

which have not been brought before the court because no corroborative evidence could be given. If we can bring these cases to court and if, by passing this Bill, we can protect the child, then I am in favour of giving this measure a trial for two years and, if it proves to be a success during that time, of making it permanent legislation. If, on the other hand, during that period there can be brought to the notice of this House any possibility of injustice having been done, then we shall have the opportunity of reviewing the Act. I support the second reading.

On motion by Hon. J. M. Drew, debate adjourned.

House adjourned at 5.55 p.m.

Legislative Assembly.

Thursday, 19th October, 1944.

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

QUESTIONS (6).

RAILWAYS.

(a) *As to Damage to Tarpaulins.*

Mr. WATTS asked the Minister for Railways:

(1) How many tarpaulins were repaired on account of damage caused by superphosphate during the 1943-44 season?

(2) How many tarpaulins had to be completely replaced on account of such damage?

(3) What was the total cost of the repairs and replacements?

The MINISTER replied:

(1) 79.

(2) 121.

(3) £1,833.

(b) *As to Use of Spark Arresters.*

Mr. WILLMOTT asked the Minister for Railways:

(1) Are all Western Australian Government Railway engines fitted with spark arresters?

(2) Are these spark arresters patented?

(3) If so, by whom?

(4) Is it possible for a spark arrester to be disconnected whilst the engine is on a journey?

The MINISTER replied:

(1) Yes.

(2) No.

(3) Answered by No. 2.

(4) Yes, but only if the driver stopped his train for the purpose.

FENCING WIRE.

As to Shortage of Length in Coils.

Mr. WATTS asked the Minister for Agriculture:

(1) Is he aware that merchants are advertising in the Press and elsewhere in regard to black unused barbed wire, 12½ gauge, in 28 lb. coils, stating that there is approximately 150 yards in a coil?

(2) Has he been advised that such coils contain varying lengths down to 98 yards, the average being approximately 110 yards?

(3) If so, has he sought any explanation from Army in regard to this length shortage as the advertisements state that the wire is being released from Army surplus?

(4) If such information has not been made available to him, will he investigate the allegation that the shortage exists with a view to rectification and a reduction of the charge made?

(5) Does he not consider it apparent that if the shortage exists the advertised rate makes the price of the wire compare unfavourably with wire purchased in cwt. lots through normal channels?

(6) Is he aware what commission retailers are obtaining for the sale of this wire, and has this commission been recently increased?

The MINISTER replied:

(1) to (6) I will enquire into the whole matter and take it up with the appropriate Commonwealth Department direct.

GOVERNMENT EMPLOYEES.*As to Outside Work on Saturday Mornings.*

Mr. KELLY asked the Minister for Railways:

(1) Is he aware that Government employees in country districts engaged in outside work, particularly those employed in permanent way gangs, and pipe line length runners, are occasioned distinct hardship through being required to work four hours on Saturday mornings?

(2) Is he aware that this form of work is uneconomic to the department and unsatisfactory to the workers engaged?

(3) Is it his intention to continue this policy of Saturday morning employment?

The MINISTER replied:

(1) No.

(2) No.

(3) Yes, until the manpower position improves sufficiently to enable the work necessary to be carried out without having to work overtime.

HAY AND CHAFF.*As to Supplies and Manpower.*

Mr. TRIAT (without notice) asked the Minister for Agriculture:

(1) What is the position in regard to supplies of hay and chaff?

(2) What is the manpower position regarding labour for handling the hay crop?

The MINISTER replied:

In the last few days we have endeavoured to make all arrangements possible to ensure hay and chaff supplies along the lines of the statement I made in the House last Tuesday. As regards the hay position, during the last hour I received a telegram from the Minister for the Army. Whether it is suitable for publication or not, I do not know, but it is necessary for the House to have the information. Mr. Forde wired as follows:—

Reference your telegram, following message now received from Secretary Department of Army—"Satisfactory arrangements have been made with Deputy-Director General Manpower to provide Army assistance for hay cutting. Instructions regarding withdrawal of soldiers from leave have already been cancelled and fifty additional personnel granted leave bringing total to approximately ninety."

COUNTRY WATER SHORTAGE.*As to Rail Freight for Trucking.*

Mr. MANN (without notice) asked the Minister for Water Supplies:

(1) What is the actual cost per hundred gallons of carrying water by rail from Beverley to Brookton?

(2) What amount would be charged to consumers at Brookton for such water?

The MINISTER replied:

(1) Rail freight only would be 1s. 6d. per 100 gallons.

(2) If trucking is found necessary, it is proposed to charge the residents the actual cost to the department, including handling and distribution expenses. Costs would be reduced if distribution were to be undertaken by the local authority.

BILL—BUSSELTON CEMETERY.

Introduced by the Minister for Lands and read a first time.

BILL—LAND ALIENATION RESTRICTION.

Report of Committee adopted.

BILL—HEALTH ACT AMENDMENT.*In Committee.*

Resumed from the 12th October. Mr. Fox in the Chair; the Minister for Health in charge of the Bill.

The CHAIRMAN: Progress was reported after Clause 2 had been agreed to.

Clause 3—Amendment of Section 3:

Mr. NEEDHAM: I move an amendment—

That the following paragraph be inserted:—

(a) By deleting from the definition of "boardinghouse" the word "six" in line 6, and inserting in lieu thereof the word "four."

The number of boarders and lodgers that may be kept or provided for without being licensed or registered is six, and my object is to reduce the number to four. When more than four persons are provided for, it becomes a business. Many keepers or occupiers of houses with families let rooms which should be exclusively used for the accommodation of their own families, and in turn enclose verandahs or use sheds for their own use as well as to provide accommodation for lodgers. Perhaps there has been some need for so doing owing to the

shortage of housing. In most premises where lodgers or boarders are kept—the premises not being required to be licensed because there is not accommodation for over six persons—the sanitation of the premises become neglected, overcrowding takes place, and bed bugs and other vermin get out of control; whereas premises licensed are inspected regularly to ensure that a reasonable standard of sanitation and cleanliness, in accordance with the by-laws, is maintained. Where persons are harboured or lodged with other people, it frequently happens that there are insufficient sanitary conveniences and cooking facilities. People are found to be cooking and storing food and taking meals in their bedrooms because the occupier or keeper of the premises does not always allow the tenants to use the kitchen. These conditions are principally due to the premises not being licensed and inspected.

Mr. WATTS: I oppose the amendment. The existing provision has been in force for some considerable time and I do not think it should be altered now, particularly as the Minister has not seen fit to amend the Act in that respect. We must not lose sight of the fact that immediately the number is reduced, many lodging and boarding-houses will come under the provisions of the Act. The number should be reasonably low. The object of these restrictions is to ensure that people who set up in business as lodging-housekeepers or boarding-housekeepers should conduct their business in a reasonable, decent and responsible manner. We should be overstepping the mark if we reduced the number as low as four. Speaking for myself personally I think this provision in the Health Act should be left as it is.

The MINISTER FOR HEALTH: I have no objection to the amendment. My mind is quite open on the matter but I point out that as the Leader of the Opposition has said the existing provision has been in force for very many years. I leave the matter to the Committee.

Mr. NEEDHAM: I do not think we should wait until the war is over before legislating in the way I have indicated.

Mr. Watts: I did not mention the war.

Mr. NEEDHAM: It might be thought that, should the amendment be carried, the present shortage of houses will be accentuated, but that is not the position. The object is to ensure that these places shall

be licensed and so be subject to regular inspection by the health authorities.

Mr. WATTS: Since the member for Perth has referred to the living accommodation that exists during the war-time, I would point out that probably many persons would be brought under this law if the amendment were carried. At present, members of the family are excluded from the number that are to be counted under the particular section of the Act with which we are dealing. By Section 18, the members of the family are restricted to certain people. Owing to the difficulty in securing housing accommodation, members of the family not included in that section are now living with relatives who, if the amendment be passed, would be deemed to be keeping a lodging or boarding-house. As I said, I do not think it right at the present time to alter the law in that regard.

Amendment put and negatived.

Mr. WATTS: I move an amendment—

That in line 2 of paragraph (b) the word "not" be struck out.

After discussion with the Minister it is apparent to me that this is an error in drafting or printing. He intended to have the same provision for lodging-houses as applies to boarding-houses. With that I entirely agree. But as the clause is worded it would make the provisions apply to lodging-houses that had any number of boarders from one upwards. I understand that the Minister is prepared to strike out this word.

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

Clauses 4 to 6—agreed to.

Clause 7—New division added to Part V.

Proposed new Section 158A:

Mr. WATTS: I move an amendment—

That in line 1 of the definitions of "meals" after the word "includes" the word "and" be struck out and the word "any" inserted in lieu.

Obviously "any substance" is meant.

Amendment put and passed; proposed new section, as amended, agreed to.

Proposed new Sections 158B to 158E—agreed to.

Proposed new Section 158F:

Mr. McLARTY: I move an amendment—

That paragraph (c) of Subsection (2) be struck out.

This proposed new section gives certain powers to the local authorities. Registration may be refused if it is considered that pre-

mises intended to be used for eating-houses are unsuitable. If the premises are not constructed according to the by-laws registration can be refused. It can also be refused if any part of the premises is considered to be unsuitable, and for other reasons too. The section also proposes to give the local authority power to refuse to permit a restaurant or eating-house to be carried on if the local authority is of opinion that there are sufficient restaurants or eating-houses already in the area. When introducing the Bill the Minister said that his chief object was to improve the conditions in regard to eating-houses and restaurants. This proposed section, if passed, would do away with competition, and I have always thought that competition made for better business. I have a number of objections to the proposed new section. I dislike the idea of putting the responsibility on to local governing bodies to say whether this class of business shall be permitted or otherwise. We know that in many cases members of local governing bodies are interested in certain businesses. Even if they are not the proprietors they may be the owners of the freehold, and, as a result, could not take an unbiassed view.

In addition, this proposed section leaves a loophole for certain undesirable practices. I remind members that the Minister said it is not proposed, at present, to apply the provisions of the Bill to the whole State, but its provisions could be applied at any time. It is likely, when the war ceases, that we shall have many people looking for businesses, and particularly at seaside resorts will this class of business be a lucrative one. I think there is room for considerable improvement in regard to eating-houses at seaside resorts, and, of course, at other places. But if we give the local authority the power to say, "You cannot start such a business; we are going to make it a close preserve for those already here," we shall not improve the position. This provision is most undesirable and will not bring about the state of affairs that the Minister desires.

Mr. THORN: I hope the Minister will accept this amendment. The point raised by the member for Murray-Wellington is a very good one. On most governing bodies there are some members who have interests in the town, and if this matter is left in their hands they will not allow any new business to start if it is likely to affect them in any way. It should be sufficient if the Minister is satisfied that whoever desires

to open up a new eating-house in any town complies with the law as laid down in the Act. I draw attention to the case mentioned by the member for Murray-Wellington of people wishing to open up eating-houses at seaside resorts. We can imagine a seaside resort where Mr. Brown owns the hotel and practically all the buildings, and has control of the whole show. In addition he may be a member of the local governing body.

The Minister for Justice: He may be the chairman.

Mr. THORN: Yes, he may be the chairman of the road board. He will see that no person starts an eating-house or any other business in that town that will affect his interests. It is dangerous to leave this matter to the local governing body.

Hon. W. D. JOHNSON: I hope the Minister will abide by the provision in the Bill. The member for Murray-Wellington said it would introduce an undesirable practice, but evidently he realises that that undesirable practice already exists. What is proposed represents social reform. Premises are licensed because, in the past, the condition of eating-houses constituted a scandal. It was because of public pressure and social influence that an endeavour was made to put an end to those conditions.

Mr. Thorn: We have not said we do not want those conditions stopped.

Mr. Watts: I do not think the member for Guildford-Midland knows what the amendment is.

Hon. W. D. JOHNSON: The premises were licensed as a guarantee of proper standards of cleanliness and service. Now we find that even though premises are licensed, the conditions are unsatisfactory in the city.

Mr. Marshall: The premises are not licensed.

Hon. W. D. JOHNSON: They are.

Mr. Marshall: You do not know anything about the subject; you had better sit down!

Hon. W. D. JOHNSON: For some considerable time past I have read about the disgraceful conditions that obtain regarding some city eating-houses. If they are not licensed, they are certainly under the supervision of the local governing authorities. Evidently the conditions from the standpoint of health are not adequate.

Mrs. Cardell-Oliver: They are in Subiaco.

Point of Order.

Mr. Watts: On a point of order! Is the member for Guildford-Midland entitled to discuss on the amendment before the Chair the question of licensing premises generally? The amendment proposes to strike out the paragraph which seeks to give the right to local authorities to refuse licenses on the ground that there are already sufficient eating-houses in a district. The paragraph does not apply to the right of local authorities to license or refuse a license on the ground that the premises are unsatisfactory.

The Chairman: I must uphold the point of order.

Debate Resumed.

Hon. W. D. JOHNSON: The paragraph deals with the registration of premises and the fear has been expressed that a sufficient number of licenses for eating-houses will not be issued. In order to understand the matter, we must exercise commonsense and consider why there has been registration at all. However, as it seems to offend the Leader of the Opposition, I shall not pursue that line of argument.

Mr. Watts: I think that is a reflection upon the Chair.

Mr. Thorn: Yes, the hon. member is very defiant.

The CHAIRMAN: I have already upheld the objection by the Leader of the Opposition that the discussion must not proceed along these lines.

Hon. W. D. JOHNSON: It is essential that premises where the essentials of life are disposed of should be licensed and, under the Licensing Act, provision for limitation has been made for a special purpose.

Mr. McLarty: And a special board was set up to deal with that phase.

Hon. W. D. JOHNSON: The special purpose is to prevent a multiplicity of licenses from being issued. Experience has demonstrated that numerous licenses mean intensive competition, accompanied by the destruction or lowering of standards. Unions have found that where there is intense competition the enforcement of decent industrial standards is impossible.

Mr. Thorn: That is nonsense.

Hon. W. D. JOHNSON: Because of that, the unions approached Parliament seeking the right to register so as to halt the lowering of industrial standards. Reference was made to the position that might arise at

seaside resorts. Does the member for Murray-Wellington know of any place where more sweating conditions apply than in eating-houses at seaside resorts? There is no regulation or restriction of hours. In order to maintain decent standards without the possibility of cut-throat competition, the Minister rightly says that there should be a limit to that competition, and that that matter can be dealt with by responsible local governing authorities, with authority to restrict. Why should the member for Toodyay reflect upon local governing authorities by suggesting they would do what was wrong? That would not be in accordance with public life but rather would represent public exploitation.

Mr. Thorn: You should be a good judge of that!

Hon. W. D. JOHNSON: Yes, because I have suffered from it. I have not gone about with my eyes shut. I see what is going on with the prevailing cursed unrestricted competition. Reference has been made to foreigners engaged in competition. Foreigners only enter into it where decent businesses have been established. In a centre a man may have established his business and observed decent industrial standards, cleanliness of conditions and so on. Immediately he makes a success of his undertaking, should there be an empty shop close by, he soon sees a foreigner entering into competition with him. Those foreigners have no respect for the restriction of hours, for cleanliness or anything else. I do not desire to reflect generally upon foreigners in business, but what I indicate happens in connection with restaurants.

Mr. Thorn: You have a lot of shareholders in your co-operative society who are foreigners.

Hon. W. D. JOHNSON: There are foreigners in the hon. member's electorate who are rendering valuable service to this country.

Mr. Thorn: Then do not run them down.

The CHAIRMAN: Order! The member for Toodyay must keep order.

Hon. W. D. JOHNSON: There are foreigners—and foreigners. If all foreigners were like those who are members of the Bassendean Co-op., we would not want legislation of this type.

Hon. N. Keenan. But the Bill does not deal with that phase.

The CHAIRMAN: No. The hon. member is getting away from the subject.

Hon. W. D. JOHNSON: If a local authority should not act properly, public opinion would soon step in. The Minister places the responsibility on local governing authorities to maintain decent standards, to regulate competition and thus to prevent the murderous cut-throat competition that reduces standards. The unions fought hard for years to raise standards. The only way to achieve that is to protect the worker and others from unfair or unreasonable competition.

The MINISTER FOR HEALTH: I am sorry that the member for Murray-Wellington has not more confidence in local government bodies than he has expressed today. I am not afraid regarding what those bodies will do. In his second reading speech the hon. member referred to the liberty of the subject. Ninety-five per cent. of our time in this Chamber is spent in interfering with the liberty of the subject. If there is such competition that eating-houses cannot make a profit and therefore cannot employ sufficient assistance to keep the places clean, control becomes necessary. The law merely provides that local bodies may be asked whether they consider there are sufficient eating-houses in their localities, and that if they reply in the affirmative, then applications for licenses will be refused. At present the Bill deals only with the metropolitan area, though it can by proclamation be extended to other places. That, however, is not likely to happen for a long time, unless to such a place as Kalgoorlie in the event of a rush of population.

Mr. MARSHALL: I respectfully state that about two-thirds of the discussion on this paragraph has been highly irrelevant.

The CHAIRMAN: That is a reflection on the Chair.

Mr. MARSHALL: The Chair is not always obliged to take cognisance of irrelevancy.

The CHAIRMAN: It is the duty of the Chairman to take cognisance.

Mr. MARSHALL: The whole matter has been discussed with regard to cleanliness and standards of labour, which have nothing to do with the question.

Hon. W. D. Johnson: Absolute nonsense!

Mr. MARSHALL: The paragraph proposes to permit a local authority to give a monopoly with regard to a certain type of business.

Hon. W. D. Johnson: Nothing of the kind!

Mr. MARSHALL: What other result can be expected? There is a saying that to err is human. I object to the principle which the paragraph embodies, not to the persons who will exercise the authority. If there were an appeal to the local court, I would not be so strongly against the proposal. What chance has the public to learn of the refusal of applications for licenses? Do we subscribe to the principle here involved after our experience of the Licensing Court? The only means of securing to the public decent service in a decent place is through the medium of competition. If the Minister will agree to a right of appeal, I shall not oppose the paragraph strongly. To say that in a vast city like Perth the public would obtain information of the refusal of a license is absurd. Every provision essential to safeguarding the health and the interests of the community should be made here. The member for Guildford-Midland can go around the city and find four out of every five eating-houses conducted by foreigners, who could obtain a complete monopoly of the trade if the Perth City Council decided to grant no more licenses.

Mr. W. HEGNEY: I shall support the amendment, as my views are substantially in accord with those just expressed by the member for Murchison. Any man anxious to set up an eating-house in a district should have sufficient knowledge of his business to make inquiries before opening there. In that respect the position is quite different from what has been suggested by the member for Guildford-Midland. It was argued that trade union standards would be lowered if there were a strong element of competition. In point of fact, numerous charges are laid by interested unions where there is competition. But what it does, in my view, is to create a monopoly. If an applicant who wants to set up business in a given locality has the necessary qualifications provided for in the Bill and, if the necessary accommodation is available to him, he should be given the right to set up in that business. If the subsection is carried there is not the slightest doubt that the value of

these businesses will be enhanced in large measure. Much has been said about monopolies under the Licensing Act. In some districts it has worked to the detriment of the people, and it is often difficult for them to get around the monopolies. I would sooner see the provision deleted, and when the Act has been in operation for a reasonable period, if it is then found that there is some justification for a provision of this character, with reasonable modification, I would be in favour of it. At present, however, I am not prepared to support the provision because I do not consider it is warranted.

Mr. McLARTY: The Minister said he did not expect this would apply immediately to the whole of the State, but we do not know when it will be applied to any part of the State. The member for Guildford-Midland referred to the licensing of hotels. That is entirely different from the proposals in this Bill. A special board deals with hotel licensing. With the Minister, I respect local authorities, but the members of some local authorities are widely separated, and come from distant places. This provision might apply to a certain town about which most members of the local authority would know very little, and they would be guided by the advice of one particular member. No evidence is taken and the advice given might not really be of much value if it were put to the test.

Amendment put and passed; proposed new section, as amended, agreed to.

Proposed new Section 158G—agreed to.

Proposed new Section 158H:

Mr. McLARTY: I move—

That the following new subsection be added:

(5) Any person aggrieved by any direction of the Commissioner under this section may, within such time as is prescribed, appeal to a Magistrate sitting as a Court of Petty Sessions within the district of the local authority.

Every such appellant shall state in writing to the Magistrate the grounds of his complaint, and shall deliver a copy thereof to the Commissioner and delivery of such copy to the Commissioner shall operate as a stay of proceedings on the direction of the Commissioner.

The Magistrate may make such order in the matter as he may think just, and the order so made shall be binding and conclusive on all parties.

Under this section the Commissioner may require the local authority to refuse or can-

cel any license, and there is no appeal from his decision, even though the local authority may consider a license should be granted or that an existing license should not be cancelled. Surely it is only just that the Commissioner should give some reasons for his action, reasons which might prove to be not justified! The amendment provides for a right of appeal.

THE MINISTER FOR HEALTH: This is an extraordinary amendment. The Health Act has 356 sections that have been passed by this House at one time or another. It is now desired to insert new sections dealing with eating-houses, and the hon. member wants a right of appeal in connection with eating-houses when there is no such right of appeal in connection with any other section of the Health Act. I do not see why eating-houses should have any special rights as against boarding-houses, lodging-houses, or V.D. cases or anything else. Subject to the Minister, the Commissioner has tremendous powers under the Act at present; yet now that we are proposing to insert sections that should have been inserted years ago the member for Murray-Wellington looks up the Licensing Act, finds there something about an appeal to a magistrate, takes it out *holus-holus*, and says the same should apply to eating-houses. To be consistent, he should have taken the same stand when much more important matters were being discussed than eating-houses. The Commissioner is subject to the Minister, and the Minister is subject to Parliament, and that is more effective than providing for an appeal to a magistrate.

Hon. N. KEENAN: In this measure, local authorities are given considerable powers. The part that the member for Murray-Wellington wants to amend wipes out the other provisions, because it places the Commissioner in the position of being able to send notice of writing to a local authority to refuse to grant registration of an eating-house or to cancel an existing registration.

The Minister for Health: This sort of thing has been done under the Health Act.

Hon. N. KEENAN: It has been done for too long.

The Minister for Health: Then let us amend the whole Act.

Hon. N. KEENAN: Do not let us perpetuate an absurdity. Is it not absurd to give wide powers to local authorities and

then at the end of it all state that the Commissioner—which may mean any clerk in the Commissioner's office—may send out a notice?

The Minister for Health: You know that is not right. Be fair! The Commissioner has to do it, not any clerk.

Hon. N. KEENAN: The Minister knows that the Commissioner will frequently sign documents that are prepared by clerks.

The Minister for Health: That may have been so in your time, but it is not so in mine.

Hon. N. KEENAN: No doubt the Minister is one in 5,000. That does not alter the case that we spend a lot of time in giving powers to local authorities, and are then asked by the Minister to pass a paragraph under which the Commissioner may by notice in writing direct the local authority to refuse to grant registration of an eating-house for which an application is made, or if the registration has already been given, direct it to cancel the registration during its currency. Of what use are the preceding paragraphs? Why purport to give a local authority a considerable amount of jurisdiction and then permit someone else to wipe it all out? I hope the reasonable request of the member for Murray-Wellington will be agreed to.

Mr. WATTS: The principle of giving the right of appeal to a magistrate has been widely and wisely accepted by this Chamber during recent years. It is nothing strange to refer to matters of this kind, which affect the rights of local authorities and of persons lawfully carrying on their occupations, to another authority like a magistrate for a final decision. I am astounded to find the Minister not only opposing the proposal but doing so vehemently, and alleging that it is something new and strange.

The Minister for Health: It is new in this Chamber.

Mr. WATTS: It is to be found in Section 35 of the Health Act, for instance, in a matter of far less importance than this is. That section states, in effect, that any person aggrieved at any order or decision of a local authority may within two days appeal against such order or decision to a magistrate sitting in a court of petty sessions, etc. In that instance the local authority has merely sought to recover expenses it has incurred in carrying out its duties under the Health Act. The proposal

is, therefore, neither new nor strange. I do not say that local authorities as a general rule are not honest and careful in all their transactions, and I am not prepared to say that a stipendiary magistrate would give a decision contrary to the expressed opinion of the Commissioner of Public Health unless there was some exceedingly sound reason for so doing. The Commissioner himself would be heard before the magistrate as well as would the other side.

Mr. MARSHALL: I admit that the Minister's argument has some weight in it. Is not the present proposal a reflection upon local authorities or an indication that they have failed to do their job? They have health inspectors to supervise ventilation and sanitation and the services rendered by these establishments to the public. On top of that the Commissioner is to come in and direct them to refuse the granting of a license. In parts the Bill itself is inconsistent. It may be inconsistent to agree to the proposed amendment and leave the other provisions of the Act without a similar amendment. If the Commissioner does an injustice to a citizen the latter should have the right of appeal to the Minister.

The Minister for Health: The Act says, "subject to the Minister."

Mr. MARSHALL: The Commissioner is to direct the local authorities to refuse to grant registration.

Mr. Watts: Or to cancel registration.

Mr. MARSHALL: How does the individual concerned know that he can go to the Minister? In most instances, no matter how just the Minister may be in hearing an appeal there is a big section of the community which would suspect his decision. If there is some provision in the Act whereby the aggrieved party may appeal to the Minister, or the action of the Commissioner is subject to the approval of the Minister, there is some safeguard that I would be prepared to support.

The MINISTER FOR HEALTH: Section 38 of the Act provides that all the powers, rights, and authorities vested in the Commissioner or any local authority shall, whenever he deems fit, be exercisable by the Minister, and when so exercised shall, if so ordered by the Minister, supersede any act, direction, notice, or order of the Commissioner or local authority. Consequently, there is no doubt that everything

is subject to the authority of the Minister.
 Amendment put and negatived.
 Proposed new section put and passed.
 Proposed new Section 158 I:

Mr. McLARTY: I move an amendment—

That the following provisos be added to proposed new Subsection (2):—

Provided always that the local authority may in its discretion on application in writing by the licensee and a proposed transferee on the prescribed form and on payment of the prescribed fee transfer at any time during its currency the license of any licensee to such transferee by endorsement upon the license. Thereupon, subject to this Act, every transferee shall, until the end of the yearly period for which the license was granted, possess all the rights of the original licensee, and shall be liable to the same duties, obligations and penalties as if such license had been originally granted to him.

Provided further, that if a licensee shall—

- (a) die;
 - (b) become bankrupt or assign his estate for the benefit of his creditors;
 - (c) be declared or become an insane person or insane patient under the Lunacy Act, 1903, or be declared an incapable person under that Act—
- then the license shall terminate so far as regards the licensee and shall enure for the benefit of and shall vest in—
- (a) the widow, husband, next-of-kin or executor entitled to apply for Letters of Administration of the deceased's estate or probate of his Will;
 - (b) the licensee's Trustee in Bankruptcy or his assignee;
 - (c) his Committee or the Master or the person appointed by the Supreme Court to undertake the control and management of his property, respectively, as the case may require.

Every successor may exercise the license for the unexpired balance of the then current yearly period thereof.

Amendment put and passed; proposed new section, as amended, agreed to.

Proposed new Sections 158J to 158M—agreed to.

Clause, as amended, put and passed.

Clauses 8 to 15. Title—agreed to.

Bill reported with amendments.

BILL—METROPOLITAN MILK ACT AMENDMENT.

Second Reading.

THE MINISTER FOR AGRICULTURE

[6.5] in moving the second reading said: This Bill is intended to amend the Act particularly in respect of two items, and also to provide for the continuance of the Act.

Members are aware that the original legislation was introduced and passed in 1932. It was introduced at a time when there were very serious difficulties associated with the supply of milk to the metropolitan area. Primarily it was framed to permit of a larger supply of milk of better quality to the metropolitan area and to endeavour to overcome some of the undesirable happenings, especially in respect to production, within the metropolitan area. It was designed to have the dairies, which were being conducted on very small areas and in undesirable surroundings, ultimately eliminated from within the metropolitan area, and to bring those that still existed under more favourable circumstances into a condition that would ensure to consumers a more healthful supply and a larger quantity of milk.

At the inception, the board had a very difficult task to perform. It had to pass through many vicissitudes, and today, because of war circumstances, there are several desirable reforms which should be introduced but which, owing to the war, cannot be put into effect at this stage. I am very concerned with some difficulties associated with milk production, even under the control of this board; and I have in mind for submission to Parliament during next year an entirely new milk Bill. I consider that the existing Act, and very many of the relations between producers, retailers and consumers, require thorough investigation; and I propose to provide within the new measure circumstances which would work for better control, the delivery of a better product, and better satisfaction to all those who need milk. The present Act has given, through the board, quite a good service to the people of the State; but there is a multitude of regulations, and there are so many amendments that members would have difficulty, unless they had their Act tabulated, in following them.

I am sure that a board, even constituted as this is with sectional representation, should be the set-up even under a new measure, and that such a board should have much more to do with problems of distribution and marketing than with questions of production and matters relative to health. The board has neither the facilities nor the experience possessed by officials to deal with many aspects associated with control; and

although it will mean a lot of work on the part of the Minister attempting to introduce the contemplated Bill, I think the time will be opportune, as soon as war circumstances remove some extraordinary features obtaining today. There is room for much work in regard to the laboratory and other methods necessary to ensure a healthful article. Much of that work is now done for the board, and not by the board; and I consider that there should be a clearer line of demarcation between the aspects of health and the problems directly associated with distribution and marketing.

One thing, too, that the existing legislation has set up is the development of monopolies under the present system of licensing. It is an unfortunate thing that in spite of producers still endeavouring to get an increased price, any person who has a milk license has a premium worth at least £10 per gallon. So that if a man has a 40-gallon license for production, he has a saleable equity, which he sells with his property, equivalent to £400. And that is its minimum value. In spite of that, milk producers still press for an increase in the price. I have approved, during the period when temporary licenses have been necessary, of the principle being that all these licenses must be returnable to the board when the necessity for added quantities, because of war circumstances, ceased to exist. All of those things require considerable attention; and because of the unusual circumstances prevailing in the endeavours of the board to meet the demand for increased supplies that have been made necessary because of military camps and the like, I consider that when normality is approaching us we should have an entirely new set-up.

The Bill provides for the power of direction of supplies to be given to the board, so that it will be possible for the board to say just where milk should be consigned to or delivered, and that it will not rest with the owners of depots or with the dairymen themselves under certain circumstances to decide the destination. The powers in the Bill would enable the board, for example, to say whether school children or hospitals or particular institutions should be supplied with milk, in spite of better contracts held by some people interested in milk. We have had some peculiar experiences in that

regard, and in spite of what the board's desire has been, the board has been unable to determine the destination of milk. One other necessary provision of the Bill is to have the annual report of the board published and tabled in Parliament. I am sure that that will give an opportunity to obtain greater knowledge of the board's activities than can be obtained from extracts made either departmentally or by the Minister, and published according to his ideas. The only other provision in the Bill is one extending the life of the parent Act for a further period of five years.

Mr. McLarty: Why five years? Why not a permanency now?

THE MINISTER FOR AGRICULTURE: The desire is to introduce a new Bill entirely, but it is necessary at this stage to get over the next parliamentary session in case it is not possible to give effect to that desire during next year.

On motion by Mr. McLarty, debate adjourned.

ASSENT TO BILLS.

Message from the Lieut.-Governor received and read notifying assent to the following Bills:—

- 1, Dried Fruits Act Amendment.
- 2, Life Assurance Companies Act Amendment.
- 3, Northam Cemeteries.
- 4, Local Authorities (Reserve Funds) Act Amendment.

Sitting suspended from 6.15 to 7.30 p.m.

BILL—UNIVERSITY OF WESTERN AUSTRALIA ACT AMENDMENT.

Message.

Message from the Lieut.-Governor received and read recommending appropriation for the purposes of this Bill.

Second Reading.

THE PREMIER [7.30] in moving the second reading said: The purpose of this Bill is to amend the University of Western Australia Act in order to implement some of the recommendations of the Royal Commissioner, Mr. Justice Wolff, who was appointed to inquire into the administration of the University and who made his report in 1942. So that members may have a full knowledge of the problems which confront

the Government and the University, I propose to outline the history of the University and its subsequent growth. The beginning of the University can be dated back to 1904, when the University Endowment Trust was created by Act of Parliament, under which some 4,000 acres of suburban and other lands were granted to the Trust as an endowment for University purposes. The idea of the endowment was that the Trust would accumulate funds from the use of its endowment lands that would be available for financing the University when it was established. From time to time other lands have been endowed and handed over to the control of the Trust.

When the Royal Commissioner investigated the affairs of the University some two or three years ago he found that the value of the endowment lands was about £117,000. It was not until 1909 that any definite step was taken towards the establishment of the University. In that year a Royal Commission was appointed to inquire into and report upon the possibility of the establishment of a University in Western Australia and at what cost. The Chairman of that Commission was the late Sir Winthrop Hackett, who afterwards so generously endowed the University. The Commission recommended that the University be established and that no fees be charged. It was estimated that the annual cost of the University would be £13,650, and it was anticipated that the whole of this money would not have to be found by the Government but that some portion of it would come from other sources. The Government of the day was asked to find £12,000 of which £2,000 was to be available for scholarships.

The University was established by Act of Parliament in 1911. In his second reading speech the then Premier stated that the Government's intention was that the University education should be free. At that time no site had been acquired for the purpose of housing the University; but ultimately the University site, as it is now known, at Crawley was acquired by the Government at a cost of about £27,000. This site was set apart for University purposes. The University commenced operations in temporary buildings in Irwin-street, with three faculties—arts, science and engineering. Following upon the vesting of the site at Crawley in the University, the Government arranged for the erection of buildings for the biology and geology depart-

ments at a cost of approximately £19,000. Subsequently the Hackett buildings were erected out of the funds provided under the will of the late Sir Winthrop Hackett, and thus a commencement was made with the establishment of a permanent University on the site at Crawley. The Government found part of the cost of the Hackett buildings, to the extent of £25,000, and it also obligated itself to repay to the Trust the moneys advanced by the University—the sum of £74,000, being the cost of the science building erected in 1936 and the agricultural building completed in 1938.

In all, the Government has had to find £135,000 towards University buildings both at Irwin-street and Crawley. To this must be added the purchase price of the Crawley site, £27,000, making a total of £162,000. That was the amount provided by the Government for land and buildings; in addition, the Government endowed the University with lands which, as I have mentioned, were valued by the Royal Commissioner in 1942 at £117,000. During the life of the University the Senate has drawn more and more heavily upon the Government for financial assistance. This was due, of course, to the natural increase in the activities of the University, but due in no small measure to the extension of these activities into spheres not anticipated when the University was established. When the Royal Commission of 1909 made its report, it expressed the hope that financial support would be forthcoming from those who were interested in the advancement of learning, and the constitution of Convocation, as recommended by the Royal Commission, was deliberately designed to encourage those interested in University teaching to become associated with the University.

I might say that Convocation, which previously had the right to elect 12 members to the Senate, decided that donors of £100 to the University could become members of Convocation. A graduate of the University automatically became a member of Convocation. Unfortunately, the hopes which were expressed by the Royal Commission and the Government at the time of the passing of the Act were not realised. Apart from the generous gifts by the late Sir Winthrop Hackett and a gentleman named Gleddon and a few other bequests which have been made for specific purposes, none of which has assisted in the ordinary administration

costs of the University, no substantial financial help has been given; and consequently the whole burden of the cost of running the University has been met almost exclusively by the Government. The bequests made have been to an extent an embarrassment to the financial running of the University, because much money is spent on scholarships entitling more and more students to go to the University, thereby thrusting upon the University and directly thrusting upon the Government the obligation to provide still more money to run the University owing to the increase in the number of scholars who are encouraged to go to the University by means of these endowment funds. In 1940 the then Leader of the Opposition, Hon. C. G. Latham, introduced a Bill to amend the University Act. In doing so he said he believed the time had arrived when the Act should be amended so that the Government could appoint the majority of the members of the Senate in order to secure the good management that ought to exist in such an institution.

Mr. Doney: That was in 1932.

The PREMIER: No; in 1940, not so long ago.

Hon. N. Keenan: Who introduced the Bill?

The PREMIER: Mr. Latham, the then Leader of the Opposition. He considered that, as the Government was meeting practically all the administration costs of running the University, it should have a far greater proportion of representation on the Senate which was the governing body. He went on to say that he had not made any provision in the Bill for powers of co-option to the Senate because he considered the Government should have full power to nominate the right class of men. When speaking on the Bill, I expressed agreement with the contention that the Government, finding as it did practically all the money used by the University for the purpose of carrying on its administration, should have more than a one-third representation on the Senate. As the University had been in existence then for almost 30 years and there had been no inquiry in regard to its administration other than brief references made in Parliament, I considered that the time had arrived when an inquiry should be made into the conduct of the University in order to see whether we were getting value for the

money the State was putting into it, whether the constitution met the needs of the situation and whether, in accordance with the financial responsibility, proper representation was given to the Government which was finding all the money. I considered that such an inquiry should be made into the administration of the University with a view to recommendations being submitted.

I agreed that Parliament had not sufficient information to discuss the constitution of the University and all that it stood for and I undertook to appoint a Royal Commission so that members of Parliament and the public generally could have some knowledge of the affairs of the University. Consequently Mr. Justice Wolff was appointed a Royal Commissioner. He continued his inquiries in 1942 and made his report late in that year. He submitted recommendations that required amendments to the Act and also many suggestions in regard to the internal workings of the University. I do not propose at this stage to say anything about the internal workings. All I want to deal with on this occasion is the extent to which the statutory provisions of the University Act should be altered to give effect to the Commissioner's recommendations and to what we think is right and proper in the circumstances. Regarding the recommendations concerning legislation which Mr. Justice Wolff made, briefly stated they affected the constitution of the Senate, the powers of Convocation, the financial assistance to be given to the University by the Government, the power of the Senate to invest its trust moneys in the erection of revenue-producing properties on its own endowment lands, and the audit of the accounts of the University by the Auditor General.

Turning now to the constitution of the Senate, which is the most important aspect of the Bill, I would refer members to Chapter 2 of the Commissioner's report wherein he outlines his views on the powers of the Senate. After dealing with the constitution of university senates in other countries, he points out that the University in Western Australia is in an entirely different category from other universities because it is so largely dependent on the Government for its funds. In his report he goes on to criticise the power given to Convocation in regard to the election of the Senate. The existing University Act provides for a Senate

of 18 of whom six are to be appointed by the Governor and 12 elected by Convocation. The Commissioner stated—

It is difficult to understand why the West Australian Act of 1911 gave such undue weight to the graduate body of its University as to give it power to elect 12 out of the 18 members of the governing body.

He goes on to say that as a result, the University, which is supported so considerably by Government funds, is largely handed over to the control of the electees of the graduate body. He continues—

If that body exercised its choice wisely in the selection of members then no harm should be done, but at the same time there is no justification for the undue weight in its favour. Nor did the representative of Convocation when giving evidence before me, seek to justify such a large representation.

After dealing in some detail with the evidence given to him in regard to the constitution of the Senate, the Commissioner came to the conclusion that the ideal Senate would not be too large in numbers, composed of men chosen for their ability, character and high standing. He said that the Senate should reflect both the executive government which provides the bulk of the funds to carry on the University and the graduate body. He therefore recommended that it should be composed as follows:—

Six members appointed by the Governor-in-Council, three members to be elected by Convocation; the Director of Education (ex officio); the Chairman of the Professorial board (ex officio, without power to vote); the Vice-Chancellor (ex officio, without power to vote); and one member elected by the University college or colleges for the time being; and three members to be co-opted by the foregoing.

He further recommended that the Chancellor should be chosen by the Senate by ballot, either from amongst their number or from outside as the Senate may decide. The Government gave very careful consideration to the recommendations and, after learning the views of the Senate, expressed in writing and verbally through a deputation which waited upon me on several occasions, it was agreed that the constitution should be as follows:—

Six members to be appointed by the Governor; six to be elected by Convocation;—

Thus reducing Convocation's representation by half—

—two members of the teaching staff to be elected by the staff; the Director of Education (ex officio); the Vice-Chancellor (ex-officio); the Under Treasurer (ex officio) or his

nominee; and four members to be co-opted by the Senate.

The only difference between the Senate thus constituted and the one recommended by the Senate is that the Senate requested that the two additional members to be appointed should be members of Parliament, one to be elected by each House of Parliament. The Government considered that this would not be a wise choice but that if there were members of Parliament who were interested in the work of the University and were otherwise suitable they could be co-opted by the Senate under its powers of co-option, for which provision is made. I notice from what has appeared in the Press that some concern has been displayed regarding the appointment of the Under Treasurer or his nominee. I consider that the advisability of the Treasurer having a direct representative on any board or undertaking which is financed almost solely by the Government has been so well established that there should be no necessity for me to give any explanation at all in regard to this provision. The Under Treasurer has already been attending meetings of the Finance Committee, by invitation of the Senate, for the last two years, and I feel sure that the close collaboration which he has given and which has been established between the Government and the Senate through the Under Treasurer has been of great advantage to both parties.

The fact that the Under Treasurer is entitled to appoint a nominee has also given rise to some criticism, but this is a general provision in statutes wherein provision is made for a Government officer to act on a board of management. Obviously there are times when the officer concerned is unable to attend meetings and, if there is any matter of vital importance that the Government is concerned in, it is only right that a nominee of the Government or an alternative delegate, should be in attendance at these meetings so as to report to the Government what the Senate proposes to do. A request was submitted by Convocation which, amongst other things, suggested that a representative of the undergraduates should be a member of the Senate. I notice that members have had a circular sent to them by the Guild of Undergraduates asking them to agree to this provision. But no such provision is made in the Bill because the Royal Commissioner

definitely recommended against such a step. He said—

It would be going quite beyond the necessities of the case to provide a seat on the Senate for a representative of the guild.

No special provision has been made for a representative of the University College to go on the Senate, although the Royal Commissioner recommended that such an appointment be made, and the Senate recommended that the suggestion be adopted. The Government feels that as there is only one college at present, it would be unwise to make special representation for it. If the Senate feels that it is necessary to have special representation for this one college, then again I say it has power to co-opt a member who can be appointed on the Senate to represent that college if it so desires. Some criticism of the Senate, as now proposed, has been expressed, because it is feared that it gives the Government an overwhelming preponderance of voting power and that if the Bill is passed, the University will lose its freedom and merely become a Government department. It is quite evident that such fears are without foundation because on an elected and appointed Senate of 19 the University and Convocation will be represented by nine members as against six appointed by the Government and two Government officials in the persons of the Under Treasurer and the Director of Education.

The balance of voting power will therefore still remain with the members of the Senate, other than those directly appointed by the Government. The Bill proposes to reduce substantially the powers of Convocation as well as its numbers. At present Convocation is part of the governing body of the University, the government of it being in the hands of the Senate and of Convocation conjointly, but the Senate is the executive body. Statutes passed by the Senate have to be approved by Convocation before they can be submitted to Parliament for final approval. It is proposed to remove this power from Convocation, but to impose on the Senate an obligation to submit to Convocation any new statutes, or amendments to existing statutes, which the Senate desires to see effected. If Convocation is not agreeable to the Senate's proposals, the Senate, in submitting the statutes to Parliament for confirmation, must state its reasons for overriding the views

of Convocation. It seems rather drastic to reduce Convocation's representation on the Senate by half, but justification for reducing it is amply upheld in the Royal Commissioner's report. I refer members to pages 17 to 20 of that report.

The Commissioner said that the greatest criticism of Convocation came from members of the Senate and the professoriate. He stated that Convocation had found it difficult to get the statutory quorum of 25 and that generally there was a lack of interest by members of Convocation in meetings of that body. The Commissioner gives an illustration of what he calls the "ineptitude of Convocation," when the warden of Convocation took exception to certain remarks made by members of the Senate when giving evidence to the Commissioner. The warden felt that the "disparaging remarks" as they were called constituted a threat to the very existence of Convocation. He called a special meeting in order that the matter might be discussed. Despite the strong appeal to members of Convocation to assert themselves, only 28 members attended, and included in the 28 were seven members of the staff without whom, of course, the meeting could not have been held because of lack of a quorum. I think the members of Convocation number well on towards 1,000. They are scattered all over Western Australia and in the other States. Some are in other parts of the world. On a recent occasion about 500 members recorded a vote on the matter before them, yet on a vital matter such as the one I have referred to, all they could get to attend the meeting was 28, of whom seven were members of the teaching staff.

The Commissioner recommended that the power of Convocation to approve statutes should be abolished, and this recommendation has been adopted and embodied in the Bill. The Commissioner had strong comments to make regarding the constitution of Convocation, and suggested that it be reconstituted on the basis of a standing committee of not less than 25 and not more than 100. In discussing this matter with the Senate I was informed that there were objections to such a proposal as it tended to leave the power of Convocation in the hands of a very few. It was therefore decided by the Government when drafting this Bill that the present constitution

should remain, but that power should be given to the Senate to purge the roll of Convocation by removing the names of graduates who, for a period of five years, have not attended any meetings or exercised a vote at any election, or who have not shown any interest in the institution. This suggestion was made by the warden who, members will know, is the chairman or president of Convocation. The next matter of vital importance to the House, to the State and to the University itself is in regard to the annual appropriation.

Considerable discussion has been carried on with the Senate regarding the amount of the annual appropriation to be embodied in the Bill. The Senate has asked that an amount of £48,000 be provided which, it says, is the amount recommended by the Royal Commissioner. I do not agree that the Royal Commissioner recommended this amount. Dealing with the annual Parliamentary appropriation, the Commissioner, on page 5 of his report, recommended that the existing appropriation of £13,500 be increased. That is the amount in the statute at the moment. While the various Treasurers have, at the request of the Senate, increased the annual grant, the statutory provision is still an amount of £13,500. This Bill proposes to raise that to £40,000.

Hon. N. Keenan: What did Mr. Justice Wolff recommend?

The PREMIER: In another part of his report he recommended that fees be charged. He said that if fees are charged the present amount—that is, what was paid then and what has been paid for the last seven or eight years—of £34,500 need not be increased, but if fees are not charged, then the minimum appropriation, in the light of existing circumstances, is estimated to be £42,000. In discussing the finances of the University with the deputation representing the Senate, which waited on me not so very long ago, I pointed out that the Government had an obligation to hold the scales of justice evenly between all sources of expenditure which have to come from Consolidated Revenue. While it must be admitted that if the University had an amount of £48,000 it could spend it profitably and to the advantage of the students who are receiving a University education, it has to be borne in mind that additional amounts that may be granted to the University can only be secured by depriving

other social services of their monetary requirements. Education is a costly social service and covers not only the University but all forms of primary, post-primary and technical education. No doubt members are aware of urgent needs which ought to be met in regard to primary education in all parts of the country. I have heard expressions to this effect by many members this session. But we do not find it possible to meet in full all requirements.

As Treasurer, in recommending the Government how Consolidated Revenue shall be expended, I have to consider the needs of all our social services and allocate the funds available as fairly as possible between all of them. I have every sympathy with the University and it would be a matter of extreme pleasure to me if I were able to find a considerable amount more than is proposed in this Bill for its use. Similarly I would like to provide more money for agricultural, geological and industrial research so that we might learn more about this great country comprising 1,000,000 square miles. I would like to establish more schools in metropolitan and particularly in rural districts. I think we should have a greater number of high schools in this State, and that we should have more technical education and facilities so that we might have the personnel ready when we have a great expansion in our secondary industrial development. I think we should increase the compulsory age of school attendance. Thus there are various directions in which we should like to be able to provide more money—kindergartens, physical training centres, for food for children of indigent parents and for medical and dental attention for school children to a much greater extent than we do. I could mention others such as free libraries, life-saving institutions; in fact there are a hundred and one causes that readily come to mind. Consequently my sympathies with the University are tempered with the need of many other activities to provide for the people, and I think in this State, which is in the developmental stage, we first of all have to build up with whatever financial resources we have and then make available other advantages as they can be afforded by the State.

I have been criticised because the Government grant is not £48,000, but I would like to point out that it is three times as great as it was when the University was

established a little over 30 years ago, and this Bill proposes to increase the grant substantially over and what it has been during the last few years. In 1935 the grant was made £34,500. In the interim the grant has been £35,000. The University got into financial difficulties through undertaking responsibilities and not having the necessary cash to provide for them, and the Government has agreed to meet deficiencies to the extent of about £8,000. If it came to a question of whether the University should get more money or whether the needs of the children outback should be met by providing more schools, I do not think I would be on the side of the University. The grant is equitable in comparison with the needs of other social services, and to neglect other sections of social service and give special consideration to the University would not appeal to me. It is all very well to say that we cannot afford not to have an efficient University. It all depends upon what people consider is an efficient University. We have a University which has cost considerably more than was anticipated, and the grant to which in the course of years has been increased to a greater extent than that for any other social service. In fixing the amount at £40,000 we realise that it is just sufficient to enable the University to carry on.

In regard to education and other of our social services, we provide for the department hardly enough to carry on with, but we are circumscribed by the amount of money available, and on a fair comparison I consider that the University is receiving not generous but just treatment at the hands of the Government. Perhaps it is even a little on the liberal side, because all of us recognise the necessity for training people in the highest branches of education. No nation can progress unless its people are educated to the greatest possible extent. When the University was established it was thought that many people in the State would come to its assistance in the way of meeting its financial necessities, but they have not done so, and the whole burden has remained on the Government. Provision is made in the Bill and there will be a vote on the Estimates so that Parliament can have a say in regard to the finance to be made available to the University. The item on the Estimates is only £200, which will be used by the University for adult education. Pre-

viously there has been no item on the Estimates for the University, and years have elapsed since any discussion on the institution has taken place in Parliament.

By having an item on the Estimates for the University, as we have for the Agricultural Bank and for the Workers' Homes Board, for which items have been included so that members may discuss those departments, members will now be able to discuss the University. The amount of the statutory provision will be £40,000, but the small amount shown on the Estimates will enable Parliament to express an opinion on the needs of the University while, at the same time, the relative needs of many others of the social services which have to be met may be considered. I think we have treated the University more than justly because the amount has been trebled since the institution was established. Members might compare this with the funds made available for technical education which, in 30 years, have only doubled.

One of the difficulties in which the University finds itself is that it has had a certain amount of money on hand and the Vice-Chancellor, who may be likened to the Under Secretary of a department, has recommended that certain activities be undertaken because he could see sufficient money available for that year and perhaps for the next year or two. Then, at the end of a few years, there was no money available to meet the commitments which had been entered into.

I consider it a good thing that Parliament should be able to enter into the matter of the University's finances, so that members may see what the financial proposals are and how it is intended to expend the money. Then, if any special representations are made by an hon. member, the whole subject can be fully dealt with here, always bearing in mind other necessities when suggesting an amount that should be granted to the University. Just to give members an idea of the annual appropriations for the institution, I mention that in relation to the University Building Acts of 1930 and 1933 the State provides £6,845 annually, and an amount of £7,290 representing interest and sinking fund at $4\frac{1}{2}$ per cent. on the amount of £162,000 spent on buildings and the Crawley site, these two amounts totalling £14,135. To be added to this is the annual

grant of £40,000, making a total annual appropriation for the University of £54,135. The Bill proposes a grant of £40,000, and there is a further amount of £200 on the Estimates. That compares with the Education vote of about £900,000 appearing on this year's Estimates. For the 700 or 800 people who are obtaining a university education the State spends nearly £55,000 annually, whereas the amount allotted for giving the groundwork of an education to children is only £900,000.

An examination of these figures shows that the University gets ten times as much per head for the people it educates as is allotted per head for the children. To illustrate what Western Australia does for its University, I mention that Queensland, with double our population, last year spent in all on its University £59,000, representing a grant of £40,000 plus a special grant of £19,000. In fact, from this aspect Western Australia, with about half of Queensland's population, spends nearly as much on its University as Queensland expends similarly. The only other matters I wish to discuss are the investment of University trust moneys in revenue-producing buildings, and the auditing of the institution's accounts by the Auditor General. During the course of the evidence taken by the Royal Commissioner it was suggested, on behalf of the University Senate, that power should be given to the Senate to invest its trust moneys on revenue-producing buildings to be erected on the University endowment lands. This request was carefully considered by the Royal Commissioner, and recommended by him subject to certain safeguards.

These safeguards related to the need for making a proper valuation of the lands prior to the erection of buildings on them, or the placing of a limit on the amount of trust moneys to be put into buildings to be erected, and to the creation of a sinking fund for the liquidation of the debt due to the trust fund. The Bill provides that trust moneys may be invested in revenue-producing buildings on the endowment lands, with a further provision that the whole of the proceeds from the property must be applied in repaying to the trust fund the moneys thus borrowed, unless the Treasurer agrees to any other allocation. The object of this provision is that the University should obtain the consent of the Treasurer if it wishes to

apply the proceeds of the property in any other way except in repayment of the debt. Thus the trust fund would be safeguarded, as the Treasurer would have to be satisfied first that adequate provision had been made for liquidation of the debt owing to the trust fund.

With regard to audit of the University's accounts by the Auditor General, the Royal Commissioner recommends this procedure, which has now been inaugurated, the accounts being audited by the Auditor General at the request of the Senate. The provision is a very wise safeguard in that Parliament will be fully apprised of the financial operations of the University and therefore will be confident that the fullest possible information is being supplied, since the accounts are being audited by an officer of Parliament. These are the main provisions of the Bill, which I consider represents a great improvement on the machinery for the administration of the University. That institution is accorded a measure of security in regard to its annual grant. No Government could arbitrarily reduce the amount of the grant by, say, £10,000. No doubt there will be some criticism regarding the grant, but under the Bill the University will be able to go ahead with its programme, knowing that while the statutory provision of an annual grant of £40,000 obtains, the institution will be able to budget accordingly, with the addition of any money it may have itself.

As I have indicated, the amount of money coming to the University from other than Government funds is very small. Those are the provisions of the Bill, and I think they will result in better government of the University. Again, wider representation will be effected by the alteration of the composition of the Senate. That body will be able to co-opt members and place them on the Senate so that they may render assistance by their advice. The Royal Commissioner reported that some highly experienced commercial men in the city might be invited to go on the Senate for that purpose. Such men would be able to advise with regard to the endowment lands and what should be done with them, how they should be utilised, what money should be invested in them, and in many other respects that come up in commercial administration. As I have already indicated, the Senate is to have the right to co-opt any member of the community to give

the Senate the benefit of the experience that he has gained in the course of his residence in the State. The question of the University is quite non-party; every member of the House is anxious to do his best for the institution. Possibly the constitution of the Senate may be altered slightly; if there is good reason for it, consideration will be given to the matter because we want the University to be placed on a basis that will make it an eminently useful institution in the life of Western Australia. Accordingly I move—

That the Bill be now read a second time.

On motion by Hon. N. Keenan, debate adjourned.

BILL—BUILDERS' REGISTRATION ACT AMENDMENT.

Second Reading.

Debate resumed from the 17th October.

MR. SHEARN (Maylands) [8.18]: Apart from the amendment proposed by the Bill which is intended to give legality to the alteration consequential on the merging of the two architectural institutes, the main amendment proposed by the measure seeks to give representation to the workers engaged in the building trades industry on the board which governs the activities of that particular industry. As the Minister pointed out, and as members generally will recollect, since the parent Act was passed in 1939, the board has been concerned with determining the conditions and the practice of the industry, as well as the form of training and various other formalities to be observed in connection with it. It has also the very important task of determining what should be the curriculum, so to speak, for the examination and registration of builders. As the Minister also pointed out—and in this I find myself in agreement with him—there is a growing tendency nowadays, and I believe a right one, for workers in industry to play an important part in its control. I am reminded that that applies not only to Western Australia, but also to Great Britain. Many people of formerly conservative views on this aspect of industrial conditions we find are now changing their views.

If the best results are to be achieved in industry there should be a readiness on the part of employers and workers to co-operate. I hope the principle of this legislation will be considered in any future legislation

dealing with other trades and enterprises. Members will recall that when the parent Act was before this House, the then Leader of the Opposition moved an amendment with the object of achieving the result which will follow if this Bill becomes law. At the time I would have found myself in agreement with him, had it not been for the fact that it was proposed, and accepted, that the Western Australian Builders' Guild should have representation on the board. The amendment, as I say, was defeated, because we were freely admitting that the Master Builders' Association should have direct representation, but the amendment proposed to exclude another large body of builders in the metropolitan area, namely, the Builders' Guild.

I support the measure and hope it will pass. It will have the effect of placing a representative on the board whose skill, knowledge and experience should prove advantageous. We should encourage co-operation of this kind. There is little else to say. I think I have summed up the position. The legislation has been more or less of an experimental character. The parent Act was passed in 1939, and I think I am right in saying that it is almost unique in Australia. The five years during which the measure has been in force have proved that it is practicable and workable, and that it has had beneficial results both for the industry and the workers in it.

MR. DONEY (Williams-Narrogin): The member for Maylands obviously likes the Bill. Personally, Sir, I do not. If it does pass the second reading, I shall certainly raise no objection whatever to the amendment which provides for the inclusion in the Builders' Registration Board of a representative of the workers. There is involved the employment and physical welfare of a big number of men who, on a point of fair play, ought to be represented. I am opposed to the second reading of the Bill, as I was opposed to the original measure when it was introduced. If my memory serves me aright, on that occasion some 13 members—all of them country members—voted against the Bill. With the exception of possibly one or two members, those who voted for the Bill were metropolitan members. The Bill was introduced in 1939 by the member for Perth. He tried to make it clear to the House that

the basic intention of the measure was to protect the public; but Sir, under considerable pressure from this side of the House, he was not able to make good that claim. Those in opposition, myself included, insisted that it was a Bill to protect the interests of the leading metropolitan builders; and I still feel no doubt that that was the object at which the Bill aimed. It meant this, that the general public received, so far as I could see, not the slightest trace of benefit or of protection. The Bill, too, was open to the objection that it sought to prevent legitimate competition by country builders in respect of building in the city. The Bill has produced no changes whatever in the aspects to which I have been referring, and the objection that I raised on the last occasion I raise again now.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

**BILL—MORTGAGEES' RIGHTS
RESTRICTION ACT AMENDMENT.**

Second Reading.

Debate resumed from the 17th October.

MR. THORN (Toodyay) [8.30]: I agree that this Bill is necessary. The measure has been in force for a very long time, and on many occasions representations have been made for some amendment because the Act undoubtedly has been operating very severely against some mortgagees. The passing of the Bill is likely to impose much work on the Commissioner of Titles, Mr. Shillington, who already has much to do. In addition to his other work, he is acting as Parliamentary Draftsman to private members. He is pretty fully occupied on the work he is doing to-day and, when he is given this extra task, he will find himself a very busy man. The Bill will affect rural mortgages for private persons. The £1,000 limit will not prevent this. It is all very well to say money can be obtained to pay off mortgages, but I think the House will agree that it is when we set out to borrow money that we discover the value of it and find that it is not so easily obtained. It will not be easy in this instance for those engaged in rural industries to borrow money to lift the mortgages. Quite

a number of indigent mortgagees need money to approach the court.

There have been cases in which mortgagees have not been able to secure the necessary funds because to take action in court is a costly procedure. As the Minister said, there have been occasions on which it would have cost £20 or £30 to approach the court and consequently mortgagees have been unable to obtain relief. Then, if there is a second mortgage, that will have to be discharged, or become a first mortgage, and thus there will be the necessity for raising money again on the second mortgage. The matter bristles with difficulties, and I have no intention of opposing the second reading. The Commissioner can do nothing about this aspect; he has not the power. I am afraid the procedure is too easy for the debtor who really has no right to protection, so I do not intend to object to the measure. Many have found themselves in an extremely difficult position. They have invested their small life-savings in a mortgage with the idea that in their old age the investment would be of some value to them and assist to supply them with a mere existence, but today they find they have not the use of that investment. It is high time, therefore, we did something to give them the necessary relief.

Question put and passed.

Bill read a second time.

In Committee.

Bill passed through Committee without debate, reported without amendment and the report adopted.

**BILL—RURAL AND INDUSTRIES
BANK.**

Second Reading.

Debate resumed from the 17th October.

HON. N. KEENAN (Nedlands) [8.37]: If passed, this Bill will establish a bank consisting of two departments—a rural department and a Government agency department. It is intended that both departments shall be entirely separate, and that no liability in regard to one department will to any extent affect or cripple the other department. At the same time it is provided that although that is so, although they are absolutely separate departments, the moneys to the credit of one department may be used for the purposes of the other department, subject, it is true, to a monthly adjustment. It might be sup-

posed that this is merely an internal arrangement, but if the position is examined it will be seen to be of greater importance than that, because it will allow money appropriated by Parliament for a specific purpose and coming into the custody of this bank under this Bill to be used for another purpose. It is true that every month there is to be an adjustment, but that adjustment can take place only if funds are available. Otherwise, it would merely be a ledger entry. From that point of view I would like the Minister, when explaining these clauses, to point out to what extent it is intended to grant power to the new bank to re-appropriate moneys that have been appropriated by Parliament for a specific purpose and to use those moneys for another purpose.

The position is somewhat complicated by the fact that in another part of the Bill provision is made in connection with an action brought by a depositor on the ground of damage suffered by him through forgery, which, of course, would have to be forgery for which the bank was responsible because, as a result of the judgment given in the case of *Farwell v. The Colonial Consolidated Bank*, banks have been relieved from the results of forgery entirely beyond their power to avoid. For instance, if anyone carelessly left his cheque book about and on the outside of the envelope his signature was displayed and it was therefrom copied by a forger, the bank would not be responsible. The reason I draw attention to this is that in the provision to be found in the Bill the State is responsible instead of the bank. So it would appear as if there were some underlying scheme to provide moneys for the bank, in the one case, for the time being, against the wish of Parliament, and in the second case, against the interests of the pockets of the taxpayers. Another somewhat peculiar feature, but not one that I take exception to, is that the Minister is not constituted a body corporate, but the commissioners.

Under the various statutes administered by the Minister for Works, that Minister is a corporate body. So is the Minister for Lands under certain Acts. But this is not a matter of any importance; I merely comment on it as being something a little different from the usual practice. I notice that in the margin there is ample precedent for constituting commissioners as a body

corporate. Amongst the commissioners, consisting of three persons, are two holding office for seven years, and one holding office for two years only. There are a number of matters in the Bill, and I wish to mention a few after I have opened my speech to the House, but they are all such as can be very well adjusted in Committee. Before going into the matter proper of a second reading speech—and I might say that I intend to support the Bill—I would like to express my appreciation of the clear and candid speech made by the Minister when moving the second reading. One may not agree with all that he said, and I certainly do not, but that does not rob his speech of the fact that it was a clear statement and was also directly, in almost every instance, to the point.

It is very easy to make a wrong statement and one which covers everything, but in the very mass of matter that is dealt with important points are concealed, not perhaps deliberately, but as a result of that mass. The Minister certainly avoided that by curtailing his speech so that it applied to matters directly relevant to the Bill, and explaining them in a very clear manner. One of the departments in this new bank, the rural department, has three objects to achieve. The first is to wind up and put an end to the existing Agricultural Bank. The second is to carry on in another form and under other conditions the work hitherto discharged by the Agricultural Bank. The third is to make facilities available to customers of the new bank which are usually to be found associated with the business carried on by the trading banks, which the Agricultural Bank is not now in a position to offer, such, for instance, as overdrafts, current accounts, short loans, and above all, cheque-paying facilities. The Minister explained that the absence of these provisions and facilities in the case of the Agricultural Bank meant to that bank the loss of customers who got beyond the pioneering stage and into the position where they would become most valuable customers. At that point they left the bank and became clients of one or other of the trading banks.

I think the Minister gave a very lucid history of the Agricultural Bank, and I propose shortly to deal with that history too, because it is of the greatest importance to appreciate why it was that the Agricultural Bank, to a large extent, became involved in

a hopeless position, and how we can avoid that in the future. The Agricultural Bank was founded in 1894, just a little over a half-century ago. Its object at the time of its foundation was to be a land agency to assist settlers on the land of this State, which was then a colony, and to do so under conditions that would induce settlement on virgin Crown lands. It was not a bank entirely to assist new settlement, however, but was allowed by its charter to provide facilities not only for existing holdings but for future holdings. At that time a large number of people came here from the Eastern States. They were attracted by the lure of gold. A considerable number of them were farmers. After they had made good here, as many of them did on the goldfields and throughout the State, it was hoped that they could be reasonably induced to settle here. The bank, therefore, looked forward to an era of land settlement not confined to the citizens of this State, or colony as it was, but including many from the Eastern States. To a certain extent that object was attained.

The bank had one outstanding feature, as I remember it, namely, that it lent money to supplement that which the farmer or the applicant stood possessed of. It did not take the penniless man and put him in the position of going on the land, but adopted the role of assisting the man who was in a position, to a certain extent, to meet the expense of going on the land, and of giving him additional funds. That ensured two very desirable results; first of all, that the farmer who was assisted was taking a share in the risk, or venture, and in the second place it ensured, or in most cases it did, that the farmer or the applicant for the land was a man of experience, because it is not for a moment to be supposed that a man would provide part of the funds that would be needed to enter on his new life without the knowledge of how to conduct it. Another distinguishing condition was that the advances were made only for actual improvements effected, and only to the extent of 70 per cent. of the value of those improvements. These conditions are such as any bank might reasonably insist on. They remained in force in connection with the Agricultural Bank until 1912—that is to say, for 18 years.

Then, unfortunately, due to political pressure, which I ask the Minister to consider and to make provision in the Bill to avoid in future, the policy was changed in two regards. First of all, the advance to be made by the bank was increased to 100 per cent. on the improvements carried out. Secondly, the applicant was not necessarily expected to possess any funds. He might be a moneyless man. That was the new policy, and no doubt it was inspired at the time by political pressure.

The Premier: Or by a desire to speed development.

Hon. N. KEENAN: No doubt that was the political view advanced in support of the changed policy. The fact remains that that is what happened. It would be very interesting if we could know—I am not in a position to inform the House on the point—what was the financial position of the Agricultural Bank in 1912. While I am not in a position to say what the financial position of the Bank was in that year, I venture the guess on very sure grounds that the institution was then in a thoroughly sound position. It may be, of course, that considerable sums of money were due to it because, naturally, carrying on the business that it did, that could very well be. Probably considerable amounts of money were outstanding, but on the whole I suggest that very little of the money advanced at that stage was lost and only a very small proportion was deemed to be irrecoverable. I believe the position then was sound for the reasons that, in the first place, there was, because of the joint venture by the bank and the applicant in the farming industry, a reasonable belief and hope that the applicant was a skilled man and had passed some part of his life in farming operations or in other ways had learnt the art and industry of farming. Secondly, there was the fact that at that stage advances were made only on a basis of a certain percentage of the cost of improvements.

In those circumstances, seeing that the farmer himself found a large proportion of the cost of the improvements carried out, he would naturally effect only those improvements if he was a man having a knowledge of the industry and was prepared to accept the risks entailed in the outlay. A further reason, which I remember was a matter of general comment at the time, was that the

improvements carried out were always of a necessary character. In the days when men came from the Goldfields to become farmers, the ordinary comment was that they spent any amount of money on improvements that were of little use in connection with their farming operations. On the other hand, in the earlier days that I speak of the farmers who went on the land were men possessed of a knowledge of farming operations, and they did not spend their money except in a useful manner. So it may well be that in 1912 the Agricultural Bank was in a sound financial position. After the alteration in policy to which I have alluded, the bank commenced to go downhill, and every year it went downhill still faster. Worst of all at that time, in compliance with the general desire to secure a largely expanded settlement of the land, properties were allowed to be taken up, under the patronage of the Lands Department, in districts that were more than doubtful and which, of course, have since proved to be absolutely unsound.

So it is not to be wondered at that the position was created, of which the Minister spoke, where the whole structure of the Agricultural Bank in all its activities got right out of hand, and over the subsequent years it continued to get more and more out of hand. Anyone could participate in the farming industry after 1912. A man had only to make an application for a property. He was not required to prove himself fit for the work. He did not have to put up a single penny piece. He did not have to demonstrate that he had any knowledge of, aptitude for, or training in farming matters. His application would be approved. Every type of individual in the community was in that position. Clerks, civil servants, all the nondescripts of society, all who had a wild desire to go on the land, had their wishes met with the generous support provided by the Agricultural Bank. Of course, all this was entirely at the expense of the State or, more properly might it be stated, at the expense of the taxpayers of the State. Those who indulged in these ventures risked nothing—or so they thought. They thought they were not liable in any way.

There was an idea abroad in those days that the Agricultural Bank would have to be satisfied with the land if the venture failed. The bank would have to be satisfied with the land and the man could walk off

free of all liability. That belief has persisted down till today, and we have to face that position, in connection with which I intend to say a few words before I conclude my comments. It is sufficient for the moment to say that all the circumstances that would lead to financial disaster were present in the policy pursued, and we were not disappointed in the results that were anticipated. That, in short, is the history of the Agricultural Bank. It was spread over a number of years, but it must be candidly admitted that from 1912 onwards it was a continual process. The position grew worse and worse, and never at any time was there any possible hope that the bank would be able to pull through.

If success had been achieved in connection with land settlement by the policy that was adopted, gross as the cost was, the State might indirectly have received benefit which would have justified at least a substantial part of the public expenditure. But that has not been the position. As the Minister told us, since 1930 there has been little land settlement—if any at all. Since 1935 there has not been a single application and, as far as the Agricultural Bank is concerned, since 1935 it has not opened any new account and has lost 1,832 accounts; and the position finally came about that the bank in 1935 owed £16,523,000, and this, too, at a time when £1,044,000 had been written off. Just over £7,500,000 has been written off, and the position as disclosed by the statement of the Minister is that the amount outstanding is approximately £9,771,000, and an overburden of debt on some accounts. So it is safe to say that there is a considerable amount in excess of £9,771,000 which is at least doubtful if not bad. It might be succinctly said that the bank started in 1894 with a capital of £100,000 and finished up 50 years later with a deficit of £16,000,000 odd.

The Premier: Hardly as bad as that.

Hon. W. D. JOHNSON: That is as bad as you can make it.

Hon. N. KEENAN: I have taken my figures from the speech of the Minister when he moved the second reading. If the member for Guildford-Midland will restrain his enthusiasm for a few minutes, I may give way to him. I was remarking that we might consider what would have happened had the Agricultural Bank been conducted on the lines on which it was first started, but after all it is valueless to cry over spill

milk, and fruitless to consider what the Bank might have been had it been conducted on business lines.

But it is a matter of great concern to everyone associated with the development of this State how far the new bank will fill the rôle of the old Agricultural Bank. That is very much a matter of doubt. If no change in policy of the old bank had taken place and if therefore the bank had had an infinitely smaller volume of land settlement, it would have been solvent to-day, but there would have been a very small amount of work done in the way of settlement as compared with what has been done. So we cannot have our cake and eat it, too, and in the future, therefore, we must be prepared, now that we are going to proceed on more business lines than those pursued since 1912, for a much lower scale of land settlement than was the case in the hectic years from 1912 to 1924, especially if that land settlement is conducted as part of a general banking business and on general banking lines.

There are many who will regret this result, especially because we are a backward country. We cannot shut our eyes to that fact, and in the case of a backward country, it is impossible to make up for what has been lost in all the years, without indulging in a gamble. We have to take risks because we are in a hurry. We have to look at the future, not entirely through the glasses of safe business, but through the glasses of necessity. As the Premier pointed out, we have to make up in a few years what progress other States accomplished in a long space of time so as to face the problems that face us now, or rather will face us when the peace comes. Therefore we have to take some gamble. After all the gamble of 1912 to 1924 very nearly came off. If the price of wheat had held, not at the extraordinary figure it commanded immediately after the war, but at the average price before the war of 1914-18, and had Nature been a little more kind, the gamble would have come off.

The Premier: Four shillings a bushel would have done it.

Hon. N. KEENAN: Yes. When the member for Guildford-Midland was Minister for Works in 1914, he was faced with a terrible year of drought such as being experienced in the East at present. Success would have been achieved, notwithstanding

the fact that a very large number of those who went on the land were inexperienced men who knew nothing or next to nothing of farming work. What I have already said applies also to soldier settlement and group settlement, both of which only just failed to be successful, although today it may be said that group settlement led to the development which is taking place in the South-West. A great number of the group settlements were failures, but the establishment of the dairying industry can be traced to the development of group settlement.

It would also be well now that we are starting a new policy to remember that the era of adventure in land settlement has come to an end. We took that risk in the fullest sense of the word and unfortunately, for the reasons I have given, we were not successful. We cannot indulge in an adventure of the same character again, although I would be the last to shut down on reasonable audacity. We shall have to take fortune in our hands, but we shall never be able to go into such another wild adventure as when St. George's-terrace was combed for settlers and they all went gaily on the land.

The Premier: And the Public Service, too.

Hon. N. KEENAN: Yes. I do not propose to say anything about the settlement on the land that is to take place after the present war. The reason is I candidly confess that I do not know enough about the conditions. I am waiting to hear a statement by the Premier, which I have no doubt he will deliver in good time, as to exactly what the conditions are and exactly as to when the State will be justified in looking forward to a brilliant future.

Hon. W. D. JOHNSON: Just undo what you did last time, and you will be right!

Hon. N. KEENAN: I am not able to deal with conditions about which I know little or nothing; but I can of course utter a word of caution, and that word is this, that we should proceed in this new settlement after the war of course with enthusiasm but also with due caution. I take the opportunity, too, to emphasise the fact that unless this new bank is brought into existence I see no instrument that could carry out the settlement of soldiers after the war. No-one could imagine that any businessman would take on the risk of keeping a man on the land for years and nursing him into a posi-

tion of solvency—waiting all those years before the man was in that position. So, of course, if that is the best we can hope for, and without question it is so, we shall be absolutely stranded unless we have an instrumentality of the kind that this Bill will create in this new bank. But there is another point I would like to make some utterance of caution on, and that is the question of market. No matter how good the land may be, no matter how suitable it may be for some particular purpose, such as growing special crops, the raising of sheep or cattle, or any other products, unless we can find a market for his product we are going to lead the soldier astray.

As I understand the matter, in the future the only assurance of a market arises from the fact that it is the intention, or said to be the intention, to have a guaranteed price for what is produced for all local consumption. Of course it is impossible to guarantee any world price. The project must be looked at from this point of view, that the local market is easily glutted; and therefore it would mean that the amount of the product which could be handled under this scheme would be only very limited; in other words, that no great scheme of land settlement could take place if that was to be the rule. And it appears to be the only rule. Although prices after the war for some years may be very high, very remunerative, no-one knows how long that condition will last. No-one knows, in fact, how long anything will last. But it is a certainty that devastated countries will return to productivity, and then the special markets we shall enjoy will come to an end.

Now I wish to say a few words about the question which I just touched on, namely, what is known as the personal covenant, the personal undertaking to repay moneys borrowed. In the early days of settlement, recalled by the Premier, when public servants set out to settle on farms and all the clerks in the offices did likewise, this covenant was looked upon as being only a bagatelle. Yet it seems to me that the very foundation of the contract of loan must be a personal obligation to repay. A man comes to you with a request for a loan of money, and you lend it to him because he promises to repay the amount. If he wants to induce you to lend him money, he will offer you security. But the contract is one with the man, a personal contract with the man.

It does not matter whether there is security, because that is only an inducement to the lender to lend the money. Indeed, as a matter of fact the security is never taken into account to the same extent as the individual.

I am told by those who know a good deal about the business that when anyone comes to borrow it is not in the first instance at all a matter of security. The borrower may have any security, but if he is not known to be a reliable man he will have no chance in the world of getting a loan. It is a personal matter, and that never can be changed. Sometimes the enforcement of the personal covenant causes grievous hardship. I admit that. But there is this to be said about a case of that kind, that the individual who left some land while owing money to the Agricultural Bank, and who had not a penny in his pocket to pay the debt with—and afterwards made some money by some venture in life and was called on some years afterwards to honour his personal covenant—that man at the time he left the farm could have got a clean sheet and started life again with no debt involved to the Agricultural Bank or anyone else. But of course that means, I confess, taking a step most repugnant to most people—going to the Bankruptcy Court.

The Premier: But that is not dishonourable.

Hon. N. KEENAN: No; but with some justice it is looked upon with a good deal of reluctance. The position, however, is as I have stated. There is no use in saying, because in a few cases hardship arises from the personal covenant, that the personal covenant must be abolished, for we know that by so doing we would be abolishing lending and the position would be "Who will lend to an individual who has no sense of obligation to repay?" Such an individual would say to you when the time for repayment came, "Here is some security I offered you, and that is the end of it; I am free." This would mean the end of all lending. It does not appeal to me, for I do not believe that in the long run it would serve the farmer himself. There are many things handed down from old days which nowadays we ridicule and treat with contempt, and among these there is the old proverb which still has its virtue, that honesty is the best policy. There is no man to whom that proverb

applies more than it applies to the farmer, to whom it should be more a rule of conduct. If credit is destroyed, there is also destroyed the very source by which he makes any profit in his business. I do not want to delay the House by making a speech which might not be entirely relevant to what is before the House, and so I come back at once to the Bill. I now wish to make a few observations in connection with that part of the new bank which will be concerned not with rural matters, but generally with all Government-sponsored industry. I admit at once that I am not in a position, from what I have read, to gauge the extent to which the proposed bank will be able to operate successfully. We have had in existence the Industries Assistance Board, which has had some success.

Mr. SPEAKER: The Industries Assistance Act has nothing to do with this Bill.

Hon. N. KEENAN: I thought I was on absolutely correct ground, because inasmuch as this Bill will establish a bank, the bank will deal with the Industries Assistance Board. That is why I referred to that board, but I submit at once to your direction.

Mr. SPEAKER: The Industries Assistance Board has nothing to do with the Bill.

Hon. N. KEENAN: No, but what the board and this bank will do has something to do with the Bill. However, Sir, I do not propose to carry on further against your wish. The whole programme which the Minister outlined to us is undoubtedly an ambitious one. It is all the more ambitious because the Minister told us that not only does he aim at making profits from this new bank, but aims to make sufficient profit to establish the farmer in an absolutely safe position as well as to establish the finances of the State. I can only say that if he achieves anything like that he will be a financial wizard, because at the very best I should have said that it could be anticipated this new venture would pay its way. It must be remembered that it is going to assist some men not trained in farming, because I suppose that soldiers returning from the war, although they may convert their swords into ploughshares, will not have any knowledge of farming.

The Premier: They will be trained at the Commonwealth's expense.

Hon. N. KEENAN: I hope the Premier will always insist on those four words "at the Commonwealth's expense."

The Premier: The Commonwealth has agreed to it.

Hon. N. KEENAN: Whilst I wish the venture every possible success, I am not so optimistic as to think it will be a great success. With the burdens that it will be called upon to carry, it will do well if it does not show a loss. The opposition to it will be of a very severe character. There will be on the one hand all the trading banks and stock and agency companies—Goldsborough Mort, Dalgety & Co., Elder, Smith & Co., and others; on the other hand, there will be that exceedingly greedy competitor, the Commonwealth Bank, with its offshoot the Mortgage Bank. All of these will be operating from well-established bases, with trained staffs; whereas this new venture will come in as an invader into that particular sphere with a scratch staff and practically no base at all, because the only base will be the remains to be found in the coffin of the present Agricultural Bank, if that is not a nasty phrase to use. It is useless to shut our eyes to the strong opposition or competition that this bank will face. Whilst that is so, it would be equally ungenerous on our part not to appreciate the courage of the Minister who is prepared to face that opposition. I remind the House that only the establishment of this bank could ensure the settlement after the war of the soldiers who come back and whom it is intended to place on the land. The trading banks would certainly not entertain such a proposition, nor do I think would the Commonwealth Bank. So we have to ask ourselves: Are we prepared to support the proposal to establish this new bank, or are we prepared to abandon any hope of soldier settlement? Of course, if that alternative is put before one's mind, there can be but one answer.

I emphasised the risks that were taken by the Agricultural Bank and the unfortunate result, but I do not want those words to be supposed to mean that I favour any policy which would take no risk. We are obliged to take a risk, and a great risk, but we should take that risk knowing exactly the extent of it and we should take precaution against that extent going beyond our control. That is the position which I hope the Minister and Government will adopt in the matter of

this new bank. There are only three matters on which I would like to comment in the details of the proposal. In the first place, I do not care for the suggestion made in the Bill to lend money to an infant of the age of 16. This, in effect, and put in a few words, would be to lend money to a school-boy, because I am certain that the Premier, as well as myself and others, hope the school age will be raised to 16. I know what the answer to my objection will be. It is that the farmer may want his son to be placed on adjacent land on attaining the age of 16.

The Minister for Lands: The other point of view is that the Land Act permits sales of land to children of 16.

Hon. N. KEENAN: I am aware of that, but our school age was then 12, or not much higher. I am not in favour of lending money to a boy of the age of 16. I confess also that I do not understand the financial proposals that are to be found in the Bill. Unless a new loan is floated for the purpose of enabling the Treasurer to supply funds to the bank, I cannot understand where the funds can be found.

The Premier: In the assets.

Hon. N. KEENAN: What assets? The Agricultural Bank assets? What are they worth?

The Premier: Millions.

Hon. N. KEENAN: I am anxious to know how it is proposed that we shall get funds to equip this bank. The probability of selling bonds in order to produce funds for the bank seems to me to be very remote. The most interest that could be offered on these bonds, assuming money will be lent to settlers at 4 per cent., which is the figure I hear spoken of, will be $3\frac{1}{4}$ per cent. or $3\frac{1}{2}$ per cent. at the outside; and then there is the competition of the war loans at the same rate of interest, as well as the competition of the war savings certificates. So we cannot rely on that source for any substantial sum. As for the money which the Minister has spoken of as being available from the trust fund of £300,000, that seems to me to involve a question of great importance. The law must be so altered that trust funds can be invested in this bank in what might be described as ordinary stock; that is to say, there will be no special charge. The investment of trust funds is always a ticklish matter, because at law no trustee can invest trust moneys except in certain securi-

ties, and those securities are carefully picked. They are securities the safety of which cannot be challenged. That certainly could not be said of the stock of the bank. Of course, Parliament could authorise the investment of trust funds in the stock of the bank, or in debentures or bonds issued by the bank.

The Premier: But capital is being repaid. Advances are being repaid.

Hon. N. KEENAN: Of course.

The Premier: That is capital.

Hon. N. KEENAN: It is not trust money.

The Premier: But you inquired where we were going to get the money.

Hon. N. KEENAN: I was speaking of trust funds. Moneys repaid to the Agricultural Bank are not trust moneys. I am talking of actual trust funds.

The Premier: You asked where we were going to get the money.

Hon. N. KEENAN: I asked where we are going to get sufficient money! I read the Minister's speech but did not see any minimum figure stated by him. However, inasmuch as £12,000,000 is the nominal capital, I take it he aims to get from £4,000,000 to £6,000,000 to carry on the business and it is difficult to understand where that will be procured. I mentioned earlier that I intended to ask the Minister to take steps during the passage of the Bill to have expressed in some part of it the absolute forbidding of any political influence on the bank. If the bank is going to be pulled this way and that way by members of Parliament who want something, there will be the same result as has occurred in connection with the Agricultural Bank. It would be wise at once to take steps to prevent the exercise by any person of any political influence for the purpose of having any transaction put through by the bank. Moreover, I do not approve of proposals which place a bank of this kind in a specially protected position as compared with other banks, including the Commonwealth Bank.

One part of the Bill provides that any person having a claim against the bank at law has to give three months' notice of that claim and has to prosecute that claim within six months of the cause of action arising, or it lapses. Thus it is quite possible that a claim will lapse before the person entitled to the claim knows of it. I have no doubt that the Minister will consider amending unreasonable provisions

of that kind. A depositor who has any claim of any description has to refer his dispute to the Solicitor General whose decision will be final. That again is indefensible. The Solicitor General will be the bank's solicitor. We can imagine what regard will be paid to such a claim when it has to be referred to the Solicitor General who is the bank's solicitor! It only remains for me to congratulate the Minister on the efficient manner in which he introduced the Bill and to wish him success with it within the limits I have indicated.

MR. TELFER (Avon): I wish to add my quota to the discussion. I propose to support the Bill. In many ways it is a wonderful effort, though it may have one or two weaknesses. We should be very proud of a Government that has the courage to enter into the commercial cheque-paying bank business. Some of the clauses of the Bill are very good indeed, particularly Clause 68 which provides that any mortgagor may mortgage his property a second time without the consent of the Commissioners. If this clause had been inserted in the old Agricultural Bank Act, a lot of the troubles we have had with regard to black farm properties would never have occurred. Some of the harsh squabbles in the countryside have been between two banks—the Agricultural Bank on the one side and an Associated Bank on the other. Another good provision is Clause 92. As I see it, it means that if a farmer strikes a bad patch, such as the discovery of salt on his land, it will be permissible for the Commissioners to write down the property. If a drought occurs or a man suffers some other disability beyond his control, interest payments may be suspended. That is humanitarian and is a provision we should definitely have.

It is very desirable that this writing-down should take place while a man is on his property and not after he has left it, at which time his successor would obtain the advantage. Clause 69 is the successor of Section 51. This is one of the clauses that have been greatly discussed throughout the country. I admit it is a big advance on the old Section 51. I consider that with the guaranteed prices for farm products it might not come very much to the fore. I understand it is provided that no interest can be debited against wool, wheat or other commodities unless such debiting has the Minister's special consent, and unless the

farmer is wilfully dodging his liabilities the clause will not be put into force; but if a man is not shaping up to his responsibilities he will be asked to give an account of his stewardship and if it is unsatisfactory the provision will be enforced against him. If members of the commercial fraternity go over to the rural bank it is provided that their merchandise, stock in trade and book debts will come under the same claim as wheat and wool. From a business point of view that will be very undesirable. I should have thought it would be desirable to include in the Bill a reference to the personal covenant but I appreciate that the Minister is up against certain factors.

This Bill has to go to another place and members there might take a very strict view of a clause of that kind. But I do think it is one of those things that has been handed down to us from the dark ages. I do not see why, if an unsecured debtor has only a period of seven years responsibility for a debt, a man under the secured mortgage provision has to undergo a period of 12 years. Under the Bankruptcy Act an unsecured creditor can go to a private meeting of creditors and give an account of his stewardship, and if it is felt that he has played the game he gets a discharge, or effects a composition and there is no publicity whatever. I would like in some way to see that factor extended to the personal covenant liability. But perhaps the Minister has a good reason for leaving the personal covenant liability out of this particular clause. I come now to the position of the road boards. As a member of the Merredin Road Board I can point out some of the disabilities suffered by these authorities. They are in the position that if the bank leases a farm the board cannot legally collect its rates.

An endeavour is made to assist the road boards by inserting a clause in the agreement that the lessee must pay the rates. I understand, however, that the legal position does not provide for that to be enforced. I do know that our experience in Merredin is that not more than 33 per cent. honour this obligation that they have undertaken, by agreement with the Agricultural Bank. I think that when we get into Committee the Minister may, perhaps, think that something can be done along those lines. The road boards are also up against the vermin

disabilities. They have no authority to make the Agricultural Bank keep their lands in reasonably clean order. The road boards are also in trouble with the I.A.B., because farmers sometimes do not pay their road board rates for five, six or seven years. In speaking of the management side I do not wish to cast any aspersions on the present staff, but I do sincerely hope that we shall get the best brains in the Commonwealth to take control of this proposed bank. I would like to see new ground broken in the matter of interest.

Some people appear to accept as a fact that four or five per cent. interest represents cheap money. Personally I think otherwise. I often wonder if it would be possible for some bank that had the courage, to offer, say, one per cent. on credit balances of trading accounts. If that were done, and perhaps this new Rural and Industries Bank could do it, that money could be let out again at two or two and a half per cent., which would be another step forward in bringing down the rate of interest. We cannot afford to keep paying the heavy interest charges that are levied on industry. Some of my primary producer friends who have examined the Bill feel that something should be done about the Rural Relief Fund Act as affected by the Bill now before the House. I have heard that in other States where similar legislation applies it has operated a good deal more harshly than in Western Australia. Others say that our bank is too much of a civil service bureaucracy. I feel that that may be ironed out if we get the right management. There is another point in connection with the objection to the renting and the subletting of properties, but perhaps the Minister has a very good reason for his attitude in that respect. Generally speaking, I feel that the bank, if properly organised, will have a great future. I have faith in the Government and in the Minister to see it through. I feel that the bank is like an infant just learning to walk, and that the Minister will come back here in 12 or 18 months' time and will introduce amendments to this measure to correct any mistakes that are discovered as a result of the experience gained during that period. For that reason I support the second reading.

MR. HOAR (Nelson): The few remarks I have to make in regard to this Bill are

wholly in support of it. I recognise the proposal as a sincere and earnest endeavour on the part of the Government to create greater facilities and give greater encouragement to the man who seeks a living from the land. It cannot be said that this proposal is in any way premature. Rather can it be said that it precedes, by only a few years, the ultimate breaking up and dissolution of the existing institution known as the Agricultural Bank. The name "bank" must surely have been a courtesy title only, because the institution is not and never has been a bank in the true meaning of the term. It is not possible for any institution of such limited scope, however sincere its founders, to face up to the problems and difficulties of financing settlement today against full scale opposition from the Associated Banks with all the machinery at their command. There is no doubt that the State Agricultural Bank has played an important part in opening up and developing certain lands. People who have had a desire for farming have been able to satisfy that desire. The institution also, to some extent, has been responsible for distributing the population of the State over a large area and in depopulating, somewhat, the cities and the towns, and establishing important rural centres—a highly desirable matter in any community that desires to take full advantage of its natural resources.

I considered that, because of the restricted nature of its activities, the Agricultural Bank in its present form has outlived its usefulness. The Minister for Lands informed us that the business of the Bank has dropped considerably during the past seven or eight years. The advances have dropped from £71,000 in 1935 to £5,185 in 1943. No new accounts have been opened. That is a serious situation for any bank that engages in operations of so much interest to the State. Today we do not hear of any entirely good accounts being transferred from the Associated Banks to the Agricultural Bank, but we have heard of 1,832 accounts being lost to the Agricultural Bank during the last nine years. A large proportion of the farmers concerned have, of course, now found a safe haven of refuge with the Associated Banks. I consider this House should face up to the realities of the situation and recognise the fact that the Agricultural Bank, as we know it, has in-

deed rendered good service to the State but cannot any longer render that service in the future. We should be prepared to give that State institution a decent burial and we should have no regrets in seeing the proposed new institution take its place. We should see to it that the policy of the rural bank which is to be created works not only on the basis of financial values but of human considerations as well.

The Bill now before the House seeks to establish a bank with two distinct but inter-related sections. The first is the trading section which will operate with ordinary banking and overdraft facilities, while the other section seeks to establish an agency department. The advantages of the former to the farmer are obvious, seeing that it will furnish greater facilities for trading operations and those facilities will be comparable with any that could be availed of elsewhere. On the other hand, the agency section is something entirely new. At first sight it appears to hold immense possibilities, not only in the direction of assisting the weaker type of settler to establish himself on a reasonable standard of equity, but it also seems to offer unlimited scope for investment in associated industries. In fact, the agency section appears to have almost unlimited scope in an agricultural sense. If that is so, and if I have read the provisions of the Bill correctly, it should prove a help in the years following upon the conclusion of hostilities, and this portion of the legislation could be used as far as possible in furthering a policy of home building applicable to the rural industry throughout the State. No-one else seems inclined to undertake that risk, which furnishes a problem that will have to be faced up to in the near future.

The greatest factor that can be stressed in favour of the agency section of the Bill is that at least we have proposed a department that will be prepared to treat the farmer as a human being. That is something entirely new. I have heard of other institutions encouraging and assisting farmers to get further into debt, but never before have I heard of any institution that will, in its scope, make it possible to nurse back to health the financially sick farmer. It will make it possible to suspend portion of the farmer's debt over a period during which no interest may be charged. It may even be possible to write-off completely a por-

tion of that indebtedness in an endeavour to bring prosperity to the State in a financial sense, on the basis of productive reality. I am pleased indeed to note that the agency section has been included in the Bill, and I feel that it could be made to play an extremely useful part in land settlement after the war is over, particularly in regard to the South-West. When I refer to the extreme south-western portion of the State, members will realise that I have not in mind that class of scrub country that could be cut down with a lawn-mower, but rather to those areas where there are trees of immense height and girth.

It has been said that the vegetation of a district denotes the productive capacity of the soil. If that is so, the heavily timbered country of which I speak suggests richness of soil that promises an abundance of supply of essential food requirements. I doubt if there is any man alive, whatever may be his qualifications as a farmer, and with the aid of all the up-to-date machinery and equipment that is available, to take up land there and pay fully the cost of development during his lifetime. To accomplish that would be a matter of absolute impossibility. Therefore, if it is the Government policy to open up new land in the South-West, then the Administration should find some means of financing that portion of the cost which exceeds the amount that the productive capacity of the property could be expected to meet over a reasonable period of years. So I consider there is much useful work ahead of the bank under the provisions of the agency section, and if that part of the legislation is administered sympathetically, it should be made possible for the farmer to continue in the occupation of his choice, facing the future with a measure of confidence instead of, as too often is the case under existing circumstances, being forced to leave his property in disgust and despair.

Another revolutionary change proposed in the Bill has relation to what is known so widely as Section 51 of the Agricultural Bank Act of 1934. Everyone knows what Section 51 means. If a farmer were asked what Section 1, Section 10 or Section 22 of the Agricultural Bank Act dealt with, perhaps he could not tell; but I can assure members that if any farmer were asked a similar question with regard to Section 51, he would not be at a loss for words with which to express his views. It seems to

me that under that particular section, the first claim to be satisfied in connection with a farmer's income is that of the Agricultural Bank. I have always felt that the first claim on a man's income should be the wellbeing of his family, and any state of society that fails to recognise this fundamental principle surely places a severe burden and strain on whatever section of the community is affected. There is, I am glad to say, a provision in the Bill that seeks to overcome that difficulty to a great extent. It provides that the statutory charge shall not be applied unless the payment of interest is in arrears for a period of at least one year.

I congratulate the Minister on the inclusion of that provision, because I am quite certain it will prove a distinct boon to many small farmers who exist on a month-to-month basis and are subject to the statutory charge. From my own knowledge of the dairying industry I know there are many who exist from month to month on the cheque each receives for his products, and the operation of this section has created for them a very serious situation. I certainly hope that the provision in the Bill will have the desired effect and will prove of great advantage throughout the farming community. The Bill has been well conceived and I hope it will receive a reasonably safe passage through the House. There can hardly be a more important problem confronting an agriculturally-minded people than the provision of conditions of settlement that have as their objective the raising of standards of living in the rural areas. I feel that this Bill will give great assistance to that end and will help to restore confidence and perhaps in time a feeling of security in the minds of those who live on the land. I have pleasure in supporting the second reading.

On motion by Mr. Leslie, debate adjourned.

ANNUAL ESTIMATES, 1944-45.

In Committee of Supply.

Debate resumed from the 17th October on the Treasurer's Financial Statement and on the Annual Estimates: Mr. J. Hegney in the Chair.

Note—Legislative Council, £2,265:

MR. HILL (Albany) [10.1]: The Premier is apparently a little pleased at the

fact that he has had his fourth successive surplus, but one finds considerable room for thought when one considers the various returns which are supplied with the Estimates. The Premier took office in 1936 and, although he says that comparisons are odious, they are at times very interesting. In 1935-36 the population of the State was 450,243, the total revenue was £10,033,721, and the revenue per head of the population £22 5s. 8d. In 1943-44 the population had grown to 486,094, the total revenue to £13,584,871, and the average per head of population to £27 18s. 1d. This represents an increase of 25 per cent. per head of the population. In spite of this increase per head, the surplus has decreased from £88,000 to £38,000, a drop of £50,000.

It would be far too big a job to deal with all the items responsible for that state of affairs, so I will confine my remarks to our transport activities. Our railways in 1936 showed a deficit of £255,837, and in 1944 the deficit had grown to £521,305. Harbours and rivers in 1936 showed a surplus of £90,408, and in 1944 a deficit of £41,864. For roads and bridges the deficit increased from £119,535 to £133,296, in spite of the fact that several thousand pounds were paid in from traffic fees. Bulk-handling of wheat at Bunbury showed a loss of £2,008 in 1944. The State Shipping Service showed a deficit of £21,900 in 1936 and a deficit of £17,063 in 1944. Tramways had a surplus in each of those two years respectively of £31,934 and £61,569. The total of deficiencies in 1936 was £397,272 less surpluses amounting to £122,342, leaving a net deficiency of £274,930.

Mr. Cross: The surpluses were made in the city and the losses in the country.

Mr. HILL: I have no objection to that statement.

Mr. Cross: That is how you rob us.

Mr. HILL: In 1944 the total of deficiencies was £718,516, and the only surplus which was made by the Tramways was £61,569, leaving a net deficit of £566,937, or double what it was when the Premier took office. Once more I tell members that the additional deterioration of our transport service and our unsatisfactory transport activities are due to the fact that we have not and never have had a sound transport administration. There is no need for me to outline again the form of administration that I suggest. Suffice it to say that the parties

in opposition have adopted my suggestion as their policy. In 1918 we were in danger of losing the war, and a Generalissimo was appointed in the person of Marshal Foch. In this war we and our Allies have profited by the mistakes of the past, and have appointed a supreme Commander-in-Chief whose job it has been to co-ordinate the land, sea and air forces. Similarly we want an administration in this State that will co-ordinate our transport by sea, rail and road. In Europe General Eisenhower has the job of seeing that there is proper co-ordination of the naval, military and air forces.

When speaking on the Address-in-reply, I referred to the fact that once again victory is going to the power with naval supremacy. I now point out that once again it is the p.b.i.—in other words the poor blooming infantry—which has finally got to deliver the knock-out blow, and it is no exaggeration to say that the organisation of the Commander-in-Chief has the one object of putting the infantry into a position to deliver the knock-out blow. Similarly in this State, we must realise that the transport charges ultimately fall upon the primary producers. Let members not imagine that our transport administration is going to have an easy time. We are up against human nature. The old saying that what the eye does not see, the heart does not grieve over, is very true, and because railway charges are made on a mileage basis, there is a mistaken idea that a reduction of railway mileage means reduced transport charges. The Premier, when he fixed the port zones, took only one factor into consideration, namely railway mileage. So, what I term the Willecock port zone system is largely responsible for the unsatisfactory administration of our railways and ports today.

We in this State are fortunate so far as railway mileage is concerned. Our troubles are due to the lack of co-ordination of transport activities and to the interest charges which they must pay, and arise from the fact that there is an absence of sound administration. Because railway charges are fixed on a mileage basis, every part of the State has had or today has its own little pet scheme, and consequently we are badly overstocked with ports and railways. I have a return published in the Queensland Railway Report of 1939 from which I will quote a few of the most interesting figures. There is a comparison between the several main-

land States of Australia and New Zealand as follows:—

State.	Average Cost per Mile.	Population per Mile of Railway.	Cost per Head of Population.
	£		£ s. d.
Queensland	5,998	156	38 6 9
New South Wales	24,155	449	53 14 10
Victoria	11,041	390	27 18 11
South Australia	11,180	293	48 1 10
Western Australia	6,066	100	57 8 0
New Zealand	17,979	490	38 2 4

State.	Earnings per Average Mile Open.	Earnings per Train Mile.	Earnings per Head of Population.
	£ s. d.	£ s. d.	£ s. d.
Queensland	1,178	11 1	7 10 8
New South Wales	3,132	12 8½	6 10 5
Victoria	1,953	10 4½	4 18 9
South Australia	1,225	10 1½	5 5 4
Western Australia	822	10 8½	7 15 7
New Zealand	2,412	12 3	5 15 1

It will be noted from the return that we have less population per mile of railway than any of the other States or the Dominion of New Zealand, but that the cost per head of population is greater in this State. It is very obvious that to improve our railway position we must increase our population, and when we set out to increase our population we want to increase the population in the outlying portions of the State. Railway management is handicapped by factors outside the control of the Commissioner of Railways. For instance, our railways were laid down largely by politicians, and the result is that today we have here more mileage than is necessary to serve the country. One factor which handicaps our railway administration is our unsound port policy. Then there is the competition of motor transport on the roads. The State Transport Board is in my opinion doing a good job. Motor transport owners, however, seem to think that they should be allowed a free hand to compete with the Railway Department. The idea of charging high rates for high-value goods is essential to all railway working, so that the burden may be eased on the primary producer, who has lower valued products. Metropolitan transport showed last year a gross profit of £128,255, of which half had to be paid away in interest, leaving a surplus of £61,569.

Government management does not show up to much advantage when the administration of the metropolitan tramways is compared with that of the trams owned by the Fremantle municipality. That municipality has paid off the total debt of its tramways system out of profits. The result is that those profits are now used to reduce the municipal rates of Fremantle, while in Perth

last year half the net earnings of the tramways went in interest, the other half going to Consolidated Revenue. Now I come to the really important problem of ports. I am sorry to say that I have mislaid some words that I copied from a statement made by Mr. Churchill; those words have also been uttered by Mr. Curtin. However, posted on a wall at Fremantle was an appeal by Mr. Churchill to turn the ships round as soon as possible, because every day saved by a ship at a port meant a good bit to the war effort. Here in this State ports are very rarely seen in their true perspective. No-one objects when I compare one railway with another. People would not object if I compared one road with another. But when I compare two ports, people say, "No, you must not do that." We must have roads to suit the transport, and our ports must be built to suit modern ships.

In this State we are over-supplied with ports. Western Australia has five oversea ports—Geraldton, Fremantle, Albany, Bunbury and Esperance; or one port to 92,000 people. In South Australia there are five oversea ports—Adelaide, Wallaroo, Port Pirie, Port Lincoln, and Thevenard; or one port to 120,000 people. Victoria has three ports—Melbourne, Geelong and Portland; or one port to 600,000 people. New South Wales has Sydney, Newcastle and Kembla; or one port to 900,000 people. Queensland has Brisbane, Gladstone, Rockhampton, Mackay, Bowen, Townsville and Cairns; or one port to 142,000 people. New Zealand in 1939 had a total oversea trade amounting to 936,274 tons, of which 913,674 tons were shipped through 13 ports; which equals one port to 127,000 people. Some people who agitate for ports hold up New Zealand as an example. Because there was a re-arrangement of oversea freights, those to Australia were reduced by 12½ per cent. To New Zealand freights were increased by 12½ per cent. South Africa, which has a population of 2,000,000 whites and 6,000,000 blacks, has practically the same number of ports as Western Australia possesses.

Now, multiplicity of ports means increased railway charges and increased difficulties for the railways. It means high port charges, which are reflected in freights. A ship's expenses increase at every port of call, and where there are too many ports of call ships are inclined to cut out the outports and deal only with the capital port. At the

southern end of our State today we have one of the saddest tragedies to be found in the world. We hear quite a lot about natural ports; people will say that such and such a place is the natural port for a certain district. Take the case of Albany. The Great Southern railway starting from that port was constructed by private enterprise. But what happened? The Government spent large sums of money to build a port there, and then constructed lateral railways and Bunbury is now the only port for the south of this State. The Bunbury harbour today is well over £400,000 behind in its interest payments. The Government has spent over £250,000 in fighting the silt at Bunbury, but nevertheless the depth at the wharf has decreased from 27ft. 6ins. to 25ft.

I would like to state a problem: If after the expenditure of a quarter of a million the depth at Bunbury decreased by 2ft. 6ins., how much would it cost to provide and maintain a depth of 33ft? A second problem is: If the Government sets out to provide for that depth, by how much will it have to increase the Fremantle charges to pay for it? That is the problem and it will keep an hon. member employed for some time. The Minister for Works said that I was prejudiced as far as Bunbury is concerned. I shall quote from "Hansard," the 23rd November, 1933, page 2079. The then Premier was speaking—

I do not feel too confident about the success of the Bunbury Harbour operations. There has always been trouble there with silting and other things. This, however, is a serious attempt to remedy the difficulties, and will involve the State, not only in an expenditure of £40,000 for this year, but somewhere about the same amount for several years to come. I hope, as a result of this expenditure, that our good friends at the port of Bunbury will be satisfied, and cease to have the grievance in regard to their harbour that they have nursed in their bosoms for years.

Mr. Withers: That is only portion of the Government scheme.

The PREMIER: There is always a Government scheme. It is like the expenditure of loan money in many other directions. Although it is not immediately reproductive, it will be reproductive at some time. In years gone by we have justified the expenditure of considerable sums of money on the ground that it will be ultimately reproductive.

Mr. Doney: Do you mean that by the expenditure of the larger sum this year you are likely to overcome the silting difficulty?

The PREMIER: I am looking forward to further considerable expenditure next year. What I am concerned about is that, even when

the job is supposed to be completed, we may not have overcome the silting difficulty.

Mr. Doney: That is the doubt that is troubling me.

Mr. Ferguson: It is a Kathleen Mavourneen expenditure.

Now, I will return to "Hansard" four years later, 1937, page 2097—

Mr. Withers: I refer to the amount of £500 for Bunbury Harbour improvements.

Mr. Marshall: Has the harbour silted up again?

Mr. Withers: It has not silted up again; it is silted up.

Hon. C. G. Latham: Is that why the Government is selling the dredge?

Then the member for Bunbury proceeded to deal with the silting of the harbour.

Mr. Cross: Yet they were only spending £500 on the Bunbury harbour!

Mr. HILL: Wait until I have finished. The hon. member will get a little more information.

The Premier: He might get another sum, too!

Mr. HILL: Yes. Long before I was a member of this House, I realised that bulk handling had to come to stay in Western Australia. I wrote a series of articles that were published in "The Primary Producer" dealing with ports and transports. Although I did not know it at the time, I suggested for adoption a policy similar to that which South Africa subsequently pursued, when I urged that the wheat trade be concentrated at Albany. Among those who congratulated me on those articles was Mr. G. W. Stead. Another was a member of Parliament, then a stranger to me. He congratulated me and wrote as follows:

It is, as you say, all political wire pulling. If the Government did not spend the money at Bunbury, the people there would vote their member out. It requires a lot of faith to hope for the time when such a rotten system will cease.

The Minister for the North-West: Who said that?

Mr. HILL: I am not going to mention his name. It was not an anonymous letter. What is the position in Western Australia today with regard to bulk handling? We are told that the wheat must be railed to the nearest port. The wheat produced in the Great Southern is not railed to the nearest port. Roughly speaking, the Bunbury zone production is double that of the Albany zone, but to divert the wheat from Bunbury to Albany only means an extra

average railage of 31 miles, assuming that the wheat from the Bunbury zone went through Wagin, but quite a lot of the wheat from Wagin goes to Bunbury via Narrogin. The distances are: From Wagin to Albany, 147 miles; to Bunbury via Bowelling, 127 miles; but via Narrogin, 163 miles. If the wheat from the Albany zone were diverted to Bunbury, as is done today, there would be an extra railage of 70 miles if it went via Wagin. If it went through Narrogin there would be an extra 100 miles of railage. It is as easy to go via Narrogin as via Wagin. When we turn to the port, we see the tragedy. Last night the member for Canning referred to Mr. Kaiser. I wonder whether he has been on board one of Mr. Kaiser's Liberty ships.

Mr. Cross: No.

Mr. HILL: I went on board the one-thousandth Liberty ship built. She was lying alongside the Albany jetty 100 days after her keel was laid down. She had on board 30 aeroplanes, two E boats and munitions of war. I think these were to be sent to Russia via the Persian Gulf. She met with a terrific storm during her voyage. One of the aeroplanes was washed overboard and I saw others smashed. She put into Albany to have her cargo straightened up and there was no wharf equipment to do the work. I went to the naval officer to see if I could be of any assistance to him. That was the first time I had seen him, and this was his greeting—incidentally I am not mentioning his name—"The sooner they let the damn harbour at Bunbury silt up and develop this harbour the better."

Members: Hear, hear!

Mr. HILL: He continued: "The men on the ships were risking their lives when they were using two five-ton cranes to lift the aeroplanes from the ship to the jetty." This was the captain's first visit to Australia and I asked him if he had seen the Sydney harbour. He replied: "Yes, and I do not think that harbour has anything on yours. This could be made quite as good a port as Sydney at a very reasonable expense." The Liberty ships, when loaded, have a draught of 28 ft. What is the depth at Bunbury today? Officially, 26 ft.; actually, 25 ft.! An important shipping man said to me today: "This place—Bunbury—is a nightmare, but we have to send some ships to Bunbury." Yet all the wheat produced in the Great

Southern is forced to that port, with a depth of 25 ft., in preference to being sent to a port with a depth of 34 ft. An amusing incident occurred. The first boat that ever loaded wheat at the terminal at Bunbury put in at Albany. I went on board her and asked the captain, "Well, what do you think of the terminal at Bunbury?" His remarks were strong. He said, "I do not think much of it, nor do I think much of the men responsible for putting it there. It is antiquated, obsolete, slow, wasteful, inefficient and uneconomic."

Mr. Cross: Never use any bad language!

Mr. HILL: No. I will tell the hon. member about another man who did use bad language. The incident is also rather amusing. I was on board the last ship that sailed away from Albany before the war. I thought I saw a familiar figure standing under the bridge.

The Minister for Works: What was her name?

Mr. HILL: I forget her name. She was about 10,000 tons. However, I found that the gentleman was a stranger. I said, "I thought you were Mr. Jim Martin and I came down to have a talk with you." He replied, "No, I am here in charge of the loading of the wheat." Then he started. "Well," he said, "I cannot understand why they should muck about with Bunbury; it never has been and never will be a port. A couple of berths could have been put here with a terminal of which the Government could have been proud. The other damn place is always silting up. It has silted up 18 inches in 12 months." He then went on to talk about politicians, using all the expressions that he could lay his tongue to. I could not get in a word edgewise. One of the lumpers came along and heard this monologue, and when he could get a chance to speak he said, "My word, you have been critical, but you are right."

Our men want ships and they do not want to waste time mucking around at the port. The Bunbury terminal has a capacity of 150 tons, the Geraldton terminal a capacity of 400 tons. Geelong 500, Capetown and Durban 1,000. Here we have to carry wheat over a range of hills to a silted-up harbour where there is only a Heath Robinson type of terminal, instead of carrying it by easy grades to our natural harbour, which has deep water and

where a first-class terminal could have been established at a nominal cost. I have had American, Australian and English officers asking what is wrong with us and why the place is neglected. Our war effort today is handicapped because we have not worked in with Nature and provided proper port facilities for our producers.

The Minister for Works: Despite what you say, our withers are unwrung!

Mr. HILL: The Minister and the Government can thank their lucky stars that they do not have to face Mr. Churchill for what has been taking place here. I have often wondered what Mr. Churchill or Mr. Roosevelt would think if they could inspect our southern ports.

The Minister for Lands: I wonder if you know the meaning of "paranoic?"

Mr. HILL: They are men with commonsense, and can the Minister say that the port zone system at the southern end of this State is based on commonsense? Another matter which concerns the producers is the railway system and the supply of super. The Premier mentioned a few weeks ago that the Government had asked a company to put superphosphate works at Albany, and the company had refused. There are two reasons why we pay more for superphosphate in this State than is paid in the other States. One is that we have too many works; the other is that all those works are away from the waterfront. At present we have one works at Rocky Bay, with a capacity of 120,000 tons; another at Bassendean, with a capacity of 120,000 tons; another with a capacity of 60,000 tons; one at Pieton with a capacity of 60,000 tons, and another at Geraldton with a capacity of 30,000 tons. The total capacity is 390,000 tons, and that could be increased to 500,000 tons. In 1938-39, our consumption was 276,000 tons. All those works are away from the waterfront. There is only one place in this State where works could be erected on the waterfront but when one of the superphosphate companies asked the Government to try to provide a site, it got no encouragement.

The Premier: Who?

Mr. HILL: Mr. Cumming asked the Hon. H. Millington some years ago. Shortly after I was elected, the directors of Cumming Smith's asked me to meet them in the office of the company. They said to me, "You have no chance of a super works being erected at Albany for years. Your consump-

tion is only 20,000 tons." I replied, "If you carried on your business like the port zone system is carried on, you would soon be bankrupt!" Albany is the only port that can provide a site on the waterfront for such a works, and I told them that if their company would not provide those works, I would see whether another company would do so. The directors called at Albany and they saw that I was quite right when I said a site could be provided there. The directors in Melbourne then decided that, provided there was not another depression and the site was provided on the waterfront, they would erect works at Albany. I undersand that Mr. Cuming interviewed Mr. Millington, but got no encouragement.

The Premier: Mr. Perry got strong encouragement from me.

Mr. HILL: For a site on the waterfront?

The Premier: Yes.

Mr. HILL: For reclamation?

The Premier: Yes.

Mr. HILL: I am glad to hear that.

The Premier: They were talking very seriously about it at one stage.

Mr. HILL: I know they were. I want to stress the point that those who would gain most from the establishment of such a super works would be the Railway Department and farmers generally. One of our biggest drawbacks is that there is no back loading. I am pleased indeed to hear that the Premier did give encouragement for the erection of a super works at Albany, and I hope that when the time is opportune there will be no delay in providing such a site. Now I wish to say something favourable about the Government. I want to thank the Government for its decision to erect a school of agriculture at Denmark at a cost of £19,800. That was a bit of very good news and I hope it means that the Government is going to realise that the southern end of the State belongs to Western Australia. The Denmark people are very proud of Denmark, and have reason to be. It is one of the finest little places in Australia. A Minister who was down there one year said in the road board office, "Your trouble is that you are so far from Perth." Four years ago I went to Sydney via Broken Hill. I wonder what the people of Bacchus Marsh would have said if I had stated, "You have a lovely place but what a pity it is you are so far from Sydney." They could have replied that some years previously they formed

a new State and pulled away from New South Wales, and that the development of the port of Melbourne had proceeded with the development of Victoria.

When I came back from my trip to the East, I found an old map in the corridor here and was struck with the location of the Blackwood River. I followed it to the rabbit-proof fence and I found that the area south of that line is similar in shape to the area of Victoria, and also, in a position corresponding to Melbourne, we have the natural port of Albany. Denmark is not at a disadvantage today because it is so far from Perth. It is handicapped in every way because of the neglect of our port. The fact that Denmark has made such strides in spite of that handicap is a fine augury for the future. I had a gentleman here a few weeks ago who had flown from Victoria. He visited Mt. Barker, Albany, Denmark, Manjimup and Bridgetown, and he said that after having flown from Victoria, to travel through that end of the State was like travelling through the Garden of Eden.

The Minister for Works: When was he in the Garden of Eden?

Mr. HILL: I presume he had studied his Bible. In Denmark the only industry is dairying, which includes pig-raising, and also the growing of a certain quantity of vegetables. But I think Denmark as a site for a paper mill should be considered. Adjoining Denmark we have the Manjimup Road Board district, and it is interesting to know that at the Fruitgrowers' Conference held a month ago, a motion was carried urging the completion of the Manjimup-Mt. Barker railway, or alternatively, the Northcliffe-Nornalup railway, so that the South-West could use its natural port of Albany. That reminds me of another motion emanating from Boyup Brook some years ago with regard to wool sales at Albany. A delegate, when asking me to move the motion, made a remark which every member should understand and take heed of. He said, "At present all roads lead to Fremantle." That is wrong. We have no possible hope of ever having Bunbury made a major port, so we have to look to Albany. Another industry that has a great future at Denmark at the southern end of the State, is that of timber. On the existing railway areas there is a substantial reserve of rail-

way timber about 28 miles from Denmark. In the district, which I said resembles Victoria, we have an area of 30,720 square miles with a population of over 42,500. The following figures show how the production of that area, which I call the Albany economic zone, compares with that of the whole State:—

	Southern Area.	State.	Percentage.
Total area of crop (acres)	751,700	3,810,522	20
Wheat (acres)	380,000	2,653,000	15
Wheat (bushels)	5,545,828	37,500,000	15
Oats (acres)	123,300	407,230	30
Oats (bushels)	1,683,000	5,325,000	30
Hay (acres)	91,096	325,266	35
Hay (tons)	114,050	414,115	35
Potatoes (tons)	5,147	25,327	20
Tobacco (lbs.)	1,002,860	1,093,702	100
		(nearly)	
Apples (bushels)	750,325	1,118,404	74
Pears (bushels)	32,616	96,526	33
Butter (lbs.)	4,130,000	17,117,000	23
Livestock—cows	41,355	144,509	27
Sheep	2,075,481	9,722,780	21
Timber (super ft.)	48,000,000	119,000,000	40

We produced 45,000 bales of wool in that area, but owing to lack of facilities at the port quite a substantial amount of it had to be railed at Fremantle, thus assisting in the congestion there. Then we have our secondary industries, in particular the woollen mills. In the last report the directors said that they were severely handicapped by the lack of transport facilities at the port of Albany. Last year the actual transport costs amounted to £1,500. Another handicap is the fact that through the neglect of the port there is very little male labour in the district. As a consequence the mills have great difficulty in finding sufficient girls to carry out the work. If we had a busy port there would be lumpers, and if we had super works they would employ male labour. Other industries could then be established and while the male labour could do the heavy work the female section would be available for the woollen mills. At present investigations are proceeding with a view to establishing a dehydrator at Albany, but we are up against the fact that there is no suitable site. One could be provided if reclamation work were carried out, and it could be done at a very reasonable cost. North of Albany we have one of the soundest agricultural areas in the State.

Mr. Cross: How much sandplain is there within 50 miles of Albany?

Mr. HILL: I cannot answer that question but I can say this, that in the period 1938-39, our last normal year, more pro-

duce was grown for export within 40 miles of the port of Albany than within a similar radius of any other port in the State. I am confident that the southern end of Western Australia has a wonderful future. Our population there today is 42,000, but we could easily carry 400,000. From all over the State there are demands for money to be expended. A member of this Chamber on one occasion said, "Let us have £1,000,000 for Bunbury."

There is talk of duplicating the railways from Bunbury to Perth, from Collie to Brunswick, and from Picton to Bunbury. If this £1,000,000 is made available it should be spent on completing the transport facilities required at the southern end of the State. I would suggest it be spent in this way: I would first earmark £550,000 to build the railway between Northcliffe and Nornalup, which would enable the South-West and lower Great Southern to co-operate with mutual benefit. The sum of £100,000 could be used on the regrading between Narrogin and Albany. We have so far spent £1,000,000 north of Perth in constructing a harbour, and rightly so. We want to encourage the development of Geraldton. I am not saying this to back-scratch the Premier, but because I think it is right. Geraldton and Albany are equidistant from Perth.

At the southern end of the State Nature has provided a harbour so that instead of spending another £1,000,000 to save a few miles of railway, and adjusting the railway freights to keep down costs, some expenditure on harbour construction there would be a more economic proposition. We would then still have left out of £1,000,000 the sum of £350,000 for the port of Albany, and by spending that money we could point with pride at one of the finest harbours in the world with facilities second to none. If I were parochial I would advocate that we should do what is done in New South Wales, namely, get away from the Swan River Parliament. I take a Western Australian view of things. I want to see Geraldton in the north benefit, Albany in the south, and Esperance in the east. I suggest that the Minister peruse the "Bulletin" published about a fortnight ago to see what it says about the Perth Parliament.

The Minister for Mines: You are a part of it.

Mr. HILL: Yes, and I am in the same position here as are the Western Australian members in the Commonwealth Parliament, with this difference that our end of the State has never had such a fair deal from the State Parliament as Western Australia has had from the Commonwealth Parliament. Think of it! In 25 years there has been only one Premier who has come to our end of the State to see what could be done to develop it. Today

the evil of centralisation is rolling like a snowball. We want to develop the outlying portions of the State and, if development in the southern end of Western Australia is commenced, it will start to roll like a snowball there. Not only the southern end of the State, but the whole of Western Australia will join in that prosperity.

Progress reported.

House adjourned at 10.48 p.m.

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Progress reported.

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Legislative Council.

Tuesday, 24th October, 1944.

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

QUESTIONS (2).

AGRICULTURAL COLLEGES.

*As to Course for Factory Operatives,
Etc.*

Hon. W. J. MANN asked the Chief Secretary:

(i) Is it a fact that the Government has decided to omit a course for butter and cheese factory operatives from Muresk Agricultural College curriculum for 1945?

(ii) If so, why?

(iii) In view of the increasing importance of the dairy industry in this State, will the Government take steps to ensure that a thoroughly modern agricultural college, located in a recognised dairy area in the South-West, is included in its programme of early post-war activities?

The CHIEF SECRETARY replied:

(i) and (ii) It is not expedient to conduct the complete course in dairy science next year at the Muresk Agricultural College. Certain essential equipment is not at present available. Operatives from dairy produce factories cannot be released at present to take the course and college students will not be eligible for at least two years. There are other practical reasons contingent on the war situation.

(iii) The whole question of educational facilities in rural districts, is being considered by the Government.

NORTH-WEST.

*As to Fresh Fruit and Vegetable
Supplies.*

Hon. C. R. CORNISH asked the Chief Secretary:

Is the Minister for Health satisfied that the people living in towns in the North-West of Australia, receive supplies of fresh fruit and vegetables regularly, and in sufficient quantity to enable them to maintain a diet containing adequate amounts of vitamin C. If not, is he prepared to advise the Government to subsidise aerial delivery weekly, or twice weekly as may, from time to time, be required of fruit and vegetables to the North-West towns?

The CHIEF SECRETARY replied:

People living in North-West towns receive regular supplies in accordance with available transport. The Government has already expended approximately £1,000 in subsidies to air transport for this purpose.

BILLS (2)—THIRD READING.

- 1, Nurses Registration Act Amendment.
Returned to the Assembly with amendments.
- 2, Companies Act Amendment.
Passed.