

window-dressing, it is a matter of very worthy intent. I wish also to make an observation on the suggested abolition of the Sunset Home and the transfer of the inhabitants to a new home to be erected at Como, or somewhere.

The Minister for Health: That has not been suggested at the moment.

Hon. N. KEENAN: No, but it is a matter about which the inmates are disturbed.

The Premier: They need not worry.

The Minister for Health: You can tell them that from me.

Hon. N. KEENAN: I shall be glad to tell them that. If money is going to be made available by the Lotteries Commission for the erection of a new home, it would be better spent on improving the existing establishment, the site of which is perfect.

The Minister for Health: Hear hear!

Hon. N. KEENAN: If a little more care were paid to the buildings with a view to affording more comforts, it would be a very happy home. As it is, it is merely a rough kind of shelter. There is no single bedroom; there are not even rooms containing two or three beds; there are only wards. The bathrooms and sanitary arrangements are very primitive, and if money is to be made available—and apparently the newspapers think it is; I presume by inspiration from Mr. Kenneally—the inmates desire not to be removed to a more publicised site but to be left where they are. By the expenditure of about £20,000 or £30,000 a marvellous improvement could be effected. Before any grandiose plan is entertained, I hope a practical scheme for improving the present quarters will be examined.

Vote put and passed.

Votes—Public Health, £58,500; Mental Hospitals and Inebriates, £143,100—agreed to.

Progress reported.

DISCHARGE OF ORDER.

On motion by the Premier, the Industrial Development (Resumption of Land) Bill was discharged from the notice paper.

ADJOURNMENT—SPECIAL.

THE PREMIER: I move—

That the House at its rising adjourn till 3 p.m. tomorrow.

Question put and passed.

House adjourned at 11.7 p.m.

Legislative Council.

Wednesday, 13th December, 1944.

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The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

QUESTIONS (3).

HEALTH AND HOSPITAL ADMINISTRATION.

As to Appointment of Royal Commission.

Hon. J. G. HISLOP asked the Chief Secretary:

With reference to the resolution passed by this House on the 8th November, can the Chief Secretary answer, definitely, yes or no, as to whether it is the intention of the Government to appoint a Royal Commission to investigate the administration of the Health Act?

The CHIEF SECRETARY replied:

This question is still under consideration.

DENTAL HOSPITAL AND COLLEGE.

As to Cost, Etc.

Hon. H. SEDDON asked the Chief Secretary:

(i) What was the State's contribution to the cost of operating the Perth Dental Hos-

pital in each of the years ended the 30th June, 1942, 1943 and 1944, inclusive:—

(ii) How many—(a) paying patients; and (b) non-paying patients were treated at that institution in those years?

(iii) What were the aggregate fees collected from patients?

(iv) What was the cost of conducting the Western Australian College of Dental Science in each of the years 1940, 1941, 1942, 1943 and 1944, inclusive?

(v) How many students were—(a) enrolled; and (b) successfully qualified for the diploma granted by the college during the same periods?

The CHIEF SECRETARY replied:

(i) 1942, £2,628 17s. 6d.; 1943, £2,873 2s. 6d.; 1944, £2,866 17s. 6d.

(ii) (a) 1942, 1919; 1943, 1744; 1944, 2014. (b) 1942, 1943; 1943, 1758; 1944, 1735.

(iii) Year ended the 30th June, 1942, £2,133 19s. 8d.; year ended the 30th June, 1943, £2,100 12s. 2d.; year ended the 30th June, 1944, £2,267 19s. 1d.

(iv) Figures are not available in respect of this activity, as it is not controlled or subsidised by the Government.

(v) Answered by (iv).

AGRICULTURAL BANK.

As to Rates on Properties Repossessed.

Hon. H. L. ROCHE asked the Chief Secretary:

If the Agricultural Bank actually entered into possession of 3,555 farms since 1935, as stated in answer to my recent question, why could local authorities not take proceedings for and recover rates due to them on such properties?

The CHIEF SECRETARY replied:

Section 258 of the Road Districts Act provides authority to road boards for the recovery of rates.

RESOLUTION—STATE FORESTS.

To Revoke Dedication.

Message from the Assembly received and read requesting concurrence in the following resolution:—

That the proposal for the partial revocation of State forests Nos. 4, 26, 27, 33 and 38 laid on the Table of the Legislative Assembly by command of His Excellency the Lieut.-Governor on the 12th December, 1944, be carried out.

BILL—LEGISLATIVE COUNCIL (POSTPONEMENT OF ELECTION).

Returned from the Assembly without amendment.

BILL—MOTOR VEHICLE (THIRD PARTY INSURANCE) ACT AMENDMENT.

Assembly's Message.

Message from the Assembly received and read notifying that it had agreed to the Council's amendments.

BILL—WORKERS' COMPENSATION ACT AMENDMENT.

Recommittal.

On motion by Hon. L. B. Bolton, Bill recommitted for the further consideration of Clause 4.

In Committee.

Hon. J. Cornell in the Chair; the Honorary Minister in charge of the Bill.

Clause 4—Amendment of First Schedule.

Hon. L. B. BOLTON: It will be remembered that when the Committee considered this clause previously I moved that the words "or mishap" be struck out, but the amendment was rejected. I have since received further information and I ask the Committee to reconsider the matter and to strike out those words. If they are retained they will lead to considerable confusion. They have not previously appeared in the Act, and I understand the Minister has no objection to the words being struck out. I move an amendment—

That in line 5 of paragraph (c) the words "or mishap" be struck out.

The HONORARY MINISTER: There seems to be a difference of opinion regarding the actual meaning of this term, and in the circumstances I have no objection to the amendment.

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

Bill again reported with a further amendment and the report adopted.

Third Reading.

Bill read a third time and returned to the Assembly with amendments.

BILL—RURAL AND INDUSTRIES BANK.

In Committee.

Resumed from the previous day; Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 89—Further powers to commissioners in possession of land:

The CHAIRMAN: Progress was reported on this clause to which an amendment had been moved by Hon. H. L. Roche that in lines 5 to 7 the words "the estate or interest in the land of the borrower and all persons claiming under him as well as upon" be struck out.

Hon. H. L. ROCHE: This clause has relation to the powers given to the commissioners in those cases where they have either entered into possession of, or had the opportunity of leasing to someone else, one of the properties on which money is owing by a borrower. The deletion of the words that I seek to strike out would relieve the original borrower from responsibility for any money that the commissioners may advance to the lessee. To me it seems most unfair, and against one's sense of elementary justice, that where the commissioners have taken over a property from a borrower and have obtained control of it and leased it to some other person, they should then be in a position where they can lend money to the lessee and yet charge the amount to the account of the original borrower, presumably relying on the personal covenant to recover. It is for that reason I have moved the amendment.

The CHIEF SECRETARY: I understand that this provision is identical with the provision included by financial institutions in all mortgages when advancing money on property of this kind. It is essential that the words should remain in the clause. Further, it would appear to me to be in the interests of both parties to retain the words, because sometimes it is necessary to advance money in order to maintain the condition of the property. Money may be advanced for the replacement of a fence, or for quite a number of things essential to the maintenance of the property. In many cases a second mortgage is involved and, if these words do not remain in the clause, then the Agricultural Bank would be merely advancing money to improve the position of the second mortgagee. Again,

there is the case of a client who has not been honest. Unless the clause contains these words, we shall not be able to make a claim against him when things have been done which are against the interests of the bank.

Hon. H. L. ROCHE: Where a client of the bank, an original borrower, has done things which the bank considers improper or in contravention of the security he has given the bank, the bank has a remedy against him. But after the man has left the property, it is unfair that money should be advanced to someone who leases the property, while yet the original borrower is to be held responsible for repayment of the advance. If the object is to preserve the asset surely the original borrower, who has left the property and knows nothing about what is going on and has no control whatever over the property, should not be liable for money advanced to the lessee. If the commissioners wish to hold the lessee responsible, or wish to carry the liability themselves, well and good. In some cases the original borrower would know nothing whatever about the matter, and yet he is to be debited with the amount.

The CHIEF SECRETARY: The real reason for the clause is maintenance of the asset. Many Agricultural Bank clients have been quite pleased with the spending of additional money from time to time.

Hon. H. L. ROCHE: Clients who have abandoned the properties?

The CHIEF SECRETARY: Yes. Property deteriorates very rapidly unless looked after and, wherever the original client of the bank may be, he is responsible as regards the property. He cannot divest himself of the responsibility by merely walking off. Therefore it is the bank's duty to maintain the asset to the best of its ability, and sometimes such maintenance is best cared for by leasing the place to somebody else who will work it. If he is to work the property satisfactorily, further money has to be advanced for such purposes as I have mentioned. Where there is a second mortgage, the net result of carrying this amendment would be the improving of the property for the benefit of the second mortgagee and against the interests of the bank. I hope the amendment will not be passed.

Hon. A. THOMSON: This is rather a drastic condition to impose on the original borrower, who has probably walked off

bankrupt. The bank, in spending money, is merely protecting its own interests. The unfortunate man who has had to walk off, after spending years of his life on the farm, should not be pursued by the bank a number of years later. I know of a case where a man had been off the block for many years, and in the process of time attained a rather good financial position. He was not financial by any means when he obtained the block, and we were all surprised when the Agricultural Bank came down on him for his old debt. The only way he could meet the liability was by giving the bank an allotment out of his salary. I hope the amendment will be carried. Surely if the Agricultural Bank has £1,500 lying at stake in an abandoned farm, and there is also a second mortgage of a few hundred pounds, it is in the interests of both that their assets should be protected. This is giving the bank power to chase a man almost into the grave.

Hon. L. CRAIG: I cannot support the amendment. Let us assume that a place is abandoned and that the rural bank comes in as mortgagee in possession. Any moneys spent by a mortgagee in possession must be carefully expended, otherwise the mortgagor has redress. Where a second mortgage is involved the first mortgagee cannot spend any money, because it is improving all the time the position of the second mortgagee. It seems to me that this will prevent an abandoned block from being improved and developed by somebody else who might take it on. This clause enables the commissioners to spend money on a block which is abandoned and subsequently acquired by somebody else.

The Chief Secretary: Leased?

Hon. L. CRAIG: Leased, if the Minister likes. Certain moneys are applied in order to make it worth while leasing and the second mortgagee must as a rule be eliminated. A mortgagee in possession must account to the owner for every penny spent on the property, because it still belongs to the original owner. Where there is a second mortgage, it is necessary either to foreclose and get complete possession and become the registered holder, or eliminate in some way the second mortgagee. As a rule, it is done by some compensation being awarded and the second mortgagee is glad to take anything, because he knows he has no equity. To en-

able money to be spent, we must have this clause.

Hon. H. L. ROCHE: I should think that Mr. Craig has put up an argument in favour of the amendment. If there is an equity in the property over and above that belonging to the first mortgagee, surely the second mortgagee will be prepared to work in with the first mortgagee in respect of any improvements. If there is no equity, if the second mortgagee's equity has gone, the bank enters into possession and forecloses, and then there is no danger from the second mortgagee. It seems to me entirely unjust that a clause like this should be included in this Bill to enable the commissioners to follow that man to the grave, if necessary, for money concerning the expenditure of which he knows nothing.

The CHIEF SECRETARY: Mr. Craig has set out the position clearly. I would again remind members that this is the usual provision. We are not entitled to single out this new institution for differential treatment of a restrictive character, which would probably have the effect of preventing the institution from spending the necessary few pounds on a property that would make it worth while for somebody else to work and thus maintain the value of the asset. The method quoted by Mr. Craig is similar to that used by the Agricultural Bank at present. If money is to be spent in a case of this kind, the second mortgagee is notified, and usually he agrees it is desirable that money should be spent in order to maintain the improvements on the property. Of course, the property still remains in the name of the original client of the bank until such time as it is actually sold. That is the only account against which it is possible to debit any money which might be spent in this way. In addition, there may be an agreement with the lessee under which he would be quite prepared to pay for those improvements, and in that case the original client would be relieved of his responsibilities. Surely we are not going to say that the bank should not maintain the value of an asset which has come into its hands.

Amendment put and negatived.

Clause put and passed.

Clause 90—Bank not to be "owner" within the Road Districts Act 1919-1943, or the Municipal Corporations Act, 1906-1943:

Hon. C. F. BAXTER: I move an amendment—

That in line 3 the word "not" be struck out.

As the clause reads at present, the rural bank is given an advantage that other banking institutions do not possess. Members will have in mind what Mr. Tuckey said yesterday in regard to the enormous amount of money owing to different road boards on account of property held by the Agricultural Bank. Now we are going to establish a trading bank, and it should be on exactly the same footing as any commercial bank. Why should it not be responsible for rates? Local governing bodies have to carry on work in their districts, and the position is such that the remaining ratepayers have to provide money for facilities while the Agricultural Bank finds nothing at all. It is true that a proviso makes possible the payment of one year's rates and the current rates, but that is not sufficient. When the bank takes over a property it should be prepared to enter into an obligation regarding rates.

The CHIEF SECRETARY: I oppose the amendment. Mr. Baxter is well aware that in the Road Districts Act protection is given to the Agricultural Bank. While it may be true to say that in some cases banks are liable for the rates which have accrued on various properties with which they are associated, those banks are in an entirely different position from the Agricultural Bank. Over the years the Agricultural Bank has been responsible for the development of those particular areas. It has provided practically all the money which has placed those properties in a productive position. If, when a man abandons his property, the Agricultural Bank is to be held responsible for the payment of the rates, an unfair advantage of the bank will be taken. The amount of money involved is rather considerable. The arrears of rates at present may be between £40,000 and £60,000. The annual rates referred to by the hon. member would amount to £15,000 or £16,000 a year; and all that on top of the money provided by the bank in the first place for the development of those holdings and the amount written off in many of the districts on account of the inability of clients of the bank to carry on successfully! If members will realise the amount of money involved and

the activities of the bank, which have been responsible in the main for making development possible, I think they will agree that the decision arrived at by the Minister in another place was very fair. That Minister agreed to accept responsibility for 12 months' rates and current rates.

Hon. C. F. BAXTER: According to the Minister, the Agricultural Bank has done much to develop the country. The road boards naturally work on the basis of income from rateable properties and, when properties are abandoned, a proportion of the income is lost. Although the local authorities are protected to the extent of being able to recover against the land, they have not been able to recover in respect of abandoned properties of the Agricultural Bank. The road boards are doing a good work towards developing the country, but they have not been receiving the revenue they should have had owing to properties being taken over by the Agricultural Bank. If the money expended by the local governing bodies is £60,000, it is being devoted to the improvement of the country.

Hon. H. TUCKEY: I agree with the Chief Secretary that a large amount of money is involved. The local authorities, however, have to write off large amounts of rates, and so the Government is not alone in that respect. As regards the action of the Minister in another place in agreeing to pay one year's rates and current rates, that applies only where the bank is mortgagee in possession, and that is a very small item compared with the larger issue. The amendment would put the rural bank in a similar position to that of the trading banks. No doubt much of the accumulated arrears will never be collected. Local authorities will probably be lucky if they succeed in recovering half the amount outstanding.

The CHIEF SECRETARY: There are about 2,400 reverted bank holdings and the amount involved in those alone is £16,000 a year.

Hon. L. CRAIG: Does the clause provide that the bank shall pay all arrears of rates on all abandoned properties?

The CHIEF SECRETARY: No; but the amendment means that the rural bank will be responsible for the whole of the rates on properties in which the Agricultural Bank is interested.

Hon. L. CRAIG: Whether occupied or not

The CHIEF SECRETARY: Yes. If the rates are not paid by the client, the bank will have to pay. Further, we shall be placing on the institution the responsibility for paying rates in respect of years gone by. The amount cannot easily be calculated, but it would be a very large sum. In view of the figures I have quoted referring solely to reverted holdings, members can imagine what the total would be if the amount for all the holdings were included.

Hon. H. TUCKEY: The desire is to put the rural bank on the same basis as a trading bank or any other trading institution by giving the local authorities the right to claim the payment of rates in the ordinary way.

Amendment put and a division taken with the following result:—

Ayes	..	..	..	15
Noes	..	..	..	11
Majority for	..	..	..	4

AYES.

Hon. C. F. Baxter	Hon. H. S. W. Parker
Hon. L. B. Bolton	Hon. H. L. Roche
Hon. Sir Hal Colebatch	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. A. Thomson
Hon. V. Hamersley	Hon. H. Tuckey
Hon. J. G. Hislop	Hon. G. B. Wood
Hon. A. L. Loton	Hon. J. A. Dymally
Hon. W. J. Mann	(Teller.)

NOES.

Hon. C. R. Cornish	Hon. W. R. Hall
Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. F. E. Gibson	Hon. E. M. Heenan
Hon. E. H. Gray	(Teller.)

PAIR.

AYE.	No.
Hon. F. R. Welsh	Hon. C. B. Williams

Amendment thus passed.

Hon. C. F. BAXTER: In view of the amendment just made, the proviso to the clause will be useless. I move an amendment—

That the proviso be struck out.

The CHIEF SECRETARY: The proviso was agreed to by the Minister in another place as representing a fair compromise, and I do not think the Government would be prepared to accept the Bill without it. The Government has agreed to the bank's paying one year's interest and current rates.

Hon. A. Thomson: Only in respect to repossessed properties.

The CHIEF SECRETARY: Members, however, are not satisfied with this concession; they must have everything.

The CHAIRMAN: Because the word "not" has been struck out, it does not follow that the proviso would have no effect.

The CHIEF SECRETARY: We shall really be over-riding the Road Districts Act in regard to the protection given to the Agricultural Bank. The proviso would limit the liability of the rural bank for the payment of rates. Consequently, if my interpretation is right, and the proviso is agreed to, we accept the limitation of one year's interest on taking possession, and the liability for current rates.

The CHAIRMAN: If the proviso is taken out the bank will come under the clause without any qualification.

The CHIEF SECRETARY: I oppose the amendment. If the proviso remains in the rural bank will be responsible for one year's rates plus current rates, whereas if it is deleted the rural bank will be responsible for all road board rates, current as well as arrears. Other rates, such as water and vermin rates, will also have to be taken into account, but apparently members are concerned only with road board rates. Notwithstanding the previous decision I hope the Committee will agree to retain the proviso.

Hon. C. F. BAXTER: I cannot agree with the interpretation that has been placed upon the clause. To leave the proviso in would be to defeat its object.

The CHAIRMAN: If the Committee wishes this to apply to all rates, let it strike out the proviso.

Amendment put and a division called for.

The CHAIRMAN: I announce that I will give my vote with the noes.

Division resulted as follows:—

Ayes	..	..	..	13
Noes	..	..	..	13
A tie	..	..	..	0

AYES.

Hon. C. F. Baxter	Hon. H. S. W. Parker
Hon. L. B. Bolton	Hon. H. L. Roche
Hon. Sir Hal Colebatch	Hon. H. Seddon
Hon. E. H. H. Hall	Hon. A. Thomson
Hon. V. Hamersley	Hon. G. B. Wood
Hon. A. L. Loton	Hon. H. Tuckey
Hon. W. J. Mann	(Teller.)

NOES.

Hon. J. Cornish	Hon. W. R. Hall
Hon. C. R. Cornish	Hon. E. M. Heenan
Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. F. E. Gibson	Hon. J. G. Hislop
Hon. E. H. Gray	(Teller.)

PAIR.

AYE.	No.
Hon. F. R. Welsh	Hon. C. B. Williams

The CHAIRMAN: The voting being equal the question passes in the negative.

Amendment thus negatived.

Clause, as previously amended, put and passed.

Clause 91—agreed to.

Clause 92—Power to postpone payment of advances for loan:

Hon. H. L. ROCHE: I move an amendment—

That in line 4 the word "other" be struck out and the word "secured" inserted in lieu.

I wish to extend a measure of protection to that class of creditor who has already been hard hit; that, in the main, being the country storekeeper. There may be something to be said for a different type of amendment that will not have in it the word "secured." The matter would then be left open for the commissioners to make a decision instead of their being tied up as they would be. The country storekeeper has suffered tremendous losses and has been subject to a writing-down as of much as 17s. 6d. in the pound. He has fed and clothed the client of the bank and kept that individual on the bank security, and he is entitled to some consideration.

The CHIEF SECRETARY: This is a most unusual request. What the hon. member is desirous of doing is to improve the position of the unsecured creditor at the expense of the secured creditor. That would be the net result of his amendment. It would be difficult to imagine secured creditors agreeing to an arrangement in the circumstances, and it would be almost impossible to make a mutually satisfactory agreement as to both the client of the bank and the secured and unsecured creditors. When it comes to a question of the postponement of debts, or the writing down of debts or a composition of any kind, the secured creditor looks to the security which he has held, while the unsecured creditor has more often than not provided credit for the individual knowing that he had no standing so far as securities are concerned. The proposal is a new one and I cannot agree to it.

Hon. L. CRAIG: This is a most amazing amendment, and attacks the fundamentals principles of credit. I cannot imagine such a thing happening in any other country in the world. I have never heard such a sug-

gestion that the Committee should have the audacity and be so stupid as to—

The CHAIRMAN: Order!

Hon. L. CRAIG: I apologise. A suggestion of this kind would rock the House of Commons to its foundations. The hon. member proposes to eliminate all people who are secured creditors. Credit would not be worth anything in Western Australia if the amendment were passed, and we would become the laughing stock of the world.

Hon. A. THOMSON: Mr. Craig has expressed surprise that this amendment should have been moved. He might look into the matter and see how debts are being adjusted in the pastoral areas. There is a mutual agreement between secured and unsecured creditors.

Hon. L. CRAIG: This makes the whole business mandatory.

Hon. A. THOMSON: Not exactly.

Hon. G. W. MILES: It is ridiculous.

Hon. A. THOMSON: If the words "both secured and unsecured" were struck out, it would make the clause amazingly stupid.

The CHAIRMAN: Order! I must ask the hon. member to withdraw that statement.

Hon. A. THOMSON: I have much pleasure in withdrawing it. I am pointing out that the adjustment of pastoral debts in the North is made under exactly the same conditions as those which Mr. Roche is asking shall be inserted in the clause.

Hon. L. CRAIG: Read the amendment. Strike out the word "other" and read it again. I am afraid the hon. member has not read the clause.

Hon. A. THOMSON: I agree with the member interjecting that there is only one person in the Committee who has read the Bill and studied it. Therefore, I accept his reproof. The amendment provides that a mutual agreement shall be arrived at, but I could not imagine the commissioners agreeing to pay the storekeepers. What is good enough for the pastoralists should surely be worthy of consideration in this measure.

The CHIEF SECRETARY: The clause before the Committee deals with the postponement, not with the writing-down of debts. If the amendment is passed, the commissioners shall, by mutual arrangement with the secured creditors, agree to the suspension or postponement of payment of

those debts. That would leave the unsecured creditor in the position of being able to secure a judgment for the whole of the money owing to him, simply because the secured creditors have agreed to suspend their claim for the time being. Clause 94 deals with the writing-down of securities. If Mr. Thomson will read that clause in conjunction with Clause 92, I think he will find that Mr. Craig has given a genuine interpretation of the clause.

Hon. H. L. ROCHE: If the word "other" be struck out, even if the Committee is not prepared to insert the word "secured," plus the further amendment which is to follow, the commissioners under this clause would have absolute discretion as to what they should do. A position may arise where the unsecured creditor may not be heavily involved. He has accepted the responsibility of feeding the caretaker of the secured creditors and therefore is entitled to some consideration.

Hon. T. Moore: Why not include him?

Hon. H. L. ROCHE: I have tried to amend the clause so as to give some prospect to the unsecured creditor, whom I regard as worthy of consideration, he being the country storekeeper. The matter would be left absolutely to the discretion of the commissioners. Even Mr. Craig could not take exception to that. Were he better acquainted with the conditions of the farming community, he would realise the limitations of his own knowledge and be a little less dogmatic.

Amendment put and negatived.

Clause put and passed.

Clause 93—agreed to.

Clause 94—Operation of Farmers' Debts Adjustment Act:

Hon. G. B. WOOD: I move an amendment—

That at the end of paragraph (i) of Subclause (1) the following words be added:—"but not more than the value so assessed,"

This clause deals with the writing-down of securities after they have been assessed by the valuers for the bank. The amendment aims at seeking to direct the commissioners not to write down the value of the security to an amount greater than the assessed value. The reason is obvious. It is no use, if the property is worth £6,000 and the debt is £8,000, to write it down to £7,000. I do not

think the Chief Secretary will object to the amendment.

The CHIEF SECRETARY: I cannot accept the amendment. The hon. member desires to take the matter out of the hands of the commissioners.

Hon. G. B. WOOD: Not at all. You do not understand the amendment.

The CHIEF SECRETARY: That would be the result if the amendment were agreed to. In nine cases out of ten the rural bank would, just as the Agricultural Bank has done, accept the valuation placed upon the property by the valuer appointed by itself. In some cases, however, the commissioners would not be prepared to accept the valuation made by the valuer; it might be necessary to have a check valuation made, and this might show a discrepancy between it and the first valuation. The commissioners will be occupying high and responsible positions and it is far from right to suggest that, because some individual employed by them submits a valuation, they should accept it. There might be other circumstances of which the valuer knows nothing.

Hon. L. CRAIG: I do not think the amendment will affect the matter one way or the other. In effect, the commissioners may write down a property to an amount which in their opinion can carry the debt. The value assessed means the value accepted by the commissioners.

Hon. H. L. Roche: You had better read paragraph (a) of Subclause (1). Look at lines 16 and 17.

Hon. G. B. WOOD: The valuation is effected by valuers. Look at the earlier part of the clause.

Hon. L. CRAIG: I do not think that will affect the position one way or the other. The Commissioners have the right to assess the value.

Hon. G. B. WOOD: Mr. Craig has a wrong impression. The commissioners will appoint a valuer to place a value on the property. I consider that the commissioners should not write down a property beyond the amount assessed by the valuers.

The CHIEF SECRETARY: Various valuers may be called upon, owing to existing circumstances, to submit valuations and the commissioners will then be in the same position as the executive officers of any other bank. They will have to accept the responsibility attaching to any valuation they may make for writing down, in the light of any

valuations they may receive, but the commissioners may themselves have knowledge of the value of the property which would enable them to know that the valuer's assessment was wrong.

Hon. L. Craig: That is what assessing means, and the clause says that the commissioners may assess.

The CHIEF SECRETARY: The hon. member will see that in paragraph (a) of Subclause (1) we provide for the value of securities to be "assessed by valuers of the bank." While the commissioners may appoint a valuer, they themselves may know more about the property than the man so appointed and may not be prepared to accept his valuation. They may decide not to write down the value of the property at all. Surely the Committee will not say that the commissioners shall be compelled to accept the valuer's assessment.

Hon. G. B. WOOD: The commissioners may appoint more than one person to assess the value of a property. Once the value is assessed, it should not be written down beyond the amount of that assessment.

Amendment put and a division taken with the following result:—

Ayes	12
Noes	14
Majority against .. .	2

AVES.

Hon. C. F. Baxter	Hon. H. L. Roche
Hon. L. B. Bolton	Hon. H. Seddon
Hon. J. A. Dimmitt	Hon. A. Thomson
Hon. V. Hamersley	Hon. H. Tuckey
Hon. A. L. Loton	Hon. G. B. Wood
Hon. W. J. Mann	Hon. E. H. Hall
	(Teller.)

NOES.

Hon. Sir Hal Colebatch	Hon. E. M. Heenan
Hon. C. R. Cornish	Hon. J. G. Hislop
Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. F. E. Gibson	Hon. H. S. W. Parker
Hon. E. H. Gray	Hon. W. R. Hall
	(Teller.)

PATR.

AYE.	No.
Hon. F. E. Welsh	Hon. C. B. Williams

Amendment thus negatived.

Hon C. F. BAXTER: I move an amendment—

That at the end of Subclause (1) the following proviso be added:—

"Provided that whenever the security taken by the bank under this Act or vested in or held by the bank by or under the provisions of this Act comprises a mortgage of land used for the purpose of rural

industry the value of such security shall be assessed on the basis of the productive capacity of the said land having regard to its existing stocking facilities and improvements and to the average market price of farm products in the State for a period of seven years immediately preceding the date of the valuation and including in the estimate of the expenses required to produce income from the said land reasonable remuneration based on the basic wage for the South-West Land Division for work done by the farmer or any other person in the production of such income."

The clause does not provide any basis for the system of writing down, and that is the objective of my amendment. First, there is the productivity of the property to be taken into consideration. Then consideration can be given to the stock that can be carried, the improvements effected, the average price over the previous seven years and the profit thereon, and so on. It is all a matter of arriving at the expenses and leaving a residue for the property owner to live on. I hope the amendment will be accepted.

The CHIEF SECRETARY: This is an impracticable proposal. We have heard quite a lot in recent times about the productivity of farms and so on. It is necessary to give some consideration to such a phase but we cannot accept what is implied in its entirety. If we accepted the amendment, there would be no stability whatever with regard to valuations. It is recognised that valuations vary from time to time, depending on differing circumstances. While the term "productivity of the farm" has been regarded as an essential for the purpose of arriving at a valuation of a property, it is usually regarded only as a guide and not as an absolute basis. There are so many matters that can affect valuations. According to information supplied to me there can be very wide variations in the valuation of a property arrived at by the manipulation of, say, working expenses. Take wages paid or estimated to be paid. On that basis valuations vary. I know of one instance where a valuation was reduced from £4,300 to £2,500 merely on account of the variation in the amount of money required for wages for working the property. Then again under the method of estimating profits as outlined in the amendment, one could arrive at quite a number of different valuations in accordance with the percentages used to ascertain the capitalised value

Sitting suspended from 6.15 to 7.30 p.m.

THE CHIEF SECRETARY: There are so many things which can affect the productive capacity of land. Firstly, there is the personal equation of the farmer. A man may be an excellent farmer on poor land, and make quite a good living on it. On the other hand, a poor farmer on good land would not make a good living. Further, the prices of products vary periodically, and to take a period of seven years for the purpose of calculation may not prove a valuable guide. Subsidies also enter into the question of values. The values of potato land, for instance, are entirely different from what they sidies. The dairying industry has a subsidy sidies. The dairying industry has a subsidyd on butterfat. The question was considered by the Commonwealth Production Commission, which in its report says that one must be very careful indeed when dealing with productive capacity of land for the purpose of arriving at a valuation. Numerous High Court cases have arisen out of this very question, and His Honour, Sir Isaac Isaacs, definitely stated that productive capacity had to be treated with caution. I have pointed out how small mistakes can make a great difference when based on productive capacity. I oppose the amendment.

Hon. L. CRAIG: I wish to supplement the views of the Minister in this connection. It is quite impossible to assess the value of land on its productive capacity. A man may be proved an utter failure on certain land, and a new man coming along proves a success from the very beginning. Estimation of productive value of land is highly problematical. Market value is the only safe guide—a willing buyer and a willing seller.

Hon. H. L. ROCHE: If that basis had been adopted, there would have been no need for Mr. Baxter's amendment; but at a time when large numbers of valuations were being made on behalf of the Agricultural Bank it was difficult to get a scale or market value. The gentlemen who were charged with the business of valuation were inclined, as a matter of definite policy, to make just a stab at it and say, "The place ought to be worth so and so." This is a move to put the matter on a reasonable basis. What Southern Europeans can do on land is no guide. If an Australian is able to live on the scale

of a Southern European, he is not an Australian. I support the amendment.

Hon. W. J. MANN: The idea of valuation on the basis of productive capacity has, I suppose, been the ideal of the small communities in the province I have the honour to represent. Members will realise that in most small places there are progress associations which meet to discuss immediate local matters, and at such meetings I have heard on many occasions, particularly when new valuations were being made for a group settlement area, this basis put up.

I have yet to hear that any one community has ever solved the question to its satisfaction. The personal equation is one of the greatest factors to be taken into consideration. That could be applied very readily and very justly if there were something like equality of mentality, ability and determination to succeed; but unfortunately that is not so. It is still an ideal; it still seems to be a logical way of doing things; but I have yet to find out how it can be readily applied. I am in sympathy with the amendment but I am afraid I cannot support it because it is not made clear to me how the bank can put it into operation.

THE CHIEF SECRETARY: The Government does not say we should take no notice of productive capacity. That must be a guide, but it cannot be accepted as the sole basis because of the many variable factors already referred to. Other matters come into the question of a valuation of a farming property. The question of distance from the rail head, the close proximity of schools and so on must all be considered when making a valuation. The productive capacity of a piece of land is not affected by those things. Mr. Roche's reference to the pastoral areas is not analogous to the particular case under review. Mr. Fyfe was dealing with the carrying capacity of a pastoral property. I believe that is something that can be fairly well estimated by experienced men in accordance with the particular area on which the property is situated, and it is on the carrying capacity of pastoral properties that prices have been based. I have always understood that prices for pastoral properties were based on the head of sheep they would carry, and that number is usually determined by the result of experience over the years by men used to that particular type of country and that particular class of stock. We cannot make comparisons

between such properties and mixed farming properties in the South-West. Productive capacity should not be the sole basis of valuation.

Amendment put and negatived.

Hon. H. S. W. PARKER: I move an amendment—

That in line 14 of Subclause (2) the words "in addition to" be struck out.

Later on I shall move to strike out the words "the Minister and" and later still the words "the approval of the Treasurer." The Governor has power to do things but only with the consent of the Minister, but here it is provided that after the Minister has given his consent and the Governor has done what is required, it is no good, because the approval of the Treasurer has to be obtained. I think that must be an error.

The CHIEF SECRETARY: There is nothing wrong with the clause. We are dealing with the Government agency section and this has to do with writing down. The Treasurer has to carry the responsibility because he must provide the money. Because it is worded in this way it does not mean the Treasurer has to give approval after the Governor and the Minister have agreed.

Hon. H. S. W. Parker: It says so here.

The CHIEF SECRETARY: No, it says "in addition to" but it does not say "afterwards" at all. It provides that the approval of the Minister and the Treasurer is required and it must be done through the Governor.

Hon. H. S. W. PARKER: It seems to me most extraordinary that the Government should ask Parliament to agree to a Bill which states in effect that we cannot trust our Ministry. Surely it is a sine qua non that the full Cabinet would be in agreement! Surely the Cabinet itself decides! If a Treasurer did not agree with Cabinet or Cabinet did not agree with the Treasurer, in ordinary cases the Treasurer would resign.

Amendment put and negatived.

Clause put and passed.

Clause 95—Bank may consolidate securities:

Hon. H. S. W. PARKER: I move an amendment—

That in lines 1 and 2 the words "with the approval of the Minister" be struck out.

I think this is following upon amendments agreed to yesterday.

The CHIEF SECRETARY: I oppose the amendment. Again I would point out that we are dealing with the Government agency section, and this clause relates to the consolidation of securities. I have repeated on many occasions that so far as this section of the bank's activities is concerned it will deal to a very large extent with matter submitted to it by the Government, and it is only through the Minister that the Government can express its wishes. Matters affecting finance must have the approval of the Minister before they reach the Government or the Treasurer. If members cut out the words, they will have to go back again, because that is the only means by which the clause can be made workable.

Amendment put and a division taken with the following result:—

Ayes	..	..	..	..	14
Noes	..	..	..	..	12
Majority for					2

AYES.	
Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. H. L. Roche
Hon. Sir Hal Colebatch	Hon. H. Seddon
Hon. L. Craig	Hon. A. Thomson
Hon. J. A. Dymally	Hon. H. Tuckey
Hon. E. H. Hall	Hon. F. R. Welsh
Hon. A. L. Linton	Hon. V. Hamersley (Teller.)

NOES.	
Hon. O. R. Cornish	Hon. J. G. Halse
Hon. J. M. Drew	Hon. W. H. Kitchin
Hon. F. E. Gibson	Hon. G. W. Miles
Hon. E. H. Gray	Hon. T. Moore
Hon. W. R. Hall	Hon. G. B. Wood
Hon. E. M. Heenan	Hon. G. Fraser (Teller.)

AYE.	PAIR.	No.
Hon. H. S. W. Parker		Hon. C. B. Williams

Amendment thus passed; the clause, as amended, agreed to.

Clause 96—agreed to.

Clause 97—Accounts:

Hon. L. CRAIG: Clause 98 provides that the Auditor General's report on the operations of the bank shall be submitted not later than the 30th November, but Clause 97 provides that the accounts need not be submitted until three months after the 30th September, which would bring it to the 31st December. The accounts, therefore, could not be placed before Parliament until the following year. I move an amendment—

That in line 2 of Subclause (1) the word "three" be struck out and the word "two" inserted in lieu.

The CHIEF SECRETARY: I have no objection to the amendment.

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

Clause 98—agreed to.

Clause 99—Report to be made annually to Parliament:

The CHAIRMAN: I direct the Minister's attention to the word "paragraph" in line 14. It should be "sub-section."

The CHIEF SECRETARY: I move an amendment—

That in line 14 of Subclause (1) the word "paragraph" be struck out and the word "subsection" inserted in lieu.

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

Clause 100—Offences and penalties:

Hon. H. S. W. PARKER: This clause provides, not any new offences, but a new way of dealing with them. All these offences may be dealt with under the Criminal Code, and the clause provides that they shall be tried and determined by a stipendiary magistrate. This alters matters considerably because, in an offence committed against the bank, the accused would have to be brought before the magistrate within six months of the offence being committed, and the penalty under the clause would be only six months whereas the Criminal Code provides varying terms. To illustrate my point, for knowingly receiving any security, the penalty under the ordinary law is 14 years, and the offender can be tried whenever the offence is discovered.

Clause 101 provides for trial by a magistrate. True, the penalty is imprisonment for two years, but that also is provided for under the Criminal Code, and so are the offences mentioned in Clause 102. Clause 104 purports to give a definition of "forgery." Forgery is one of those things that has caused a considerable amount of trouble in getting right down to a definition. The Criminal Code takes 2½ pages to define it, so that no person who has forged shall escape. Here we have only a few lines, which would not be sufficient to cover everything. If a person forges anything connected with the bank, why should we treat it in an entirely different way from something forged outside the dealings of the bank? Why have one law for the bank and a different law for the rest of the community?

The offences mentioned in Clause 105 are dealt with under Section 408 of the Criminal Code, and again the penalty is very different. It seems to be that this part of the Bill has crept into the measure in error. In New South Wales there is no criminal code such as we have in Western Australia; and we have copied into this Bill the penal clauses appearing in the New South Wales Rural Bank Act. The matter is serious. If a man committed an offence against the rural bank he would have no chance of being tried by a jury; he must be dealt with in some instances before two justices of the peace. Again, the offence must be discovered within six months. Under the ordinary law, the man would remain liable to be brought to justice at any time the offence was discovered. I do not propose to move to strike the clause out, but I draw the attention of the Minister to what I have said.

The CHIEF SECRETARY: The hon. member is right when he says that most of these clauses are taken from the New South Wales Act; but they were included in the Bill only after serious consideration by the Minister, the officers of the Agricultural Bank and the Solicitor General, who is responsible for the drafting of the measure. I cannot imagine the Solicitor General having made such a serious mistake as Mr. Parker infers. I certainly could not agree to the striking out of this particular part of the Bill; but in view of the argument submitted by the hon. member, I will have the point looked into.

Clause put and passed.

Clauses 101 to 105—agreed to.

Clause 106—False statement:

Hon. A. THOMSON: I move an amendment—

That at the end of the clause the following words be added:—"but no person shall be convicted of such an offence by word of mouth on the uncorroborated testimony of one witness."

The amendment is self-explanatory and offers an additional safeguard.

The CHIEF SECRETARY: This is another unusual amendment. It amounts to dictation to the court as to the decision it shall arrive at. As it stands, the clause provides that a case shall be heard by a competent court, which would arrive at its decision on the usual rules of evidence.

Hon. H. S. W. PARKER: The amendment emphasises what I said a moment ago

when dealing with Clause 100. Under the Criminal Code the accused has the right to go before a jury. It may be that he would prefer to do so rather than be tried by justices. If he were dealt with summarily by justices and found guilty, his punishment would be far less than if he were tried before a jury.

Amendment put and negatived.

Clause put and passed.

Clause 107—Regulations:

The CHAIRMAN: I have directed the Clerk to strike out the figure in parentheses "(1)". There are no subclauses to the clause.

Hon. A. THOMSON: I move an amendment—

That paragraph (5) be struck out.

The CHIEF SECRETARY: The commissioners may require to hold an inquiry apart from the kind of inquiry covered by the clause which was previously struck out. If the amendment is carried, the Committee would be saying to the commissioners, "You may hold an inquiry and carry on as you think fit. Do not mind a regulation which might be disallowed by Parliament."

Amendment put and passed.

Hon. A. THOMSON: I move an amendment—

That paragraph (16) be struck out.

This would give power to frame regulations for matters outside the measure, and that should not be permitted.

The CHIEF SECRETARY: I oppose the amendment. Members of this Chamber are very keen on contesting regulations made under an Act. However, if the mover feels his wording is better than that in the Bill I have no particular objection, but I prefer the wording in the Bill.

Hon. H. S. W. PARKER: May I suggest that the Minister has possibly not appreciated the fact that if the paragraph is not struck out it may prove to be a nuisance to the powers that be? Clause 107 provides for the making of regulations which would cover the point in question. The last part of this paragraph would make it necessary first to issue a proclamation and then to frame the regulation.

The CHIEF SECRETARY: I am not very particular whether the paragraph in the Bill be retained or the wording suggested by Mr. Thomson be accepted.

Hon. H. S. W. PARKER: The paragraph may be a nuisance to the bank later on.

The CHIEF SECRETARY: I do not think so; it was included for a particular purpose. For instance, in the past members have criticised the Government because a department has not issued a proclamation telling the people all about an irrigation scheme. I shall not contest the matter strongly but I would like the paragraph retained.

Amendment put and a division taken with the following result:—

Ayes	..	..	..	..	14
Noes	..	..	..	..	11
Majority for 3					

AYES.

Hon. C. F. Baxter	Hon. A. L. Loton
Hon. L. B. Bolton	Hon. H. L. Roche
Hon. L. Craig	Hon. H. Seddon
Hon. J. A. Dimmitt	Hon. A. Thomson
Hon. E. H. H. Hall	Hon. H. Tuckey
Hon. V. Hamersley	Hon. G. B. Wood
Hon. J. G. Hislop	Hon. W. J. Mann
	(Teller.)

NOES.

Hon. Sir Hal Colebatch	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. F. R. Welsh
Hon. W. R. Hall	Hon. F. E. Gibson
Hon. E. M. Heenan	(Teller.)

PAIR.

AYE.	No.
Hon. H. S. W. Parker	Hon. C. B. Williams

Amendment thus passed: the clause, as amended, agreed to.

Clause 108—Protection to commissioners:

Hon. H. L. ROCHE: The clause is most unfair. The Commissioners and their agents are to be absolved from all responsibility for anything done under the Act. A cheque may be paid after the drawer has stopped it, yet the bank will not be responsible. Although funds may be available to meet a cheque it may be dishonoured. The client's credit may be ruined, but the bank is not to be held responsible.

The CHIEF SECRETARY: This is the usual indemnity clause included in this type of legislation. Mr. Roche is under a misapprehension. The provision absolves only the officers from responsibility, not the bank. It would be most unfair if the paragraph were deleted. If we did that, an officer of the bank might be held responsible for an action he took in good faith and under instructions from the bank. There are two legal members of the Committee and their views would be interesting.

Hon. J. A. Dimmitt. They are sure to be different!

Hon. E. M. HEENAN: A clause indemnifying officers of an institution such as the proposed rural bank is absolutely necessary. The officers may have to do most unpleasant things in the exercise of their duties. Last night Mr. Mann spoke of despicable actions that he said had been taken by officers dealing with group settlement matters. In this instance in every good faith officers of the bank may have to do things, as a result of which disgruntled people may take exception to their actions, and those officers should be able to carry out their duties without fear of action being taken against them.

Hon. H. S. W. PARKER: I think this provision is extremely wrong. The commissioners will be a body corporate and will conduct a trading bank. If a client were to have his cheque dishonoured in all good faith but due to carelessness, his credit might be seriously damaged and he should be entitled to take action.

Hon. L. Craig: But this deals with officers of the bank only, not with the bank itself.

Hon. H. S. W. PARKER: If the hon. member will read the clause he will see that the commissioners are to be a body corporate, and this will mean in law that action cannot be taken against the bank.

The Chief Secretary: Surely action can be taken against a body corporate.

Hon. H. S. W. PARKER: Not under this clause. If one of the commissioners did something wrong as a commissioner, action could not be taken against him personally as an officer of a body corporate. But here it says "done by the commissioners." If the word "commissioners" could be eliminated from the clause it would be all right. It says that one cannot take action against the commissioners, which means the body corporate. Action cannot be brought against a bank unless one can prove malice. Why should this proposed bank be treated differently from any other bank? The Bill seeks to create a trading bank and invest it with all the qualities of a Government department. The whole clause should go out, and the proposed bank should stand or fall as any honest trading concern must stand or fall.

Hon. G. B. WOOD: The clause is nothing new. It appears in the Road Districts Act, and gives protection to road board members

in respect of honest mistakes. I support the clause as it stands.

The CHIEF SECRETARY: This clause appeared in the Agricultural Bank Act of 1934. It was the subject of much discussion in another place, where legal luminaries took part and not even one of them had one word to say against the clause. Two legal luminaries in this Chamber have expressed opposite views.

Hon. H. L. ROCHE: It is rather a specious argument that the object of the clause is to protect the officers of the bank in respect of any act done by them in good faith. It is natural to think that the commissioners would stand by their officers and accept the responsibility.

Clause put and a division taken with the following result:—

Ayes	..	..	..	13
Noes	..	..	..	13
				—
A tie	.	..	..	0
				—

AYES.

Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. G. W. Miles
Hon. G. Fraser	Hon. T. Moore
Hon. E. H. Gray	Hon. F. R. Welsh
Hon. E. H. H. Hall	Hon. G. B. Wood
Hon. E. M. Heenan	Hon. W. R. Hall
Hon. J. G. Hishop	(Teller.)

NOES.

Hon. C. F. Baxter	Hon. W. J. Mann
Hon. L. B. Bolton	Hon. H. S. W. Parker
Hon. Sir Hal Colebatch	Hon. H. L. Roche
Hon. J. A. Dimmitt	Hon. A. Thomson
Hon. F. E. Gibson	Hon. H. Tuckey
Hon. V. Hamersley	Hon. H. Seddon
Hon. A. L. Loton	(Teller.)

The CHAIRMAN: The voting being equal the question passes in the negative. In the circumstances, however, I rule that the clause remains in the Bill.

Clause thus passed.

Clauses 108 to 114—agreed to.

Clause 115—Clearing-house:

Hon. H. SEDDON: The clause provides a penalty of £100 against any bank contravening or permitting the contravention of any of its provisions. This puts a bank in the position of an ordinary criminal. That is not a right thing to do. When one bank is competing against another they should be on the same footing. I move an amendment—

That Subclause (2) be struck out.

The CHIEF SECRETARY: The clause simply provides that the new bank shall have all the privileges associated with membership of a clearing house and that other

banking institutions shall recognise its cheques and so on. Unless the clause is included, there will be no protection for the bank in that way and it will be possible for any banking institution to make its position almost untenable.

Hon. L. CRAIG: Are they likely to?

The CHIEF SECRETARY: I do not suggest that they are.

Hon. L. Craig: It is rather an insult to the Associated Banks.

The CHIEF SECRETARY: It is possible and therefore it is necessary that, if there is an offence of the kind I have indicated, there should be some penalty. If we do not have the penalty, anybody associated with a private bank or any banking institution may with impunity take any action to delay deliberately matters of importance to the work of the rural bank.

Hon. H. Seddon: There would be a remedy at common law.

The CHIEF SECRETARY: That may be the hon. member's own opinion but my advice is that it is necessary to have this penalty included.

Hon. H. SEDDON: This bank is to be a trading bank competing with other banks, but it will have an additional big stick to hold over the other banks in that if any of the other banks are regarded by the commissioners as contravening any of the provisions provided here, it may be punished. If that power were given to every other trading bank I would say well and good; but there is no provision for any other bank to have a remedy against the rural bank. The subclause is grossly unfair.

Hon. L. CRAIG: I support the amendment. This is rather an insult to the Associated Banks. Different banks have commenced at different times and their cheques have been honoured. I do not doubt that the rural bank will be accepted as well and that its cheques will be honoured. Suppose the rural bank became annoyed and said it would not accept any other bank's cheques. There would be no penalty on the rural bank. Backed by the Government, the rural bank may become quite strong, and this provision should operate both ways. However, I would rather see it eliminated altogether.

Amendment put and passed.

Hon. H. SEDDON: I move an amendment—

That Subclause (3) be struck out.

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

Clauses 116 and 117—agreed to.

Clause 118—Custody of bonds:

Hon. L. CRAIG: This means that a fee or charge must be imposed. It is not the custom of trading banks to impose such fee or charge and I do not think this should be mandatory.

The CHIEF SECRETARY: I do not put the same construction on the clause. I think it will be optional for the commissioners to determine in which cases a charge should be made.

Hon. C. F. BAXTER: I move an amendment—

That in line 4 the words "to payment of such fee or charge and" be struck out

The CHIEF SECRETARY: There is no need to interfere with the clause. It gives the commissioners power to impose a charge or a fee but does not mean they shall do so in every case. Where they do make a charge, it must be under prescribed conditions. If we take out the words, all we say is that the commissioners may hold the debentures under such conditions as may be prescribed. That will mean, in effect, the same as the clause as a whole.

Hon. L. Craig: With those words eliminated, it does not say they "shall."

The CHIEF SECRETARY: This does not say they "shall" either.

Hon. C. F. BAXTER: I cannot agree with the Chief Secretary. The clause empowers the commissioners to hold bonds subject to the payment of a fee or charge.

The CHIEF SECRETARY: The fact that we are giving the bank an opportunity to make a charge if it so desires does not mean that it must make a charge in every case. The clause states distinctly that if the commissioners desire to make a charge, they may do so, but that will not be mandatory.

Amendment put and a division taken with the following result:—

Ayes	12
Noes	15

Majority against	3
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AYES.	
Hon. C. F. Baxter	Hon. A. L. Loton
Hon. L. B. Bolton	Hon. W. J. Mann
Hon. L. Craig	Hon. H. L. Roche
Hon. J. A. Dimmitt	Hon. H. Seddon
Hon. E. H. Hall	Hon. H. Tuckey
Hon. J. G. Hislop	Hon. V. Hamersley
	(Teller.)

Nozs.

Hon. Sir Hal Colebatch
Hon. J. Cornell
Hon. J. M. Drew
Hon. G. Fraser
Hon. F. E. Gibson
Hon. E. H. Gray
Hon. W. R. Hall
Hon. E. M. Heenan

Hon. W. H. Kitson
Hon. G. W. Miles
Hon. T. Moore
Hon. H. S. W. Parker
Hon. A. Thomson
Hon. F. R. Welsh
Hon. G. B. Wood
(Teller.)

Amendment thus negatived.

Clause put and passed.

Clause 119—agreed to.

New clause:

Hon. H. L. ROCHE: I move—

That a new clause be inserted as follows:—

89A. (1) In the case of a fixed loan, an amortisation loan or a long term loan secured by a mortgage of land used for the purpose of carrying on rural industry the Commissioners shall not exercise any of the powers, discretions or remedies conferred upon them by paragraphs (1) and (ii) of Section fifty-three, paragraph (c) of Section sixty-eight, Subsections (1) and (2) of Section eighty-five, or paragraph (a) of Subsection (2) of Section eighty-six of this Act, or any powers, discretions, or remedies to the like effect contained in any other Act or conferred by any security, without first having obtained from the resident magistrate within whose magisterial district the mortgaged lands (or the greater part thereof) are situate an order for leave to proceed (hereinafter called "an order to proceed").

(2) The application by the Commissioners for an order to proceed shall be made in the prescribed manner and in open Court, upon notice to the borrower who with his witnesses shall be heard if he so desires in opposition to the application, and in dealing with the applications the resident magistrate shall consider—

- (a) the general conduct of the borrower and his past relationship with the Bank, the Agricultural Bank, or any of the transferred activities;
- (b) whether the default has been brought about by circumstances beyond the control of the borrower;
- (c) whether the security is likely to be seriously prejudiced if the borrower remains in possession of the lands and property comprised therein;
- (d) whether there is a reasonable likelihood of the borrower satisfactorily farming or utilising the mortgaged lands so as in future to meet his liabilities to the Bank as they accrue.

(3) The resident magistrate shall not grant the order to proceed if having regard to the conclusions arrived at on the aforesaid questions he shall be satisfied that it would be unjust or inequitable to do so; otherwise the resident magistrate may grant the order subject to such conditions

(if any) as he considers just and expedient, or may adjourn the application for such period as he thinks fit.

(4) When a resident magistrate has refused to grant an order to proceed such refusal shall operate so as to preclude the Commissioners from making any further application for an order to proceed in respect of the default which gave rise to the application for a period of three years from the hearing of the application or for such shorter period as the resident magistrate may direct.

(5) The decision of the resident magistrate granting or refusing to grant an order to proceed shall be final and conclusive and there shall be no appeal therefrom, nor shall any costs be awarded to either party to the application.

(6) The Commissioners may make and be represented at the hearing of any such application by any officer of the Commissioners.

This is designed to give some protection to clients of the bank under those portions of the measure which provide for the enforcement of the security. A client would have the right of appeal to a magistrate before action was taken by the commissioners, and the new clause sets out the circumstances that the magistrate shall take into account. The new clause will protect clients of the Agricultural Bank who are in financial difficulties through no fault of their own. To my mind it is a matter of elementary justice that they should have some appeal. At present the appeal is from Caesar to Caesar. While this will not interfere with the bank in the ultimate enforcement of its security, it will cause some delay if the magistrate decides that some stay of proceedings is justified. The annual payment of interest will continue and the only effect will be some delay to the action of the bank.

The CHIEF SECRETARY: This is another attempt to take the business out of the hands of the commissioners who have to carry the responsibility for the success or otherwise of the bank. It would place in the hands of a magistrate power to over-rule the commissioners, which does not apply to any other banking institution in the world.

Hon. H. L. Roche: No other bank has a statutory lien.

The CHIEF SECRETARY: The statutory lien seems to be an obsession with the hon. member. If we take this power from the commissioners and put it into the hands of a magistrate, goodness knows where we will land! There is a provision in the amend-

ment that if the magistrate takes certain action, the commissioners will not be entitled to act for a period of three years. I cannot imagine the Committee agreeing to such a provision.

New clause put and negatived.

First, Second and Third Schedules, Title—agreed to.

Bill reported with amendments.

Recommittal.

On motion by the Chief Secretary, Bill recommitted for the further consideration of Clauses 8, 19, 46 and 65.

In Committee.

Hon. J. Cornell in the Chair; the Chief Secretary in charge of the Bill.

Clause 8—Subject to the Minister, management of bank vested in commissioners:

Hon. H. SEDDON: I have revised the amendment which I previously had on the notice paper. I now move an amendment—

That at the end of the clause the following words be added:—"one of whom shall have had administrative or executive experience in a trading bank."

That will get over the difficulty raised by members.

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

Clause 19—Powers and authorities:

The CHIEF SECRETARY: This clause deals with the powers of management. I move an amendment—

That in line 2 of paragraph (f) after the word "bank" the words "but subject to the Minister" be inserted.

There was much talk while the Committee was striking out the word "Minister" from the Bill, in some cases for no reason at all. It was said that if my remarks applied to the agency department only there could be no objection to the insertion of the word "Minister." The amendment applies to the agency department. Members are fully aware that the Government has to accept all financial responsibility for the agency department of the bank; as a matter of fact, for all the activities of the bank. The bank will be called upon to deal with many matters of Government policy, and it is absolutely essential that these words should be inserted in the Bill in that part which deals with the Government agency department.

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

Clause 46—Powers of commissioners in relation to conduct of business in rural department:

The CHIEF SECRETARY: I move an amendment—

That in line 4 of paragraph (g) after the word "not" a comma be inserted.

If members will read the clause, they will see what a big difference the comma makes.

The CHAIRMAN: I cannot accept an amendment dealing with a punctuation mark. The matter can be arranged between the Minister and the clerk.

Amendment lapsed.

Bill again reported with further amendments and the reports adopted.

BILL—UNIVERSITY OF WESTERN AUSTRALIA ACT AMENDMENT.

Second Reading.

Debate resumed from the 8th December.

HON. J. M. DREW (Central) [9.40]: I am supporting this measure, but I regret the necessity for me to take this stand. Mr. Justice Wolff was appointed some time ago a Royal Commissioner to investigate the affairs of the University and he made his report in 1942. He found that too much power was given to Convocation—a graduate body—in the Act of 1911, enabling it to elect 12 of the 18 members of the governing body. Mr. Justice Wolff added that if it exercised its choice in the selection of members, no harm would be done, but he said at the same time there was no justification for the undue weight in its favour. He recommended that the Senate should be composed of six members appointed by the Governor-in-Council and three members to be elected by Convocation. The Government finally agreed, after consultation with the Senate, to six members being appointed by Convocation and a similar number by the Governor. Thus, Convocation was granted three members more than the Royal Commissioner had recommended, but Convocation is still dissatisfied and is trying to secure more representation.

I have received a letter from the Guild of Undergraduates in defence of its claims. Apparently other members got a similar epistle and the tone of the document is represented by some of them. I am not within the offended circle. After the first para-

graph of the letter referred to, there is a fight in every line and I like a fighter. In my young days, long before I entered Parliament, I often came into collision with persons who had nominated either for parliamentary or municipal seats, and some of them, whom I regarded as brainless, I strongly opposed. The result was, of course, that I made some enemies, but that never worried me in the slightest degree. I continued operating on the same lines for several years. I love a fighter and can appreciate the fighting abilities of the Guild of Undergraduates in stressing their claims. But good fighters sometimes make bad blunders, and the Guild of Undergraduates made a disastrous blunder at a very early stage. The undergraduates should have proved their case before the Royal Commissioner and protected themselves. The Royal Commissioner said they did not make any effort to combat the attitude of Convocation, nor did their representative, when giving evidence before him, seek to justify such a large representation.

Hence members will see that Convocation did not attempt to prove its case before the proper tribunal, represented by the Royal Commission. Yet now it is almost frantic because its representation in the Senate has been very much reduced. Surely, if it had had a case it should have put it before the Royal Commissioner; but the Royal Commissioner said it did not attempt to prove its case to show that what Convocation had demanded was necessary in the interests of the University. At that time when they could have taken action to approach the Royal Commissioner and put up their case, their representative never once attempted to justify the representation that they had. The Government, after giving the matter a great deal of consideration and devoting special study to the report of the Royal Commissioner, Mr. Justice Wolff, decided to reduce the representation on the Senate acting on the Government's behalf. Since the University was founded each successive Government, irrespective of its political colour, has helped to prepare the groundwork for admission into the University. High schools have been established at great cost in the main centres of the State and scholarships and exhibitions have been provided to enable every talented child to find its way to the university. I was appointed Minister for Education in 1924

and my predecessor in office in the Mitchell Government was Sir Hal Colebatch. I found it a pleasure to follow Sir Hal who took great interest in education and approved of the erection of a number of high schools—not in the metropolitan area or adjacent thereto, but in the country districts.

When I took office, Sir Hal's approval which had been given to the erection of those high schools, was submitted to me for my endorsement by the officers of the Works Department. In every instance my approval was accorded without any delay whatever, because I recognised that the decision arrived at by Sir Hal was not only in the interests of the towns in the country districts but of the University as well. A similar policy has been pursued ever since. This is not the time for the lavish expenditure of State funds. It is a time for caution and the well-directed expenditure of money on the most urgent matters. We are in the midst of a war against two of the most powerful nations that have ever threatened our Empire. The huge loans that have been raised at short intervals by the Commonwealth Government testify to the one great objective we have in view, the defeat of the enemy.

Thus the University has to finance its operations with difficulty for a period, necessitating the use of the pruning knife wherever possible. It may not be able to do all that may be desired, but nevertheless it will succeed in rendering good service to the community. I understand the University of Western Australia is the only free University in the British Empire. I hope it will remain so and that it will never be necessary by force of circumstances to become a closed institution to the great majority of our young people and descend to the status of a preserve for the sons and daughters of the well-to-do. I was a member of the University Senate for 14 years and resigned my position a few months ago because I found it was not possible for me to attend meetings of the Senate and at the same time devote attention to my parliamentary duties. I listened with close attention to Mr. Dimmitt's speech on the Bill. As a rule he is logical in his remarks but on this occasion he made a mighty effort to trail a red herring in support of his case. He told us that if the Bill were passed the University would eventually come under the control of political parties. The inference to be drawn from his remarks

was that the politicians were out to destroy their offspring, which is too funny for words. That was the only conclusion one could reach from Mr. Dimmitt's remarks. It is evident that in his opinion with regard to the University finance the Government should have no control over the people's money. He considers that the funds should be handed out in large sums at the University's bidding. No political party in office in another place would lend itself to such a proposal.

The first politician to take action to place some check on University spending was not a Labour member but was Hon. C. G. Latham, the Leader of the Country Party and Leader of the Opposition in another place—an able man and a just man. Mr. Latham introduced a Bill in 1940 and in the course of his speech he said, among other things, that the time had arrived when the University Act should be amended so that the Government could appoint a majority on the Senate to secure the good management that could be expected in connection with such an institution. The Premier agreed with Mr. Latham and later the Government appointed a Royal Commission to inquire into the whole subject. This House might refuse to endorse the proposed increased representation of the Government on the Senate, but the Government has to find the money for carrying on the work of the University. Of course, members can come to whatever conclusion they consider necessary, but I fail to see how this Chamber, by the appointment of senators who are opposed to the action of the Government, can succeed if they pursue their opposition to the end.

It will still be left to the Government, backed up by a strong party in another place, to decide what is a fair amount to grant to the University, and they will not be compelled to act against their decision. There are a number of amendments on the notice paper. I am not in the confidence of the Government and have not approached Ministers on this matter. From my knowledge of them, some of the proposals by members here will not appeal to the Government or its supporters who are not likely to depart from their present attitude, and it is just as well that that should be made known here.

HON. SIR HAL COLEBATCH (Metropolitan): I have very little to say on the Bill at the moment. I shall support the

second reading and shall vote for certain amendments at the Committee stage. I am a member of Convocation by virtue of the fact that I was for some years a member of the University Senate largely, I think, because I was Minister for Education. Practically all my energies were devoted just then in the face of strong opposition, which largely came from members of the party to which I belonged, in the work of establishing high schools in the country districts. One reason why I persisted in that policy was that it seemed to me that a free University was a monstrous injustice to the country people, when it meant that no country child could find its way to the University unless its parents were sufficiently wealthy to send it to a high school in the city. I succeeded in establishing country high schools and I deeply regret that more have not been established since then. I hope it will not be long before more are provided. Those that have been established have proved most successful and many students from them have distinguished themselves at the University.

The only portion of the Bill to which I shall make any reference now is one that we cannot deal with in Committee. I refer to the question of fees. It will be well for the people to awaken to the fact that they cannot get anything for nothing. It is all very fine to talk about a free university. It means that if students do not pay fees, it cuts out a very large proportion of the revenue that goes to the universities in other States. That leaves two alternatives, one is that the University shall be deficient and not up to the standard of universities in other States, and the other is that the necessary money shall be provided by the taxpayers. Thus, when people boast about our free University I want them to answer this question: "Are you prepared to pay for it? You cannot have anything for nothing. If it is to be a free institution to the student, the necessary money must be provided by you as a taxpayer or you must be content for the University to be comparatively inefficient." With the latter alternative, personally I am not inclined to agree.

I think the grant to the University should be increased and that the extra money should come from taxation. I do not say additional taxation is necessary for the pur-

pose because if the Government were to direct attention to first things first and to give priority to those matters that are of the greatest importance, such as health and education, I think the abundant revenue that the Government has at its disposal at present should be sufficient for the purpose. I cannot agree, however, that the Government does give the essential priority to matters of the greatest importance to the community. As I have indicated, I shall support the second reading of the Bill and also certain amendments to be proposed. I do think this is a matter respecting which the people should be given firmly to understand that they cannot have anything for nothing. If they are to have a university free to students, then the taxpayers must make up the difference or else the university's efficiency must be decreased, which would be deplorable in a country such as this and most unfair to the University itself.

HON. J. G. HISLOP (Metropolitan): I have been privileged to have a university education and am also one of the few privileged to have been a tutor at a university college. The result of my experience is that to me the University of Western Australia means much. In my opinion it must be the centre of culture in our midst, and therefore any attempt to control the thought of the University is to me unthinkable. I say that irrespective of party considerations. There is no question of party politics in anything I may say this evening about the University. I assert unhesitatingly that, irrespective of what party may be in power, I would vote against any Bill which would permit of governmental power over the University. Therefore I must oppose any increase in Government representation upon the Senate, which is the controlling body of the University. At the same time I am not wholly satisfied that Convocation as at present conducted is capable of electing a large number to the Senate. It is possible that when the time elapses Convocation may be a body from which a considerable number of senators can be elected. If one further reads the report of Mr. Justice Wolff—and I suggest to every member of the House that there is not a single word in the document that should be missed—one finds rather severe criticism of Convocation as at present established. In one instance, whilst he was conducting his inquiry, Convocation failed to

stand up to the threat of its possible abolition. It may strengthen conviction—in my opinion it does do so—if those who hold university degrees—I do not say necessarily diplomas of any other university—and who have resided in our State for a certain length of time, are admitted to Convocation.

Members: They are!

Hon. J. G. HISLOP: I am glad to hear that they are. I have never attempted to join Convocation, because I did not realise that I was eligible. That takes me a little further along the road to say that I had hoped that an amendment would have been placed in the Bill adding to those members to be elected by the Government and the co-opted members a proportion of men who have been educated at a university. I sincerely believe that the functions of a senate of a university cannot be adequately carried out by a body the majority of whom have not seen the inside of a university. I believe that in addition there should be on the Senate representatives of other walks of life, especially those with business knowledge; but they should not be exclusively, or even in a large proportion, men who have not had a university education. I have with the aid of good friends at the University studied the growth of government throughout various parts of the Empire, though I will not detain the House by reporting them. They are to be found in the admirable speech of Hon. Norbert Keenan in another place.

Suffice it to say that so individualistic is the tendency of universities anywhere that nowhere does one find a similar method of government of a university, but in every case the members of convocation have a considerable number upon the governing body of their university. On reflection, it surely should be so that those who have known the inside of their own university might consider that in its best interests they should have their part in the government of it. It will be a sorry day for this State if those who have trained at our University lose interest in it. In reading Mr. Justice Wolff's report there is, however, a disturbing note to be felt all the way through. This University is ever short of funds or trying to do too much with the funds allotted to it. I would have appreciated it considerably if the Chief Secretary, in introducing the Bill here, had been able to tell us whether any of the changes suggested by Mr. Justice Wolff have yet occurred. I think one must

appreciate the fact, that a university is not there to teach on definite lines or instruct upon very definite pieces of education or knowledge. I consider that the true function of a university is rather to inculcate upon its students the love of learning; and if that can be done, the students will be able to take their places in the world of tomorrow with ease. Mr. Justice Wolff, I understand, is not a university man; but his report must stand as a memorial to him, because it shows his tremendous ability and his intelligent outlook upon a subject of such a nature. But even he in his report rather tends to show that he looks upon this University in a more utilitarian light than I think should be adopted in the case of a modern university.

My criticism in this regard is based upon the fact that one finds in Mr. Justice Wolff's report a critique of the value of lecturers and professors to the University by the number of hours they spend in lecturing. We must be very careful that we do not tend to adopt the status of a technical school in the University building. In modern universities a professor of a faculty may not, and in most cases does not, have any duties whatever assigned to him. The professor of that faculty should be the man who acquires all the knowledge of that faculty for the use of the members of the teaching staff and the students of that faculty. He may decide to spend weeks or even months investigating some problem which may be of future use to his particular school of the university. Yet during the whole of that time he may not have delivered one lecture. Reading through his report one finds that we have to a very large extent relegated our professors to the post of lecturers.

I would instance as an example the fact that in our engineering school, from which we have turned out some brilliant students, we have no professor at the head; we have associate professors, and we retain in our University Professor Blakey who has just this last week been honoured in the position of associate professor at a salary of £650 a year, probably plus basic wage allowance; I do not know. However, that is the figure of the salary as shown in Mr. Justice Wolff's report. We the other day raised our salaries from £600 to £675, because we felt as members of Parliament that it was an inadequate salary. Now, is the £40,000, which is to be the annual fixed

amount for the University, based on the fact that we intend to attempt to retain nine men of such calibre at such inadequate salaries? We must, as Sir Hal Colebatch pointed out, realise that we cannot maintain a free university of the type which this University is attempting to grow into, on the present finances; and we must decide, as I have said before whether we desire a technical school in university surroundings, or whether we desire a university.

I trust that some decision will be made by the new Senate as to what the feature of this proposed university is to be. I would much rather see the University contract in certain directions, so that it can amply fulfil its task; but I hate to see this University extend until it does nothing properly in any subject. And it looks as if we are running into a considerable amount of danger in that respect. There are in Mr. Justice Wolff's report many things we would criticise. For instance, Sir Hal Colebatch said he believed it was wise to complete the State school curriculum first. Mr. Justice Wolff draws attention to the student wastage, and points out that only one out of every two students entering the University qualifies. He also points out that the wastage occurs in greater proportion in the first year than in any of the other years. He emphasises—and I think quite rightly—that it would be very much better, if we are to have a free university, to raise the standard of entrance of pupils to the University.

In this report members will find the alarming fact that the Professor of English asked for more help so that he could assist the students who were taking English to understand their lectures. Surely that is a reflection on the standard of education to which we raise candidates who are to gain entrance to our University! It would seem, therefore, that some total revision of our outlook as regards the University is urgently needed. There are other interesting points. Mr. Justice Wolff referred to the number of candidates who passed their subjects in the minimum time allotted; and, apart from the faculties that have only a small number, the percentage is always under 30 per cent. even though the course is only three or four years. In the Faculty of Arts in 1936, 50 candidates entered to do part time or external work. The time allotted is five years,

whereas full-time students in arts are allotted three years.

Of the 50 who enrolled in 1936 to do an external course in five years, the amazing number of three only graduated; which means to say that six per cent. of the students who took the five years' external course in arts gained their degree in the minimum time. Of the full-time students 59 per cent. gained it in three years. There are only two or three things that can happen with figures like that. The American schools welcome external students, and it might be well to investigate the method by which their external work is conducted, because many of the Americans we have met here within the last couple of years have obtained an external degree while working in an ordinary vocation or during their vacation periods. Thus it would appear either that our course is too difficult or that the students who attend that course are not educated to the required standard before entering. There must be a very great financial waste in taking 50 students into a course knowing that only three will pass in the minimum time. Something appears to be radically wrong.

Hon. A. Thomson: Either a lot are attending the University who should not be there or there is something wrong with the tuition.

Hon. J. G. HISLOP: That takes us again to the comment Mr. Justice Wolff made about the Hackett bursaries. There is £196,000 vested in the University for the provision of Hackett bursaries, and judging from this report it would appear much wiser to reduce the number of students and give them more money so that all could be full-time students. In the first year, 1937, 39 awards were granted; of that number only 12 were awarded for the whole course and 22 were awarded for the first year only. Three were awarded and once renewed. One was awarded and twice renewed and one was awarded and four times renewed. Only 12 went through the whole course. Later we find a reference to 84 students holding Hackett bursaries. Of those 84—who, I trust, were picked to a certain extent on their ability to undertake the course—three only attained three distinctions or more. The comment of Mr. Justice Wolff is that those who obtained Hackett bursaries did not do as well as those

holding Government exhibitions, which are given for the whole course of training for three years, and longer if necessary. I am speaking in this vein only to emphasise that if we are to allow the University only £40,000, some revision is necessary of the work being carried out. Mr. Justice Wolff does not think that £40,000 will suffice. He says—

I recommend that the fixed appropriation should be increased. The sum required will depend on the policy of the Government. If the system of fees is imposed the vote will not need to be increased beyond the present amount. If it is not imposed, then the minimum appropriation in the light of the existing circumstances is estimated at £42,000. Even if fees are imposed, the University will need some additional help in the transition period.

Those reading the report will find that he emphasises throughout that he considers it would be wise to introduce fees. I repeat quite emphatically that I consider we should review the facts from the point of view of whether we consider the education we give should be that of technical standard or that of University standard, and I draw the attention of members to a most excellent chapter in the report in which the Commissioner talks about the University and education. I will not read it, but there are paragraphs in it that must cause each of us to think seriously as to where we are heading. I have made it clear that I think Convocation should have a say on the Senate, and that we should review the functions of the University in the light of the money allowed. I would like to conclude with an extract from a very interesting booklet published by the Australian Council for Educational Research and entitled "Universities in Australia." It was written by Eric Ashby. I quote this to indicate the modern tendency of a university—the modern tendency, in fact, of all education—which is to ask the individual to live the life of the educational institution he attends. Schools are asking for bigger boarding establishments than they have had. I was speaking to Mr. Darling of the Geelong Grammar School, and he emphasised that by living in a boarding school boys were taught to live in communities and accept as an inherent part of their life the responsibilities of such communities. Eric Ashby wrote—

Suppose the University says to its students: "University education is a whole-time job. We know you cannot all live at the University; but we want you in our atmosphere, after

breakfast until bedtime. Accordingly we include in your fees a composite charge for lunch and dinner. You will be attached to one of the colleges or societies of scholars, and you will be expected to lunch with us and dine with us during term. Naturally we shall not cram you with work all that time. We shall give you lectures morning and evening, but none in the afternoon. We shall keep open all libraries and laboratories at night. We shall provide study rooms where you can read and write and club rooms where you can argue and smoke. We want you to spend not only your working hours, but a good deal of your leisure in our atmosphere. We shall make it our business to give you opportunities not only to work and meet the professors and lecturers but also to relax, to talk, to hear music, to see plays. We shall bring to Australia the best men we can afford from all over the world. None of it will be organised for you, but all of it will be available for you. And if you take advantage of these opportunities you will find what you have come here to find; and you will not go away disappointed.

That is the tendency of the modern university. Those interested in the university problem will find in that beautifully written book of Stefan Zweig "The World of Yesterday" an excellent example of what a European university can do to a man. Do not let us for one moment make our universities utilitarian. There are still the humanities to be considered. Let us make our university the leader of thought of our city. I support the second reading.

THE CHIEF SECRETARY (in reply): I do not propose to speak at any length in reply but there are one or two points I should touch on. I was interested in the remarks of Dr. Hislop, who referred to Mr. Justice Wolff's report extensively. I would remind the House that Mr. Justice Wolff was appointed a Royal Commissioner because it was considered all was not well with the University. There can be no question in the minds of those who have taken the trouble to read his report that there was a good deal to support that contention. Dr. Hislop commented that there were only two alternatives so far as he could see. If we were going to have a satisfactory University we must either contract its activities or provide considerably more money than we have done up to date and certainly more money than we are providing by this Bill. There is a good deal of logic in that. My opinion is that his first alternative is the better one, because I feel that in years gone by our University has extended its activity without

having any regard as to where the sinews of war—in other words, the money—were to come from.

I agree that if we are going to have a University it should be a good one. This does not mean that I agree that the University should be allowed to extend its activities in the future in the same way as it has in the past. When we discuss the question of money and the necessity for the Government's finding considerably larger sums for the University, my first reaction is to suggest that there are many other avenues in which the Government can find very useful opportunities for providing more money. There are many directions in which we could spend large additional sums of money, such as on primary, technical and high school education. Sir Hal Colebatch this evening referred to the fact that he would like to see an extension of our high schools and an increase in their number. During the session almost every member without exception has said that we are not spending as much money as we should on school buildings, equipment and other things.

Hon. L. Craig: The Government is determined to have a free University.

THE CHIEF SECRETARY: Yes. We have agreed to increase the school leaving age, which will mean that extra accommodation will be necessary, and this will cost more money. Everyone is agreed that, in the matter of technical education, there is room for a big expansion. Any extension of technical education must necessarily be expensive, and the Government will have to provide money for this purpose. We have to do the best we can with the money at our disposal. The £40,000 mentioned in the Bill is, in the opinion of the Government, as much as can be devoted to this particular purpose. If it is the desire of the University to extend its activities and thereby incur additional expense, is it not only reasonable that the Government should be asked whether it concurs, especially when it has to find the money? That is reasonable, but it has not been done in the past. All that has happened has been that when the management of the University thought fit, it has extended the activities quite irrespective of where the money was to come from.

So we have provided in the Bill for an annual grant of £40,000, and Parliament will determine any additional amount that may be necessary. We know that when this mat-

ter is referred to Parliament, the whole of the facts can be presented, and if Parliament prefers to spend additional money on the University rather than on primary, secondary, high school or technical education, it will be all right with the Government. Mr. Dimmitt, in his rather brief remarks, seemed to think that the proposal of the Government was but the first step to political control of the University. It is hard to follow the hon. member's reasoning. The Government has had six representatives on the Senate of the University for many years and during the whole of the time I have been a member of the Government, I have not known of one Government representative either approaching the Government in regard to University matters or even submitting a report to the Government. Vice versa, I have no knowledge of the Government's having approached any of its appointees, but we have the remarkable spectacle of one of the representatives of the Government on the Senate attaching his name to one of the documents that have been sent out so far and so wide in opposition to the proposals of the Government contained in this Bill.

Hon. J. A. Dimmitt: That is very democratic.

The CHIEF SECRETARY: Yes, but it also indicates that the Government has very little influence over the people it has appointed to positions on the Senate. If we are to take any notice of the excellent report on the University submitted by the Royal Commissioner, we must have some regard for the representation on the Senate. Mr. Justice Wolff was very scathing in his remarks on Convocation. Those members who have not read that section of his report should do so. Under the Bill, we propose to give Convocation a representation which, in my opinion, should be most satisfactory to that body. As was pointed out by Dr. Hislop, there are two universities where the governing bodies are elected in the same way, but in every one Convocation is represented and in most cases, so far as I can find out, Convocation does not get the representation on the governing body that we are offering in this Bill. So, while I agree that it is very nice to have a University and that it is necessary for the University to be efficient, it has to be remembered that we have a population of less than half a million people and there is no other com-

munity the same size in the world that has a university such as ours. In addition, of course, ours is a free university.

While the Government is anxious that we shall continue to have a university of which we may be proud, it has to say very definitely that there is a limit beyond which it cannot go in the matter of finance, and that, so far as the constitution of the Senate is concerned, the Government's proposals in this Bill are far preferable to the system that has been in vogue. While it does not conform exactly to the recommendations of the Royal Commissioner, because we propose to give greater representation to Convocation than he suggested, it can be said that the Bill is based on the findings of Mr. Justice Wolff. There are a few amendments on the notice paper. From indications given by members who have spoken on the second reading, they apparently intend to support those amendments. I do not propose to touch on them at the moment because we shall be considering them in Committee presently. I conclude by saying that the Government is not antagonistic to the University. It is anxious that this institution shall be as efficient as possible within the scope of the finance that the Government can provide for it. All said and done, that is the key to the position. If the Government were in a position to provide £100,000 a year without denying some other necessary requirement, it would be only too pleased to provide that amount. But first things have to come first, and the University must take its place.

Question put and passed.

Bill read a second time.

In Committee.

Hon. G. Fraser in the Chair; the Chief Secretary in charge of the Bill.

Clauses 1 to 3—agreed to.

Clause 4—Amendment of Section 10; repeal and new sections:

Hon. J. A. DIMMITT: I was pleased to note the tolerance displayed by the Chief Secretary in his remarks on my speech. We should approach this matter in a co-operative spirit. That is the spirit I intend to display and I hope the Government will adopt a similar attitude. I think the Chief Secretary was a little wrong with regard to the representation of Convocation when he suggested that the Government's proposal was generous. In Sydney Convocation

elects 10 out of 26; in Brisbane, 10 out of 27; in Adelaide, 20 out of 25; in Melbourne 10 out of 32, and in Tasmania, six out of 14. The proposal in the Bill is to give Convocation six out of 18. My amendment proposes eight. That is reasonable, and I hope the Committee will support it. I move an amendment—

That in line 1 of paragraph (b) of proposed new Section 10 the word "six" be struck out and the word "eight" inserted in lieu.

The CHIEF SECRETARY: I oppose the amendment. Convocation consists of over 1,000 people and a very small percentage of them take any interest at all in the University.

Hon. L. Craig: They deny that.

The CHIEF SECRETARY: It does not matter what they deny. As far as I can ascertain, there has never been a large attendance at any of the meetings, and certainly when voting took place the number who recorded their votes was exceedingly small.

Hon. J. Cornell: I deny that.

The CHIEF SECRETARY: Mr. Cornell can not only deny it, but say what he thinks about it. The Royal Commissioner in his report indicates very clearly that that was the case.

Hon. L. Craig: Many of the young men are away at the war.

Hon. T. Moore: But very many are here, too.

The CHIEF SECRETARY: I am afraid that absence at the war is no excuse for what actually occurred in the past. In any event, the new Senate is to consist of 21 members, six of whom are to be appointed by Convocation and six by the Government. I contend that Convocation is not entitled to elect a greater number than the Government may elect. Surely the Government, which is responsible for the provision of finance, is entitled to equal representation with those who are members of Convocation. For the life of me, I cannot see any reason why Convocation should insist that it is entitled to a larger representation, except that in years gone by it has been given a larger representation than is offered to it today.

Hon. L. Craig: Convocation in other universities has a much larger representation.

The CHIEF SECRETARY: The representation varies in other universities, even

in Australian universities. Mr. Dimmitt has pointed out the great variations. In some cases, Convocation is entitled to one-third.

Hon. J. A. Dimmitt: In one instance Convocation has 20 out of 25.

The CHIEF SECRETARY: There may be some particularly good reason why Convocation should have a bigger representation, but personally I cannot see it. As for the argument that the number of Government representatives would influence the university management and lead to political control, I think we can put that argument out of our minds. There is nothing in it, particularly as far as the present Government is concerned. I hope the Committee will not alter the provision of the Bill in this regard.

Hon. J. A. DIMMITT: I have always felt that Mr. Justice Wolff in his report was rather unfair in his criticism of Convocation, because he did not realise two aspects. The Chief Secretary has carried on with the same distorted outlook. Certainly attendances are small at the regular meetings, but those meetings are deliberative. The Chief Secretary was not quite right when he said that at elections the number who recorded votes was small. There are less than 1,200 members of Convocation and more than 500 votes were recorded. Therefore it is not quite right to say that members of Convocation take no interest in the affairs of the University.

Hon. J. CORNELL: I have no objection to Convocation securing two additional votes; but I have a decided objection to its being given representation at the expense of the Under-Treasurer and the Director of Education. Those two gentlemen certainly ought to be on the Senate. Of course, they could be on the Senate at the expense of the Government, but why not make the representation 23 instead of 21?

Hon. L. CRAIG: I have given much consideration to the Bill and from the start have been very antagonistic to Convocation. I received a letter from some members of Convocation and replied to it in no uncertain terms. In reply, I received a very apologetic letter. I have since made as many inquiries as I could and now think that Convocation has some claim to increased representation. First, I think it a wrong principle in university management for the Government to assume substan-

tial control because it provides the finance. The Government has accepted the University as a very expensive luxury. Indeed, it is so in a poor community of 470,000 people. At times the Senate has been willing to secure money by other means, but the Government has always refused its consent. It has insisted that no charges of any kind shall be made at the University. That is wrong in principle. Our University enables its students, by virtue of a free training, to earn salaries which otherwise they would not be able to earn. One of the engineering professors told me recently that the moment students get a university degree, offers are received from employers to engage them at salaries of £450 to £600 per annum. Would it not be reasonable, after these young men have secured such positions, for them to accept the responsibility for making a contribution to the University over a period of, say, 10 years? They should accept a moral responsibility to pay the University £100 at the rate of £10 per year, in view of the fact that their earning capacity had been lifted so high.

The CHAIRMAN: I hope the hon. member is not going to proceed on those lines.

Hon. L. CRAIG: I believe that 95 per cent. of the students will accept such a moral responsibility.

The Chief Secretary: How many have accepted it to date?

Hon. L. CRAIG: How many have been asked? After all, we are a poor community.

Hon. T. Moore: We are not.

Hon. L. CRAIG: We are. We are as poor as field mice. I know of students who complain because they have to walk a couple of miles to the University. They contend that the Government should provide them with free transport on the trams, as well as providing them with free education and a contribution to their keep.

The CHAIRMAN: The hon. member is making a second reading speech.

Hon. L. CRAIG: I am sorry. I have thought a lot over this matter during the past few weeks. I support the amendment.

Amendment put and a division called for.

The CHAIRMAN: Before tellers are appointed, I give my vote with the Ayes.

Division resulted as follows:—

Ayes	..	..	..	14
Noes	..	..	..	12
Majority for	..	..	..	<u>2</u>

AYES.

Hon. L. B. Bolton	Hon. E. H. H. Hall
Hon. Sir Hal Colebatch	Hon. J. G. Hilslop
Hon. J. Cornall	Hon. W. J. Mann
Hon. C. R. Cornish	Hon. H. Seddon
Hon. L. Craig	Hon. F. R. Welsh
Hon. J. A. Dimmitt	Hon. G. B. Wood
Hon. F. E. Gibson	Hon. H. S. W. Parker (Teller.)

NOES.

Hon. J. M. Drew	Hon. A. L. Loton
Hon. G. Fraser	Hon. G. W. Miles
Hon. E. H. Gray	Hon. T. Moore
Hon. W. R. Hall	Hon. H. L. Roche
Hon. V. Hamersley	Hon. A. Thomson
Hon. W. H. Kitson	Hon. E. M. Heenan (Teller.)

PAIR.

AVE.	No.
Hon. C. F. Baxter	Hon. C. B. Williams

Amendment thus passed.

The CHAIRMAN: The other amendments in Mr. Dimmitt's name concerning this matter will be treated as consequential.

Hon. J. CORNELL: I move an amendment—

That in line 1 of paragraph (g) of proposed new Section 10 the word "four" be struck out and the word "three" inserted in lieu.

The object I have in view is that by reducing the number of persons to be co-opted from four to three, the way will be paved for the Returned Soldiers' League to have a representative on the Senate.

The CHIEF SECRETARY: I am sorry I cannot accept the amendment. If the R.S.L. can claim the special right to have a member on the University Senate, there are other bodies possibly more interested in the activities of the University that could also put forward just as strong a claim for special representation. I have no objection to the R.S.L. being represented on the Senate, but I think the better way of approaching the matter would be for the league to get in touch with the Senate and perhaps one of the members of the R.S.L. could be appointed by the Senate itself.

Hon. L. CRAIG: I agree that the R.S.L. might have representation, but I do not agree that that representative should be one of the members co-opted by the Senate itself. I have been informed that the best men on the Senate are those co-opted, because of their qualifications and fitness for the work.

Hon. J. CORNELL: In our representations to the Premier it was thought that the league's representative could be one of the co-opted men but, on reflection, it was recognised that we had no guarantee that the Senate would select a returned soldier as

one of the four. Neither I nor the R.S.L. desire to be unfair in this matter, but I ask, what organisation has a better right to representation on the Senate than has the R.S.L.? In every organisation dealing with the education of returned soldiers' children, the league had representation. It has not confined itself to its representation, but has actively prosecuted its representation. Our representative on two or three of these organisations is the Chief Inspector of Schools for Western Australia. The roll of members of the R.S.L. contains men who have higher degrees than many members of Convocation have.

Hon. H. S. W. PARKER: I do not think the R.S.L. need worry as I am sure many members of the Senate will be returned soldiers. I agree with the Minister; once we start having representation of organisations I shall be one of the first to object.

Amendment put and negatived.

Hon. J. CORNELL: I move an amendment—

That a new paragraph be added as follows:—“(h) One person elected by the State Executive of the Western Australian Branch of the Returned Sailors, Soldiers and Airmen's Imperial League of Australia.”

The carrying of this amendment will mean increasing the representation to 24. How did the other organisations get in, except through this Parliament? It will be a reflection on the intelligence of this Chamber if the representation the amendment suggests is not secured.

The CHIEF SECRETARY: I was surprised to hear Mr. Cornell argue that because he had supported me in one direction I should support him in another direction. The Government believes that there will be more than one returned soldier on the Senate. While the Government recognises that the returned soldiers are entitled to all sorts of consideration—

Hon. J. Cornell: In words chiefly.

The CHIEF SECRETARY: — it does not necessarily follow that the R.S.L. as an organisation is entitled to special representation on the Senate of the University. I have suggested what I consider should be the procedure adopted. Mr. Cornell does not agree with that. There are probably 20 or 30 organisations in this State which could claim to have a particular interest in the University. I do not want it to be thought

for one moment that I am voicing opposition to returned soldiers.

Amendment put and a division taken with the following result:—

Ayes	..	..	..	12
Noes	..	..	..	14

Majority against .. 2

AYES.

Hon. L. B. Bolton	Hon. A. L. Leton
Hon. Sir Hal Colebatch	Hon. H. L. Roche
Hon. J. Cornell	Hon. H. Tuckey
Hon. C. R. Cornish	Hon. F. R. Welsh
Hon. J. A. Dimmitt	Hon. G. B. Wood
Hon. V. Hamersley	Hon. H. Seddon (Teller.)

NOES.

Hon. L. Craig	Hon. W. H. Kitson
Hon. J. M. Drew	Hon. W. J. Mann
Hon. F. E. Gibson	Hon. G. W. Miles
Hon. E. H. Gray	Hon. T. Moore
Hon. E. H. H. Hall	Hon. H. S. W. Parker
Hon. E. M. Heenan	Hon. A. Thomson
Hon. J. G. Hislop	Hon. W. R. Hall (Teller.)

PAIR.

Abs.	No.
Hon. C. F. Baxter	Hon. C. B. Williams

Amendment thus negatived.

Hon. J. CORNELL: I move an amendment—

That the following proviso be added to paragraph (g):—“Provided that one of the persons shall be a person who has served in His Majesty's Forces during the 1914-18 war or during the present war.”

Now that the Committee has decided that the R.S.L. is not entitled of its own right to elect a representative in the Senate and the Minister has said that we ought to protect ourselves, this proviso is necessary.

Hon. H. S. W. PARKER: There must be a time limit to this, or else in years to come the R.S.L. might have a gentleman aged about 100 years wandering down to the University as the last representative of returned soldiers.

Hon. E. M. HEENAN: The same principle is involved in this amendment as was involved in the last.

Members: No.

Hon. E. M. HEENAN: I think the same principle is involved, though to a minor degree. I suppose every member of the Committee would be reluctant to oppose it, but I think it is a pity Mr. Cornell keeps raising this issue because it is a bit out of step with the Bill with which we are dealing. I was surprised at the last division because I recall how we tried to give all members of the Forces a vote for the Legislative Council

elections and how that principle was not adopted.

Hon. J. Cornell: That was political.

Hon. E. M. HEENAN: It was a most important constitutional step and the Committee that said boys of 18 to 20 who served overseas were not fit to have a vote is now apparently going to say they are fit to serve on the Senate. We all have the highest admiration for those boys and would do anything for them, but for the R.S.L. to be directly and officially connected with the University is something which is not quite correct. The proposal places those who feel inclined to vote against it in a position where their attitude may be misunderstood.

The Chief Secretary: And misrepresented.

Hon. E. M. HEENAN: Yes. None of us takes second place to Mr. Cornell in his desire to do everything to give these young men—

Hon. J. Cornell: It is largely lip service.

Hon. E. M. HEENAN: That is an unfair remark and is not creditable to a man who claims to represent the views of the returned soldiers.

Hon. J. Cornell: I made that remark in a general sense and did not intend it to apply to Mr. Heenan or to individual members of this Chamber.

Hon. E. M. HEENAN: I think Mr. Cornell is placing the Committee in an unhappy position by these amendments.

Hon. L. CRAIG: I am pleased to be able to support Mr. Cornell's amendment. In this amendment we are not giving preference to any particular body. The man chosen does not even have to be a member of the R.S.L. Special provisions are to be made for the education of soldiers at the University, so I hope a soldier will be appointed. Soldiers are going to have all sorts of privileges not accorded to other people, and it is desirable that an ex-soldier shall speak for them as a member of the Senate.

Hon. J. CORNELL: Perhaps I get hot under the collar in respect of matters of this kind, but I have had continuous association with the Returned Soldiers' League of Australia for over a quarter of a century and have represented returned soldiers in high places and in high offices; and I have invariably found that everything the soldier got he had to fight for every inch of the way.

Hon. W. J. Mann: I do not think that is quite right.

Hon. J. CORNELL: I am speaking of jobs that are worthwhile in the State and Commonwealth services. The R.S.L. has had to throw in its weight on many occasions to get soldiers the preference and consideration to which they are entitled. That has been borne out here tonight. Mr. Heenan says I have the temerity to ask that we make sure that at least one soldier who served in the last war or in this war shall be on the Senate. If I have raised the ire of some members, I apologise; but the question of preference to soldiers has been one continuous battle.

The CHIEF SECRETARY: I take strong exception to Mr. Cornell's suggestion that those who oppose his views are giving only lip service to returned men. He had no right whatever to make use of an expression of that kind. I do not give way to Mr. Cornell in this matter, notwithstanding the very strong expressions he likes to make on this subject. There is a big difference between the proposed amendment and that previously defeated. Under the other amendment, the R.S.L. would have had the opportunity to elect a representative to the Senate. This amendment asks the Senate to see that one of the four co-opted members is a returned soldier, and not necessarily a member of the R.S.L., a proposal that will probably meet with approval. I am not raising the same objection to this amendment, though there is little difference in actual principle. There are three or four members of the R.S.L. on the Senate at present, so what is the hon. member complaining about?

Amendment put and passed.

The CHAIRMAN: There are five amendments in the name of Mr. Dimmitt.

Hon. J. A. Dimmitt: They are consequential.

The CHAIRMAN: They will be treated as such. There are others under Mr. Cornell's name which will automatically go out as the result of a previous decision of the Committee.

Clause, as consequentially amended, put and passed.

Clauses 5 to 14, Title—agreed to.

Bill reported with amendments and the report adopted.

House adjourned at 11.48 p.m.