaps, the objection he has raised might stand good, but in the present instance the Bill is brought forward to raise money by the

issue of Treasury bills, to be expended in such manner only as is provided by the Loan Schedule on public works. I consider it highly necessary for a Bill of this kind to be passed, giving the Government power, should occasion arise, to issue these bills. Fortunately, it is not likely that the necessity for its use will arise during the year 1893, but it might happen that before the balance of the loan is raised the market will not be in a favorable state, and it would then be far easier for the Government to raise money by the issue of Treasury bills than by obtaining an overdraft and paying the banks a higher rate of interest. As regards the Hon. Mr. Morrison, I think he is rather confusing Treasury bills with subscription loans. If subscription loans could be raised it would be one of the best means of getting money, because it would enable the colony to raise money in England without the intervention of brokers. But every Ministry seems to have some difficulty in placing subscription loans on the London market. It might prove a success, and it might prove a failure, and if the latter it would be attributed to the fact that the loan was not raised in the usual way. I hope the time will arrive when most loans will be raised by subscription, because then the money will be obtained on far more favorable terms than at present by the ordinary loan system. I am strongly in favor of this Bill.

Question—that the Bill be now read a second time—put and passed.

#### COMPANIES BILL.

##### SECOND READING—ADJOURNED DEBATE.

THE HON. J. W. HACKETT, in resuming the debate, said:—I think, before proceeding to the few remarks I shall make on the substance and principle of this Bill, I may be allowed to compliment the Government—and especially my hon. friend opposite (the Colonial Secretary), who, I believe, is to be mainly credited, not only with the drafting of the Bill but even for the fact that it has been introduced this session,—on the excellent way in which they have accomplished their work. To consolidate the law relating to joint stock companies in this colony is simple enough for the reason that, putting aside mining com-

panies, we have but one Act dealing with the subject, and it is a matter almost incredible that here in one of the Australian colonies and part of the British Empire, which some believe has not altogether stood still during the last 40 or 50 years, there has been no amendment of the antique law known as the Joint Stock Companies Ordinance which was passed no less than 34 years ago. What the Government had, therefore, to do was not so much to consolidate as to re-create the Joint Stock Companies law in this colony. I am satisfied, and I am sure the majority of the House will agree with me, that the Hon. the Colonial Secretary could not have gone to a better source than that to which he has referred us—the statute law of the colony of South Australia. That law, as far as I have seen it, has been drawn up with admirable point, admirable brevity, and admirable effect. It has worked there most satisfactorily, and an examination of its contents will show that it embodies all that is important and valuable both in the statute law of the United Kingdom and the statute law of another colony, which has taken the lead in these matters—the colony of Victoria. Now, sir, it might, perhaps, have been an advantage if this Bill had been delayed a little until other branches of the Joint Stock Companies law had been dealt with, so that we might have had a consolidating Bill treating all subjects, except banking and, perhaps, one or two other classes; and I can, therefore, only hope that when this Bill is passed such other amendments as are necessary will be made—in fact, that the hon. gentleman opposite will not leave his work half complete, and that next session, when I trust he will hold the same position as he does now, unless he is elevated to something still higher, he will complete his work in a satisfactory manner by dealing with the law relating to building and friendly societies, which is now in an antiquated and retrograde condition. Had this been bound up in the four corners of this Bill, in addition to the other matters contained in it, I believe it would have been complete. Otherwise it deals with everything except insurance (which might well have been embodied in it) and banking. However, in the cursory glance I have been able to take of the measure, I find so little to quarrel

with that I can make my remarks short; but I do hope the Hon. the Colonial Secretary will place it beyond doubt that the companies now in existence will be brought under the operation of this Bill, and that mining companies which were constructed under the Mining Companies Act of 1888 will be able to apply to themselves certain clauses of a highly beneficial character, which are introduced into the Bill the hon. gentleman has now brought before us. With regard to mining companies, sir, I cannot say that I am altogether satisfied with the Bill—not indeed with the principles it endeavors to lay down, but with the application of its details, and I would suggest, with very great respect to my hon. friend opposite, that the measure which was passed by the old Legislative Council—the Mining Companies Act of 1888—has not been so carefully collated by him as might be desired. If he will go over the various provisions of that Bill and compare them with the present measure, he will find that a large number of verbal alterations will have to be made in this measure, or else the law relating to mining companies will have to be embodied in a separate division, with a different table of interpretations. If the hon. gentleman will only glance at the interpretation clauses of the Mining Companies Act of 1888, and of this Bill, he will discover at once that there is some force and pregnancy in my remarks. The hon. gentleman proposes to abolish the 5 per cent. subscription in the case of no-liability companies; but I hope this House will consider this matter most carefully before agreeing to it. Another opportunity, however, will be given us to dwell upon this matter, and I will not, therefore, discuss it now, although I am satisfied on an experience which has been pretty extensive since the Mining Companies Act of 1888 was passed, that the system of no-liability companies has been very far from being a general benefit to the colony at large. Their history, I believe, goes back to times when not many of us were in existence. They were introduced in the very early days of Australian mining, and a similar system was to be found in force in other places even before this. It is a system which, as far as I can learn, was founded on the Cornwall cost book

system, which has been in existence from time immemorial, and under which a certain number of Cornish miners, who happened to hit upon a lead or lode of tin which would not bear the expense of extensive machinery, were enabled to float a company among themselves to work the leads or lodes, without incurring any liability. But I believe, sir, the system, so far as it has been useful in this colony, has been solely applied to companies and claims of very small dimensions indeed, and wherever it has been applied to large holdings where expensive machinery was required, I say, without fear of contradiction, that except in very few instances the work could have been more satisfactorily and more safely carried out under the limited liability than under the no-liability system. So far as I have been acquainted with the latter system, I say it has opened the door to fraud, and that we should be in the highest degree careful lest we at any time open it wider by any action of this House. The only safeguard with which the system is hedged round is that 5 per cent. of the capital shall be paid up before registration can be effected. The hon. the Colonial Secretary tells us that that provision has been evaded in the past, but it is because it has been evaded that I intend to draw the particular attention of this House to the matter when this Bill is in committee. This evasion has been the act of those who desired to be dishonest in regard to the raising and floating of companies. Wherever honest men get hold of a company they endeavour to comply with the provisions of the section, but wherever rogues have got hold of a claim there has been fraud connected with it here, as in other parts of the world. We do not stand out peculiarly in this respect, for, owing to the ambiguous way in which the section is drawn, they are able to walk through it; indeed, I believe we have had more fraudulent companies here than in any two—I was going to say—of the other colonies put together, but at any rate, I will say any two at the same stage of their history. This section has been evaded, and I shall ask the House to make it more stringent, in order to guard against evasion in the future. It appears to me that if this section be omitted it

will be better to do away with no-liability companies altogether, and revert to the old limited system under which joint stock enterprises have thriven in this as well as other parts of the world. I will not delay the House any longer, as we shall be able to discuss the matter further when in committee, but I do hope there will be time given for consideration. This Bill is one of the greatest importance. I have already taken some pains with it, and if the Hon. the Colonial Secretary will give time, I will take more. There are many verbal alterations required in this Bill, before it leaves this House, to be so perfected as to be a credit to hon. members.

Question—That the Bill be read a second time—put and passed.

#### ADJOURNMENT.

The Council, at 4 p.m., adjourned until Friday, 25th November, at 3 o'clock p.m.

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## Legislative Assembly,

Tuesday, 22nd November, 1892.

Public Health Act Further Amendment Bill: in committee; progress reported—Adjournment.

THE SPEAKER took the chair at 2.30 p.m.

#### PRAYERS.

#### PUBLIC HEALTH ACT FURTHER AMENDMENT BILL.

The House went into committee on this Bill.

Clause 1—Short title:

Agreed to.

Clause 2—Construction of terms:

MR. DEHAMEL, in accordance with notice, moved to add, after sub-clause (d), the following words: "(e) A piggery shall

mean any place or places where any person or persons shall keep more than three pigs, whether for the purpose of trade or otherwise." In the principal Act (the hon. member said), section 55, the word "piggeries" was used, and, in the construction of that word—at all events, down South—a great deal of trouble had arisen, there being no definition in the Act of the meaning assigned to the word, and the members of the Local Board of Health in Albany suggested that if this amendment were added to the Bill it would make this question as to what constitutes a piggery, within the meaning of the Act, clear and certain. If they looked at a dictionary, any dictionary, they would find that the word "piggery" was defined as a place where pigs are kept.

THE ATTORNEY GENERAL (Hon. S. Burt): Does that include swine?

MR. DEHAMEL: I cannot say.

MR. R. F. SHOLL did not know why the hon. member should have fixed upon three pigs as being the minimum number necessary to constitute a piggery. He thought that, at any rate in the more central parts of a town, one pig was nuisance enough to the immediate neighborhood. It would be better, in his opinion, to leave it to the Local Boards to decide where a pigstye proved a nuisance, whether there were three pigs in it or not. For his own part he objected to pigs being allowed to be kept at all in the more populous part of a town, and he thought it should be left to the Local Boards of Health to define the area within which any pigs should be kept at all. He did not see why it should be necessary for a person to keep more than three pigs before the Board could compel him to have a license. Two, or even one, might prove a decided nuisance in some parts of a town. It appeared to him that if this amendment were carried, anybody could keep three pigs in any part of the town, but that if they had more than three the place would have to be licensed as a piggery.

MR. DEHAMEL called the hon. member's attention to the next section of the Bill, which gave the Local Boards of Health power to define an area within which swine should not be kept, and also to determine the conditions under which they might be kept in any part of a