Legislative Assembly,

Tuesday, 24th July, 1906.

THE SPEAKER (Hon. T. F. Quinlan) took the Chair at 4·30 o'clock p.m.

PRAYERS.

QUESTION—INTESTATE ESTATE, AS TO MALADMINISTRATION.

MR. BATH asked the Attorney General: 1, Is he making inquiries into the charge of maladministration by the Curator of Intestate Estates of the estate of the late Mr. Towns? 2, If so, will he make the result of such inquiry known at an early date?

THE ATTORNEY GENERAL replied: 1, A complaint was made to the Lands Department to the effect that the Curator of Intestate Estates had not discharged the obligations of and incident to certain poison leases, part of the estate of Henry Towns, deceased. This complaint was inquired into and is still *sub judice*. 2, It is not intended to publish the result of such inquiry.

QUESTION—LOCAL OPTION, INTENTION.

MR. GORDON (for Mr. Veryard) asked the Premier: Is it the intention of the Government to introduce this session a Local Option Bill.

THE PREMIER replied: I think that the hon. member (Mr. Veryard) who gave notice of this question wishes it to lapse. On Friday next a deputation on this subject will wait on the Minister; and the hon. member prefers that the question shall not be answered till after that deputation has been received.

QUESTION—RAILWAY RAILS AND FASTENINGS.

MR. HOLMAN asked the Minister for Works: 1, Were tenders called for the supply of rails and fastenings for the agricultural lines passed last session? 2, If so, when called, and date of closing? 3, Was provision made to allow of firms outside the State tendering? 4, The names of and amounts tendered by the various firms? 5, The name of the firm that secured the contract?

THE MINISTER FOR WORKS replied: 1, Yes. 2, Tenders first advertised 4th December, 1905, to close 19th December; closing date afterwards extended to 23rd December, 1905. 3, Yes. Tenders were called simultaneously here and in London. 4, Tenders received locally:—(*a.*) Messrs. Geo. Wills & Co.: Rails £6 8s. 6d. per ton, fish-plates £7 18s. 11d. per ton c.i.f. Fremantle; (*b.*) Stahlwerks Verband, per Messrs. Noyes Bros.: Rails £6 7s. 6d. per ton, fish-plates £7 17s. 6d. per ton c.i.f. Fremantle. Tenders received through Agent General:—(*a.*) Société Anonyme des Acières d'Angleur, Liège: Rails £5 2s. 6d. per ton f.o.b. Antwerp, plus freight etc. 14s. 2d., equal £5 16s. 8d. per ton c.i.f. Fremantle; fish-plates £6 12s. 6d. per ton f.o.b. Antwerp, plus freight etc. 14s 4d., equal £7 6s. 10d. c.i.f. Fremantle; (*b.*) Société Anonyme des Laminoirs du Ruan: Fishbolts, nuts, and washers £12 17s. per ton f.o.b. Antwerp, plus freight etc. 14s. 11d., equal £13 11s. 11d. per ton c.i.f. Fremantle; dogspikes £9 19s. per ton f.o.b. Antwerp, plus freight etc. 14s. 7d., equal £10 13s. 7d. c.i.f. Fremantle. 5, Tenders were let through the Agent General to the latter two firms for the rails and fish-plates, and fishbolts and dogspikes, respectively.

QUESTION—RAILWAY TRAVELLING, MINISTERIAL EXPENSES.

MR. WALKER asked the Minister for Railways: 1, What amount has been paid by each Minister to the Railway Commissioner for personal travelling during the last two years? 2, What was the actual cost of such travelling in each case? 3, The proportion of cost to the amount charged in each instance?

THE MINISTER FOR RAILWAYS replied: Some little time will be needed

to formulate a return, and as soon as I have the figures prepared I will lay them on the table of the House.

QUESTION—DINGO DESTRUCTION.

MR. TROY asked the Premier: Is it the intention of the Government to introduce this session a Bill providing for the formation of boards to supervise the destruction of dingos and other pests afflicting the pastoral and agricultural industries?

THE PREMIER replied: The Government will in all probability introduce a measure dealing with this question during the present session.

QUESTION—SWAN RIVER RECLAMATION, PERTH.

MR. HARDWICK asked the Minister for Works: 1, Does the Government intend to continue the reclamation works beyond Lord Street, in the direction of the Perth Causeway? 2, If not, why not?

THE MINISTER FOR WORKS replied: 1, Not at present. 2, It is not considered advisable.

PAPERS PRESENTED.

By the MINISTER FOR MINES: 1, Papers relating to the erection of State Batteries at Yerilla, Randells, Yarri, Pig Well, and Sandy Creek. 2, Papers relating to applications for a State Battery at Montagu Range. 3, Report by Police Department on alleged gold stealing at Kalgoorlie.

By the PREMIER: 1, Papers in connection with the outbreak of bubonic plague at Geraldton. 2, By-laws passed by the municipality of Guildford.

By the MINISTER FOR WORKS: 1, Water supply to Perth from Mundaring Reservoir—Report on. 2, Papers relating to the Government Pipe Works at Fremantle. 3, Boya Quarry—Papers *re* lease. 4, Report of Royal Commission on the cost of manufacture of cast-iron pipes. 5, By-laws made by the Esperance Road Board.

BILLS (3)—FIRST READING.

Land Tax Assessment, introduced by the TREASURER.

Public Works Act Amendment, introduced by the MINISTER FOR WORKS.

Mines Regulation, introduced by the MINISTER FOR MINES.

BILL—WINES, BEER ETC. AMENDMENT. LICENSING SUSPENSION. FIRST READING.

MR. F. ILLINGWORTH (West Perth), in moving for leave to introduce the Bill, said: I wish to explain that the member for Claremont (Mr. Foulkes) has already given notice of this Bill, but he finds that as he is on a licensing bench it is undesirable for him to proceed with the measure.

Bill introduced and read a first time.

BILL—PERMANENT RESERVES REDEDICATION. REPORT FROM COMMITTEE.

THE PREMIER moved that the report from Committee be adopted.

MR. BATH: Would the Premier have a provision inserted in the Bill for the control of the two reserves to be subject to regulation made by the Governor-in-Council?

THE PREMIER: Arrangement had been made for a new clause to be drafted and inserted in the Bill, in another place.

Question passed, the report adopted.

BILL—LEGAL PRACTITIONERS ACT AMENDMENT. IN COMMITTEE.

Clause 1—agreed to.

Clause 2—Qualification of managing clerks for admission as practitioners:

MR. LYNCH moved an amendment—

That in the marginal note the words "of managing clerks" be struck out, and "applicants" be inserted in lieu.

THE CHAIRMAN: The hon. member must move an amendment to the clause.

MR. LYNCH moved an amendment—

That in line 1, paragraph (*a*), the word "ten" be struck out and "three" inserted in lieu.

The amendment was in keeping with his remarks when speaking on the second reading, to open the means of entry into the profession a little wider than at present; also to bring the clause in conformity with other amendments which would be moved later on. The intention was to make the clause apply to all applicants irrespective of their being managing clerks or otherwise, and reduce

the time which they were expected to serve in the office of a practitioner to three years, instead of ten as at present provided. As the law stood in New Zealand, applicants had not to serve articles in any shape or form, and it had yet to be proved that the practitioners in that colony were of a lower standard than were practitioners in any State of the Commonwealth. As far as experience had gone, the standard of the profession in New Zealand was quite as high as in Western Australia, and no reciprocal arrangement between the professions existed. As far back as 1882, the Parliament of New Zealand saw fit to alter the law in this respect, on the very grounds on which we were attempting to do so here. Sir George Grey moved in the House of Representatives to amend the law in the direction that the Government of the day afterwards saw the necessity of amending it. Coming in at this late hour it was not out of place on our part to amend the law in respect to easy entry into the profession in Western Australia in the same way that obtained in New Zealand. In addition to Mr. Justice Reel in New Zealand, and Sir Arthur Routledge, Attorney-General in that State for some time, who did not serve articles, there was also the example of Mr. G. H. Reid; and in the American Union itself, although our Attorney General suggested or hinted the procedure there was of a more stringent nature than obtained here, it was on record that the great Abraham Lincoln would never probably have been heard of except for the easy means in vogue at the time he joined the profession. When he was splitting rails in Kentucky, he took his law books into the forest with him, and by that means was enabled to become not only a leading light of the profession in that country, but became a leading politician in the great federation of America. He would never have attained to that prominence unless it had been for the easy means ready at his hand to enter the legal profession. The Attorney General would make this House believe that he was attempting to remove some of the prejudices surrounding the profession, but instead of lowering the fence he would raise it. We should give anyone, although of humble origin, the means of displaying the natural talent he possessed. At present there was no possibility of any youth with natural talents being enabled to march to the front.

THE ATTORNEY GENERAL: It was to be regretted he was not in a position to accept the amendment. The Bill before the House was the most liberal measure in Australia to-day for admission to the profession of barrister and solicitor. It was quite true a man could become a barrister only by passing examinations and being allowed to study for a certain period. But as had been pointed out, the danger to the community in the case of a barrister was merely nothing, as he received his work from a solicitor who must be a good judge of capacity, and there was not the least likelihood of a man of small attainments getting work at all. We allowed the two branches of the profession to be amalgamated, and we must take the precaution to protect the public in a way which was not necessary where provision was made for admission only to the bar. We proposed to take a man's services into account, but we required the services to be such that a man could obtain a knowledge of the law in which he was about to practise, and this knowledge it was impossible to obtain in three years. A man went into an office as a law clerk and knew nothing for a number of years, and might continue to know nothing. It was only in process of time as opportunities offered to him and he took advantage of them that he learned something. The public should know they were not transacting business with a clerk of three years' standing. The proposal could not be entertained.

MR. BATH: The Attorney General evidently overlooked the fact that the mover of the amendment proposed to provide later that the managing clerk who had served three years must, before admission, pass examinations which would prove his competency. The question was, could not a man of ordinary intelligence qualify himself for admission by assiduous study during three years? Some of the best practitioners in Australasia had been thus admitted, in such countries as New South Wales and New Zealand. We should not perpetuate provisions intended not so much to prove the qualifications of applicants as to restrict the admission of

bright men to a close profession. All the efforts of lawyers were now directed to this end. A medical student who passed the necessary examinations was admitted as a doctor.

THE ATTORNEY GENERAL: Without any hospital attendance?

MR. BATH: That was a portion of his qualification; but the issue of the diploma depended upon his passing examinations. Admission to the legal profession differed from admission to all other professions; yet the status of doctors, for instance, was not lower than that of lawyers. These limitations were absurd, and should be liberalised in the interests of a democratic community.

MR. FOULKES: The preceding speaker was not clear when comparing the requirements of the medical and legal professions; for he admitted that medical students must attend hospitals, if only with a view to assisting them to pass examinations. [MR. BATH: To prove their qualifications.] The argument was not intelligible; for no student could, with safety to the public, be allowed to practise as a doctor until he had attended hospitals for at least three or four years. This showed how little the hon. member understood the qualifications necessary for either profession. True, well-known men like Mr. G. H. Reid and Abraham Lincoln had entered the legal profession without serving articles; but they had complied with the regulations of the countries in which they lived. Mr. Reid would not be allowed to practise as a solicitor in Sydney. He practised as a barrister only, after passing examinations. Yet from this members argued that applicants in this State should, without serving articles, be admitted to both branches of the profession.

MR. WALKER: In New South Wales the two branches were amalgamated.

THE ATTORNEY GENERAL: No.

MR. FOULKES: The amalgamation, if effected, must have been very recent. Any member of the House could pass our examinations for solicitor and barrister if he liked to study hard for 12 months; but at the end of that period he would not know any law. He would know a lot of bookwork, and nothing else.

MR. BATH: Could he not learn enough law in three years?

MR. FOULKES: Not if he were acting as an ordinary clerk in an office; for much of his time would be spent in mere copying. The hon. member would allow a medical man to practise whether or not he had walked the hospitals, so long as he had passed an examination. [MR. BATH: No.] The hon. member said the legal profession was too close, and that practitioners desired to exclude new men. Probably he would be surprised to learn that there were 70 practitioners in Perth, and at least one in every township with a population of 1,000 and over, save in the Far North.

MR. BATH: Many of the 70 in Perth came from the other States, and from New Zealand, where the regulations were more liberal than ours.

MR. FOULKES: The wholesale admission of unqualified practitioners would be highly dangerous; for hardly any clerk could be expected to know much of law after three years' service.

MR. A. J. WILSON: The clause as drafted, with its 10-years service qualification, was of small moment to the country; for it could hardly affect more than four or five men now in the State, nor could the general public be said to have called for this liberalisation of the parent Act. Probably a referendum would show an overwhelming majority in favour of the entire abolition of lawyers. The public had not much to fear from a surfeit of practitioners, for people could exercise discretion in choosing advisers. Why had the Attorney General built up a large practice? Because of his special ability. Any number of lawyers had fulfilled the rigorous conditions of the parent Act, but were not really qualified any more than they might have been had they spent 10 years in a solicitor's office, including five years as managing clerks. A man might be made managing clerk for more reasons than one. The whole measure seemed to be in the interest of an insignificant section of the community; it did not at all affect the public; and it had better be thrown out unless we were prepared to deal with the question comprehensively.

MR. TAYLOR: This was no new measure. It had been before Parliament

several times, and had been brought down to deal with the case of three or four managing clerks who desired to be admitted as legal practitioners. That was sufficient justification for the measure, because Parliament was not wasting time if it dealt justice out to one person only. He hoped the member for Leonora (Mr. Lynch) would recognise this. These managing clerks had been agitating for six years for this small measure. If it were a comprehensive measure dealing with the legal profession as a whole there would be necessity for greater care and far more consideration than was now necessary in dealing with this short Bill. He had no desire to mutilate the Bill, in case it might be lost altogether.

MR. TROY: The Attorney General had assured the House that this was the most liberal measure introduced in any Australian Parliament.

THE ATTORNEY GENERAL: The most liberal measure in force.

MR. TROY: In South Australia a clerk after serving three years' articles and passing an examination could be admitted, and the only requirement before being admitted in this State was that a practitioner from another State should reside here six months. Therefore a person in South Australia could serve three years' articles and be admitted to the bar in Western Australia by living here six months. That would be $3\frac{1}{2}$ years as against the five years' articles required here.

THE ATTORNEY GENERAL: The South Australian statute mentioned five years.

MR. HUDSON: It was three years with other qualifications in South Australia.

MR. TROY: The South Australian statute was more liberal. So long as one was a graduate of any university with the degree of bachelor of laws, he could be admitted to the bar. It was not the same here. We should be more liberal in dealing with this profession. What was the good of bringing down a Bill to deal with half-a-dozen individuals? The Attorney General would be wise in following the example of South Australia.

THE TREASURER agreed with the member for Mt. Margaret that we should not object to this measure because it did not go as far as as several members wished it to go. Managing clerks had been trying for a number of years to obtain admission to the profession without serving articles, and they had been promised some relief, so that members should not lightly throw this measure out. Members should accept the amount of liberalisation given now, and if it were found necessary later on to give far more liberalisation, it could be done.

MR. BATH: There was no desire to throw the measure out. Members desired to liberalise it.

THE TREASURER: By reducing the term to three years any youth could serve the period in a lawyer's office, pass an examination, and be admitted. That was not desirable. We wanted something more than mere book-learning. We wanted practical experience in this profession as in other professions. A youth must serve an apprenticeship to the engineering trade before he could pass his examinations, and the period in that case was longer than was now proposed by some members for the legal profession. We should not let loose a number of inferior men in the legal profession, and we must protect the public who resorted to legal men for advice, and must see that those who practised the law should have practical experience in addition to being able to pass examinations. Men with natural talent might cram to pass examinations, but they should have some practical experience before they could utilise their talents. The Committee would be wise to let the measure go through. It was a step in the right direction; and even if it only affected a few persons, yet they were entitled to some consideration. Six or seven years ago the House agreed to pass a measure of this description, but for some reason it had been shelved.

MR. HUDSON agreed with the member for Leonora in his desire that there should be more liberal provisions in Western Australia for the admission of barristers and solicitors. No doubt it was a very democratic principle to apply that there should be equal opportunities for all; that there should be just as much chance for the son of a poor man to rise in the profession and become such a man as Abraham Lincoln, as for the son of a rich man. The difficulty in the State that now prevented the poor man's son obtaining this desideratum was that there

was a property qualification required. In other words, a man before he could be be admitted to the bar of Western Australia must serve five years' articles. He must first obtain articles approved by the Barristers' Board, and then must find the money to pay the solicitor, and must work for the solicitor for five years for nothing, because the Barristers' Board would not allow the solicitor to pay his clerk. So the profession was reserved exclusively for rich men's sons, and the whole crux of the question as to the liberalising the entrance to the legal profession was one of articles. The members had been somewhat misled, but not intentionally, as to the difference between barristers and solicitors in other places. In New South Wales, although the professions were not amalgamated, a barrister could apply to the court to be allowed to practise as a solicitor, though he had not served any articles and only possessed his degree of LL.B. Such a man had no practical experience. [THE ATTORNEY GENERAL: Yes, five years.] The barrister in New South Wales was not compelled to serve in a solicitor's office. Though he (Mr. Hudson) had served five years' articles in another State and passed university examinations and qualified and practised for ten years, he had not been allowed to practise in this State without fighting the Barristers' Board. In New South Wales and South Australia, solicitors could not get to the bar. In Victoria the positions were amalgamated, and only three years' articles were required to be served under certain circumstances, and there were other qualifications. While there was no university here to provide for the legal training such as a barrister should obtain, there were gentlemen practising here who had never served articles, and had never had any practical experience in a lawyer's office prior to their admission. Without desiring to make any invidious distinctions he would cite the case of the English barrister. Did the English barrister serve any term in a solicitor's office, or did he get any practical experience of solicitor's work before he ate his dinners and was admitted to the bar in England? Such a man came out here and was admitted, but a man from the other States was not admitted until he forced his way in. It was the duty of the Attorney General in the absence of a university to provide some means whereby a young man of ability might become a legal practitioner in this State, without serving articles or paying a solicitor and working five years for nothing. The debate on this clause had got beyond the measure itself. This was a measure intended for a particular purpose, and any mutilation of it would lead to confusion. As he had not had an opportunity of speaking on the second reading, he now suggested that a farther Bill, some substantive measure, should be brought in to carry out the idea suggested; that this Bill be allowed to go through in its present form, with a few slight amendments, and the whole subject be considered at a later date—the sooner the better. He could not support the amendment.

MR. P. STONE: The term of ten years was too long, and if the period were five it would suit the purpose. The bar protected itself too much, and he did not see why barristers should get more protection than the grocer, the farmer, the grazier, or any other class. Barristers fought to prevent competition in their line. As long as the public were properly safeguarded, this matter should be modified. In order to gain admittance at present, a young man had to pay some £70, and then he had to be on good terms with the members of the bar. One of the members of the bar in this State found it most difficult to be admitted. He was put back for six months, and after he was admitted he proved an ornament to the bar and a credit to himself. The term in the Bill should be altered from ten years to five.

MR. WALKER: The difficulty he saw was the vagueness of the title. If we made this Bill not a measure to amend the Legal Practitioners Act with a view of admitting certain managing clerks, but really a measure for admitting anybody at any time and under any circumstances, we should be perverting the Bill from its intention.

MR. BATH: We should be very foolish to limit the title to its specific object.

MR. WALKER: Not at all. When a Bill was for a specific purpose, that should be stated, and that only. Whether we were going beyond the order of leave or not, it was always unwise in legisla-

tion to make patchwork of a Bill. No one was more desirous than he of seeing admission to the profession rendered as liberal as possible; he was in accord with that; but he questioned whether we could do it under this Bill. There ought to be a measure of that kind brought down to the House. He could bear testimony to the value of the liberal proposals and enactments of New South Wales. Some of his old-time friends who were almost without hope in life when he first knew them, or were without any very flourishing prospects at all events, were now ornamenting and dignifying the bar of New South Wales. That measure enabled a person who passed a certain preliminary examination in general knowledge—much higher than was provided for in Western Australia—to be called to the bar after three years of reading in law, and passing examinations provided. In that way whilst men in the other States had been attending to their parliamentary duties they had gone through a course of study and reading, and had become barristers. That was almost, if not quite, an impossibility in Western Australia. What he had stated applied not only to members of Parliament enjoying that privilege in New South Wales, but others in different walks of life, notably one of his friends Mr. Rose, formerly a school teacher. That was only an isolated case, and there were many who had been admitted in the same way. Instead of tinkering with the present measure, he would much rather have a thoroughly liberalised measure brought down to the House and then deal with it on its merits.

MR. BATH: It would be foolish to revert to what undoubtedly was an obsolete practice of stating in the preamble the specific intention of a Bill as introduced by a responsible Minister. It certainly had been the practice in the Imperial Parliament, but to a large extent that practice had been abandoned latterly, and it was certainly abandoned so far as the Australian States were concerned. If we were to continue to use it, it would mean that a responsible Minister with conservative ideas could practically confine the proposals in the Bill to those he himself desired to be specified, by specifying them in the preamble, and could defeat the object of those who wished to liberalise it, even though the majority of the members were desirous of so doing. The practice adopted in the State Parliaments and in the Federal Parliament was to have the title made wide, so that the members of the House could mould the Bill as desired by the majority. There had been a great deal of what might be termed lawyers' ability in obscuring the issue in regard to the proposal of the member for Leonora. It had been impressed upon us by the Attorney General and the member for Claremont that we should be doing a very foolish thing in allowing people to come in who had not served articles, merely by studying and passing their examinations. But the fact remained that persons outside the State could be admitted without adhering to the same conditions as those which obtained in Western Australia. There were men practising the profession in Western Australia to-day who experienced those liberal conditions in New South Wales and in New Zealand, who had afterwards come here and secured admission to practise in this State, where the two professions were amalgamated. A man possessed of means could go to New South Wales or New Zealand, or better still to the old country, and pass examinations there and then come to Western Australia and be admitted.

THE PREMIER: Could he do that without articles?

THE ATTORNEY GENERAL: Not in New Zealand.

MR. BATH: Yes, in New Zealand.

THE ATTORNEY GENERAL: If he did not serve articles and came here from New Zealand, he was not admitted.

MR. BATH: That might be because there was no reciprocity.

THE ATTORNEY GENERAL: If he served articles, we admitted him; but if he did not serve articles we did not admit him.

MR. BATH: They could come from New South Wales and the old country. The present system placed an embargo on a man who was not possessed of money. If a man had wealth, irrespective of his talent, he could go elsewhere, become a barrister there, and afterwards be admitted in Western Australia; but a

person in the State who had not the funds to do that was absolutely disqualified, and the conditions were so illiberal that he had no opportunity of being admitted under any circumstances whatever. Even if he served articles and conformed to the provisions of the Legal Practitioners Act he had to certify, after passing his examination, that during the term he was articled to a solicitor he had not earned any money. One was surprised at the Colonial Treasurer wishing to defeat the proposal of the member for Leonora. We all knew how in the old days, when he sat on the far corner bench, he declaimed against preference to unionists—[THE COLONIAL TREASURER: He did so still]—but now we found him advocating a provision which embodied that rule of preference to unionists in its most exclusive form.

THE ATTORNEY GENERAL: It was not true that articled clerks were prohibited from receiving any remuneration. Leave to accept payment was in almost every case given by the Barristers' Board to those without means. The New South Wales examinations were infinitely more difficult and far more exhaustive than those in this State, or than the single examination proposed in the Bill. In New South Wales, to be admitted after the three years' term the candidate must have been a student at law, and must have attended lectures from day to day when these were delivered at the Sydney University. He was practically in the same position as an articled clerk, but acquired a much greater knowledge of law than was possible to a clerk, whose work was characterised by considerable sameness. In Great Britain, to become a barrister a man must either have a university degree or spend five years as a law student, attending lectures from day to day during the term, and passing examinations on subjects much more difficult than those required in this State. The Bill simply carried out an undertaking given by the preceding Government and the Labour Government. If the principal Act was amended in the wide terms suggested by the member for Leonora (Mr. Lynch), the men sought to be relieved would remain as they were.

MR. BATH: The Opposition were not refusing relief.

THE ATTORNEY GENERAL: A Bill could be wrecked either by direct opposition or by hampering it with impossible conditions. If members opposite attempted to use the Bill for a purpose altogether foreign to it, the measure would be lost. The class whom the Bill would affect, small as they might be in number, deserved consideration. Members should not, by amendments of this nature, prevent the performance of a duty which devolved on the House.

MR. FOULKES: Clause 5 allowed the Barristers' Board to reduce the term of 10 years by three years; and this would to some extent achieve the object of the amendment.

MR. LYNCH denied that his opposition to the clause was factious or unreasonable. The insinuation of the Attorney General was uncalled for. The existing Act needed comprehensive amendment; and as to this, a difference of opinion was found even on the Government benches. If the amendment were negatived, he (Mr. Lynch) would support the clause as drafted, for the few men affected deserved relief. The Attorney General should withdraw the implied threat that he would drop the measure if it were opposed, and should assure the Committee that he intended to make a comprehensive amendment of the existing law.

MR. HORAN: Would the Attorney General give a clearer definition of a managing clerk? Some solicitors' offices had a managing clerk on the commercial side and another on the law side.

THE ATTORNEY GENERAL: The amendment did not affect managing clerks.

Amendment put and negatived.

MR. H. BROWN moved an amendment—

That the words "or shall have completed ten years' service as a clerk in an office or offices of a practitioner or practitioners practising in Western Australia, and shall have taken the degree of bachelor of laws at any university of the British dominions recognised by the Barristers' Board," be added to Subclause (*a*).

This would dispose of the difficulty of defining a managing clerk. Several managing clerks in large legal offices held the degree of LL.B., but had no possibility of improving their positions. Some

service in a solicitor's office was necessary. Labour members demanded articles of apprenticeship for admission to trades, and would even limit the number of apprentices in the trade generally or the individual shop. Neither the Bill nor the parent Act limited the number of articled clerks or of practitioners. The Bill was probably more liberal than some trade regulations. Any clerk who had served 10 years in an office, and held the degree LL.B., should be admitted after passing all the examinations provided for articled clerks.

MR. HUDSON supported the amendment, which would provide an educational qualification as well as the practical experience which the Attorney General regarded as so essential to the proper conduct of a legal practitioner's business.

THE ATTORNEY GENERAL: The amendment could not be accepted; for it would add to the necessary qualifications a condition which would often prove unfair. The object of the Bill was to allow those who had for a certain number of years worked their way up, by merit, to the position of managing clerk, to pass examinations and be admitted. To provide that they must be also bachelors of law was not desirable.

Amendment put and negatived.

MR. HORAN moved an amendment—

That the following be added to Subclause (*a*):—"Shall have completed ten years' service as clerk in the office or offices of a practitioner or practitioners practising in Western Australia."

This would obviate objections that might arise from certain quarters.

MEMBER: That was a repetition of the first words of the subclause.

THE CHAIRMAN: It was practically the amendment just disposed of.

MR. BATH: Apparently the member for Perth had moved his amendment in the wrong place, and in doing so had made it appear that it would be necessary to have the university degree in addition to the term of service as clerk.

MR. H. BROWN: Though the definition was clear enough, it was considered by the Attorney General to be too conservative that a man should be required to have the LL.B. degree.

THE CHAIRMAN: The amendment of the hon. member had already been negatived, and that of the member for Yilgarn was not in order.

MR. WALKER moved an amendment that the following be inserted as Subclause (*b*):—

Any person who shall have completed a term of at least five years as a clerk in the office or offices of a practitioner or practitioners in any State of the Commonwealth and shall have been employed in the capacity of a managing clerk in this State for at least five years continuously.

THE ATTORNEY GENERAL: It would be impossible to accept the amendment. The reason why the term was prescribed to be in Western Australia was that we might be properly assured that applicants had fully carried out the term and the provisions of the Act. Men came here for many reasons, and it would be undesirable to hamper the administration of the Act by the necessity for inquiring at the particular places whence the applicants came. The hon. member would be equally justified in making the whole term of 10 years apply to the whole of the Commonwealth, but members would not accept such a proposal. We should have some knowledge of the men desiring to enter the profession. If the amendment were passed it would so change the Bill that there would be no hope of its becoming law.

MR. WALKER: If a man served five years as a clerk in another State and five years in this State as managing clerk, surely that was enough to know about him. Surely five years as managing clerk here was sufficient credential. The fact of these gentlemen being managing clerks for five years was good testimony that there were honourable and upright men and had not come to this State for ulterior motives.

Amendment put and negatived.

MR. TAYLOR moved an amendment that the following paragraph be struck out:—

Provided that it shall not be lawful for any person admitted under the provisions of this Act at any time during the twelve months next following his admission to practise as or engage in the practice of a legal practitioner or be employed in the office of any legal practitioner within three miles of the office of any practitioner by whom he shall have been engaged at

any time during the twelve months next preceding his admission, except with the permission in writing of such practitioner.

It was stringent and unfair that a managing clerk admitted as a barrister could not set up and practise in the place where he had gained his knowledge, where he was acquainted, and where he had his home and family. By this clause a managing clerk in Perth, on being admitted to practise, would be compelled to remove from the city unless he had permission in writing from his former employer to set up in practice within a radius of three miles. Could we apply these conditions to any other walk of life? It was not fair that a person who had been taught a trade should not be allowed to set up in business within three miles of his former employer. No doubt the argument which would be used by the Attorney General was, that a managing clerk would come directly in contact with the clients of his former employer, and might take some of the clients away from that firm. That argument might hold good in some degree, but not in such a degree as provided by the Bill. The same thing applied in other walks of life. If a man were managing a butchering establishment or a grocery establishment, that man would come directly in contact with the customers, and if he desired to set up in the same line of business for himself it should be possible for him to do so, but not three miles away from his late employer's establishment. Unless some very sound reasons were advanced for the retention of the provision, he would vote against it.

THE ATTORNEY GENERAL: The hon. member's illustration had misled himself. If a person went to a grocer's shop to buy certain groceries, or to a butcher's shop to buy certain meat, it did not matter if that person were served by Tom, Dick, or Harry as long as the groceries or meat were supplied; but when a person went to a man for his brains or personal knowledge, it made all the difference if that man shifted across the street. A person who had been in the guidance of this man's brain power would continue to give him business. This clause was inserted in the Bill at the suggestion of those in whose interests the Bill was brought forward, and if there was no such provision in the Bill, an employer knowing that his managing clerk intended to be called to the bar or to pass his examination, and knowing of the risk he would run that some of his clients might be taken away, would at once put the managing clerk out and not continue to employ him. Such a provision would place the managing clerk in a false position. It would deprive him of his livelihood at a time immediately preceding the passing of his examination or entering the profession.

MR. GORDON: The provision was a wise one, and had been inserted at the request of those who wished to take advantage of the measure.

MR. BATH: The argument used by the Attorney General might mislead the House, although probably it was not intentional. The brains of the managing clerk were just as much his possession as the goods of the grocer, and if the clerk happened to go across the street to practise his profession, and was not to be permitted to practise his profession and not to have the use of his own brains, he was in a very powerless position indeed. It did not say much for the code of honour amongst practitioners if, because a managing clerk intended to become qualified as a practitioner, the practitioner would discharge that managing clerk. If such were the case, instead of this provision in the Bill there should be a provision to punish practitioners who would resort to such a mean action. There were not a great many places in Western Australia where a managing clerk, after being called to the bar, could practise his profession if the provision remained in the Bill. In places like Perth, Kalgoorlie, and Cue he could not set up in business, and though the provision enabled a man to become a practitioner, it was only an empty honour, because he was prevented from carrying on his profession in places where his business would be lucrative.

Amendment put, and a division taken with the following results:—

Ayes	...	...	12
Noes	...	...	22
Majority against		...	10

AYES.	NOES.
Mr. Bath	Mr. Barnett
Mr. Bolton	Mr. Brebber
Mr. Collier	Mr. Butcher
Mr. Holman	Mr. Cowcher
Mr. Horan	Mr. Davies
Mr. Hudson	Mr. Eddy
Mr. Johnson	Mr. Foulkes
Mr. Lynch	Mr. Gordon
Mr. Scaddan	Mr. Gull
Mr. Taylor	Mr. Hayward
Mr. Ware	Mr. Keenan
Mr. Troy (*Teller*).	Mr. Layman
	Mr. Male
	Mr. Mitchell
	Mr. Monger
	Mr. N. J. Moore
	Mr. Price
	Mr. Stone
	Mr. Veryard
	Mr. A. J. Wilson
	Mr. Frank Wilson
	Mr. Hardwick (*Teller*).

Amendment thus negatived; the clause passed.

Clauses 3, 4, 5—agreed to.

New Clause:

MR. BATH moved that the following be added as Clause 6:—

> Every male person of the age of 21 years and upwards who (1) has been admitted as a graduate of any university in any part of His Majesty's dominions, and has passed an examination in law as hereafter provided, or (2) any person who has passed such examination in general knowledge and law as hereafter provided, shall be entitled to be admitted and enrolled as a legal practitioner.

At 6·30, the CHAIRMAN left the Chair.

At 7·30, Chair resumed.

MR. BATH: In the new clause he desired to carry out the idea of the Attorney General, who did not wish those coming from outside the State to have greater opportunities or privileges than those within the State. If the new clause were passed, he would farther propose that for the purposes of the examination the Judges of the Supreme Court, or two of them, might from time to time appoint such persons as they thought fit for drawing up the subject-matter of the examination, and appoint examiners for the purpose of examining candidates and giving certificates that such candidates had satisfactorily passed the examination. There was a good deal of dissatisfaction in the State in regard to the examination by the Barristers' Board, and in his opinion the practice adopted in New Zealand and New South Wales would be preferable, namely that of giving the Judges of the Supreme Court the right to constitute the examining board. He believed it would give more satisfaction to applicants, and be more satisfactory generally to the legal profession.

THE ATTORNEY GENERAL: We had been discussing for a considerable time the necessary conditions for the admission of managing clerks, and now at this late stage the Leader of the Opposition proposed to add a clause which was entirely foreign to the Bill. The hon. member proposed that every male person of 21 years of age who had attained the degree of bachelor of arts in any university and had passed an examination in law should be entitled to be admitted as a barrister. Surely if we were to adopt that principle we might as well wipe out all other provisions of the Bill. If this were in any way consequential on the rest of the measure, he would immediately if possible meet the hon. member; but it had no connection with the rest of the Bill. Supposing a boy of 16 in the Eastern States obtained a degree and came over here, the moment he became 21 he would, if he had passed an examination in law, be entitled to be admitted if this new clause were passed. That was an alteration of the principal Act of a most radical nature. The second portion of the new clause was so entirely drastic in relation to the principal Act, and so completely foreign to the whole of the Bill, that he did not think the hon. member seriously meant the Committee to discuss it. It would be impossible for him to accept the proposal.

MR. BATH assured the Attorney General that he was in earnest in moving the clause. When the member for Kanowna (Mr. Walker) moved to give to those who happened to come from other States possessing the same status as that mentioned in Clause 2 of this Bill the right to be admitted, the Attorney General said "No; because we must demand that they should have served their time in Western Australia in order to prove their *bona fides*." People coming from outside could practically secure the right to practise by a provision of this nature, and yet the hon. gentleman would deny that right to people within the State itself. That was not on all-fours with his action towards the amendment of the member for Kanowna, and was a most complete reversal of form so far as provisions of this nature were concerned.

He took strong exception to, he could only call it, the threat that if we introduced an amendment to a Bill brought down by the Attorney General because we wished to go farther, the hon. gentleman would sink the measure rather than see it carried through. If that idea of parliamentary action was to be in force, we might just as well dispense with Parliament altogether, and have government by the members of the Ministry. So far as this measure was concerned, the title in no sense confined us to the provisions embodied in the measure as brought down by the Attorney General. The measure was one to amend the Legal Practitioners Act, and it did not say in which particular direction the amendment must be made. It was quite competent for the House, if it so desired in its wisdom, to amend the measure. If we were to adopt the idea referred to in regard to other proposals it would be something in the nature of a boomerang and might return on the Attorney General, because so far as other measures were concerned we found a number of amendments dealing with different details on the Notice Paper, and if for each amendment dealing with some particular aspect we were to have a separate Bill, we would have hundreds of measures introduced during the session dealing with what could be effectually embodied in one Bill. The amendment was desirable and quite consonant with the Legal Practitioners Act.

Clause put and negatived.

New Clause:

MR. FOULKES moved that the following be added as a clause:—

> Any person who has acted as Registrar of the Supreme Court of Western Australia for five years may be admitted as a practitioner.

This amendment was not foreign to the Bill, because it was laid down in the measure that one qualification for admission must be service in an office. A man must have served for at least seven years, and for five of these years he must have been a managing clerk. Anybody who had occupied the position of Registrar in the Supreme Court of Western Australia for five years must have learned a considerable amount of law. The Registrar must have a good deal of legal work to do, because he had to hear summonses, applications were heard by him instead of before Judges in chambers, he had a great deal of probate work, and he had the running of the Supreme Court. He (Mr. Foulkes) did not say it was likely to happen, but it might happen that a layman might be appointed as Registrar of our Court here, if possessed of good administrative ability. There was only one man whom this amendment would affect, namely Mr. James Cowan, who had acted as Registrar of the Supreme Court for seven or eight years and who now held the post of Local Court magistrate in this State. It would be an advantage to the public if a person who held the position of Local Court magistrate, the only one, were recognised as a practitioner.

MR. LYNCH: Would that gentleman have to stand an examination?

MR. FOULKES did not know that it was necessary. In his opinion, that gentleman had sufficient knowledge.

THE ATTORNEY GENERAL: The Bill could not be framed to meet the requirements of a single person, though for the person concerned he had the greatest respect. The new clause would be accepted if framed so as to empower the Barristers' Board to grant a degree of *honoris causa* to any person who had for five years been Registrar of the Supreme Court.

MR. FOULKES: The omission of *honoris causa* was an oversight in the new clause.

THE ATTORNEY GENERAL: Better withdraw the clause; and on recommittal he would draft an amendment giving power to confer honorary degrees, with a view to recognising the merits of all who might be worthy. Such degrees would not allow the recipient to practise the profession.

Clause by leave withdrawn.

New Clause—LL.B. and B.A. degrees recognised:

MR. TROY moved that the following be added as a clause:—

> Any person who shall, before or during his service under articles, have taken a degree of Bachelor of Laws or of Arts at any University recognised by the board, in the United Kingdom, in the Commonwealth of Australia, or in New Zealand, shall, after serving his articles, be at liberty to practise as a barrister, solicitor, attorney, or proctor.

Throughout the rest of the British

dominions, the possessor of a B.A. degree was admitted to the bar so soon as he served his articles and passed certain examinations. In this State the privilege was confined to possessors of a LL.B. degree.

THE ATTORNEY GENERAL: What did the amendment mean? The hon. member was tacking on a new condition. An articled clerk, whether or not he was a B.A., was entitled to practise after serving his articles and passing the three law examinations. The new clause would compel him to go to some country which had a university and take a degree.

MR. HORAN: A gentleman in this House held an associate of arts degree, the highest obtainable in the colony from which he came. Did the Barristers' Board recognise that degree as equivalent to a B.A.?

THE ATTORNEY GENERAL: No degree was needed here. Whether an applicant clerk had a degree was immaterial.

Clause by leave withdrawn.

New Clause—Reciprocity with British Empire:

MR. LYNCH moved that the following be added as a clause:—

> Any person of good repute, on satisfying the board that he has been admitted as a barrister or solicitor, after examination in general knowledge and law in any of His Majesty's dominions, and has practised there for not less than five years, shall be entitled to be admitted as a practitioner of the Supreme Court of this State, without examination.

This would place practitioners of sister States and of New Zealand on the same level as local practitioners. Five years' practice in any of the Eastern States or New Zealand would be equivalent to service as an articled clerk here. Many in this State had suffered from the high-handed action of the Barristers' Board; and the new clause would bring that body to some sense of its duty. Five years' practice as a solicitor in another State should be equivalent to five years' service as an articled clerk, whose main duty was to sweep out the office.

THE ATTORNEY GENERAL: The articled clerk, even in the obscure office referred to, had to pass the examinations prescribed in this State. We were now in absolute reciprocity with the other States of the Commonwealth, admitting anyone who had been called to the bar in any such State, and the other States admitting our practitioners likewise. By the new clause, the applicant would have to satisfy the Board that he had actually practised for five years in the East. Thus the clause would be more stringent than the present condition. Moreover, it would apply to New Zealand; and as the hon. member moved the clause with a view to benefiting a single person, he wished to mould the Bill to suit that person's requirements—a proceeding to which the Government objected. Reciprocity did not exist between this State and New Zealand; for the Government were not satisfied that the New Zealand conditions and examinations were anything like our own.

MR. BATH: And yet we had to send away for Judges.

THE ATTORNEY GENERAL: Was anything gained by so doing? If so, the practice was a reflection on our bar. At the same time the hon. member had said on other occasions that it was a gross blunder importing a Judge. We only occupied the same position towards New Zealand as was occupied by the other States of the Commonwealth. The clause would merely affect New Zealand, so he was not prepared to accept it.

Clause negatived.

MR. MONGER gave notice of an amendment he intended to move on recommittal of the Bill.

THE ATTORNEY GENERAL: The member for Mount Magnet (Mr. Troy) could place his proposed amendment on the Notice Paper, and it also could be dealt with on recommittal of the Bill.

Title—agreed to.

Bill reported without amendment.

BILL—GOVERNMENT SAVINGS BANK. CONSOLIDATION AND AMENDMENT. SECOND READING.

Resumed from the previous Thursday.

MR. T. H. BATH (Brown Hill): I congratulate the Treasurer on having brought down a consolidation Bill and one which also contains amendments deserving of support from all members of the House irrespective of which side they occupy. I may say that the improvements embodied in this measure are largely on the lines of those

embodied in the measure submitted by the Daglish Government in 1904, a Bill which was very unceremoniously put to death in another place. The only point of difference I see is that in the measure of 1904, depositors were allowed to deposit £1,000 maximum in one year, whereas in this Bill it is provided that this maximum can only be reached after three years. One of the excellent features of the Bill is that after the first deposit of one shilling, persons may make deposits of an amount, which need not be a multiple of a shilling. This will allow the odd pence over a shilling to be deposited. Another good feature is the protection of deposits of married women. In prior measures this protection was not afforded, and I am glad to see the Treasurer has followed the example of South Australia, where they have lately embodied a similar provision in their Act. Also the power of the manager to practically act as administrator of an estate where the amount deposited is under £100 will save a great deal of vexatious delay and trouble on the part of those who are often left in unfortunate circumstances, and dependent on the sum of money in the Savings Bank to carry on their daily life after the breadwinner is taken from them. There are certain clauses in which I think improvements may be made. I fail to see why the privileges accorded to friendly societies, including trades unions and industrial associations, or local authorities to deposit in the Savings Bank are not extended to co-operative societies—institutions which are for the purpose of encouraging working people and others to form co-operative parties. I think these co-operative societies should be placed on precisely the same basis as friendly societies or local authorities. I find that the provision with regard to the withdrawal of deposits is embodied in the Savings Bank Acts of nearly every State, that for under £50 one month's notice of withdrawal must be given, and that for over £50 two months' notice of withdrawal must be given. Of course it is provided that the manager of the Savings Bank can issue his warrant prior to the expiration of that term; but if he liked to exercise his authority, no one could withdraw money below £50 under one month, or over £50 under two months. Such power used arbitrarily by the controller of a Savings Bank would prove detrimental to depositors, and I cannot see the necessity for the provision in this Bill. Also power to refuse deposits may be arbitrarily used. The Treasurer gave an imaginary case of a pickpocket being refused permission to deposit in the Savings Bank; but if a pickpocket were making deposits in a bank it would be clear intention that he was saving up money to render it unnecessary for him to pick pockets in the future. At least I fail to see why such power should be placed in the hands of the Treasurer to cover such a very remote possibility as that he might, at some date in the future, need to refuse deposits from a pickpocket. I think some improvements might be effected in the disposal of surplus revenue. It is provided that the amount received by the Treasurer as trustee for the Savings Bank, in the way of interest or any income over and above the payment of interest and working expenses, must be paid into consolidated revenue. After all, it is really the earnings of depositors' money, and I think it could be better disposed of, together with depositors' unclaimed funds, which have to be paid into consolidated revenue after the expiration of some time, by being paid into a trust fund and used to pay for annuities as provided in the English Savings Bank Act. Such fund might be the nucleus of what might be a very deserving institution, somewhat on the lines of that the late Mr. Seddon proposed in New Zealand. If this revenue were devoted to that purpose it would form the nucleus of an annuity fund. One defect in the Bill is that no provision is made for a reserve fund so far as the administration of our Savings Bank is concerned. In the past it has been found necessary to appropriate sums of money to the Savings Bank Trust Fund in order that the amount of reserve should represent something like a fair percentage of the total amount deposited. During the financial year ending June, 1905, the then Treasurer found it necessary to resort to this to build up the Savings Bank reserve to something like an amount representing a fair percentage of the total deposits. In this connection I shall read the remarks of Mr. Holden, a gentleman prominent in bank-

ing circles in Great Britain. He pointed out recently that—

A good deal was said about the danger of a large unfunded debt. But if there was this well-founded anxiety about the unfunded debt on account of the liability to repayment of some portion within short periods, should there not be increased anxiety about the £150,000,000 due to depositors in the Post Office Savings Bank, repayable on demand? The securities held against this enormous sum being depreciated by £11,000,000, the last Chancellor of the Exchequer got an Act passed relieving the Postmaster General from the obligation of publishing a balance-sheet, on the plea that a balance-sheet is misleading. But it would not be misleading if the stocks were entered at the market value, the deficiency being shown in a separate item, and a sinking fund created in respect of the deficiency shown by the balance-sheet. Mr. Holden further contended that the Chancellor should allocate to the service of the Post Office Savings Bank a million annually, in order to create a gold reserve. If this were done he would at the end of ten years be in possession of a bullion reserve of £10,000,000. As a matter of sound finance it was absolutely necessary that something like this should be held against liabilities of £150,000,000, repayable on demand. The yearly total of all our exchanges throughout the country amounted to 15 thousand millions, all finally resting on a gold basis. All financial experts were agreed that the actual gold reserve, say £35,000,000, is too small. If the Chancellor of the Exchequer would adopt the suggestion he would render unnecessary the suppression of the balance-sheet, would improve the financial position generally, and would thereby earn the gratitude of all financial men in the city of London and throughout the country.

That is the position of affairs in Great Britain as pointed out by Mr. Holden.

THE TREASURER: Did the Chancellor adopt it?

MR. BATH: I am not aware whether he did or not. This is a clipping from a recent issue of a home paper, and it points out that attention is being drawn to the lack of provision for a reserve in Great Britain; and there is the same necessity for a provision of reserve so far as the Savings Bank depositors here are concerned. Of course I recognise that it is provided in the Bill that any deficiency on depositors' claims must be a charge on the consolidated revenue; but when there is likely to be a run on the bank it is just as likely to be a time of depression when the consolidated revenue is not too strong. If there were a run on the bank we would have to avail ourselves of the provision in the Bill by which a month's or two months' notice is insisted on, or we would need to draw on the consolidated revenue; and we know what hope depositors would have of drawing on the consolidated revenue at present, when it is probable that, to meet the current expenses, the Treasurer is drawing on Loan Suspense Account. I draw attention to this because I think it is absolutely essential to the secure administration of the Savings Bank in Western Australia that a reserve should be created. We recognise, or we know, that in New South Wales when there was a run by depositors on the Barrack Street Savings Bank in Sydney the Associated Banks in Sydney came to the rescue of the Savings Bank at that time. But after all the banks charge very heavily for advances of this kind, and it is necessary for those charged with the administration of the Savings Bank fund to make provision without rendering it necessary to appeal to the banks or the consolidated revenue. Another aspect of the case which I think should be brought before the attention of the Colonial Treasurer is that in this State when amending our Savings Bank legislation there should be a splendid opportunity for amalgamating the Savings Bank and the Agricultural Bank. For instance, there could be great economy effected in the management of these two institutions, and we have an example of where this has already been effected in the case of the Savings Bank in South Australia. We find there the State Bank is an institution somewhat on the lines of the Agricultural Bank, but it does not confine its operations to agricultural and pastoral estates, but it also lends money on industrial undertakings, and the result is that it concentrates the operations of two institutions. They do not have the dual management at present existing in Western Australia, a managing department of the Savings Bank and a separate managing department of the Agricultural Bank, thus making the expenses of management heavier than they should be.

THE PREMIER: They have a board of control.

MR. BATH: In South Australia they have a board of commissioners to control the operations of the Savings Bank; but I would like to point out, the management is more economical than is the cost of man-

agement of our two institutions. The time has arrived when we can extend the operations of the Savings Bank, or amalgamate the bank with the Agricultural Bank to the advantage of the community. As far as the State Savings Bank of South Australia is concerned, the last return issued shows that the arrears of interest were only £1,171 on a total amount outstanding of £528,418. The total amount loaned out at different times was a little under a million, of which of course a considerable amount has been repaid by way of repayment of loans. As far as this measure generally is concerned, it meets with my hearty approval, and I hope to see the time when the Government of the day will pay greater attention to the possibility which lies before it of a State Bank in this State, and when the Government will considerably extend the functions of our Savings Bank, amalgamating it with the Agricultural Bank, thus making it a State Bank controlling the undertakings now carried out by these two institutions.

MR. M. F. TROY (Mount Magnet): With the Leader of the Opposition I may say that the measure is a fairly progressive one, although there are many ways in which it could be made still more progressive. I intend, when in Committee, to move amendments with a view of still farther liberalising the measure. The Leader of the Opposition congratulated the Treasurer on the fact that amounts up to 1s. will be accepted when an account is opened. I am of opinion that lesser amounts should be accepted. Take, for instance, the case of children. To encourage thrift amongst children the Bill should be so liberalised that any amount should be taken and accepted in the nature of deposits. In New South Wales there is, in the State Schools, an institution for banking which is carried on in conjunction with the Savings Bank. Any amount is accepted by a teacher and deposited in the State Savings Bank. Any amendment moved in this direction would do good and inculcate thrift among children. That is one of the things the Government should strive to do. Again, provision is made for persons banking jointly. Two or three persons can bank together, but there is no provision for any one of these persons making withdrawals. I think provision should be made in this respect. Take the case of a husband and a wife. The husband and wife open an account together, but no withdrawals can take place until both signatures are attached to a cheque. It would be convenient if the parties agreed that during the absence of the husband the wife could draw for any amount she desired. And if the husband is away in the country he should be able to make withdrawals, provided the parties are agreeable. Provided they agree to operate on the one account, either of the signatures should be sufficient for withdrawal. I have had the matter mentioned to me several times since this Bill was introduced, and if the Treasurer would provide in this direction he would give general satisfaction. In Queensland the Act provides that an account may be opened by a husband and wife, and either of these persons—provided they make an arrangement previously—can operate individually. The Bill also provides that the Treasurer shall be exempt in cases of fraud or forgery. I hold this opinion, that the Savings Bank is purely a financial institution, a commercial institution. It accepts money at 3 per cent. and lends it at 5 per cent. It makes a profit on the money it accepts; and I think the Treasurer should be held responsible, in the case of fraud and forgery as other banks are held responsible. If the Treasurer is not held responsible, that fact will inculcate among the employees a spirit of carelessness. One person will draw money for any other individual, and the officer will not care, for he will not be held responsible. He will not be taken to task if a forgery is committed, therefore it will encourage carelessness in the institution. I think the Treasurer should be held responsible. That is one of the amendments I intend to move in Committee. Again, a provision is made that in the event of a depositor dying without making a will and having a sum of money not exceeding £100 in the bank, the manager shall act as executor of the estate. He shall pay the funeral expenses, and after paying the creditors and the funeral expenses he will hand the balance to the widow. I do not think that a proper thing to do. I think the widow should come before the creditors. It is an ordinary business risk, and I think

the widow should be considered before the creditors. It would be wise to provide that if a depositor dies without making a will, the manager should pay the funeral expenses, the expenses to be paid as soon as possible; but after the funeral expenses are paid I think the balance should go to the widow, and the creditors should look to the widow for the amounts owing, In Committee I shall endeavour to have some of the clauses amended in order, as I think, to give more liberal conditions. I agree with the Leader of the Opposition when he advises the Government to run the Savings Bank in the State on lines similar to the Savings Bank in South Australia. The Savings Bank in South Australia is conducted in association with the Agricultural Bank, and if that procedure were adopted in Western Australia it would mean a very great saving, and economy in many directions would be exercised. Half the staff now employed would be able to carry on both banks. There would be a great saving in that direction. To the Bill I have very little objection to take, and as far as I possibly can I shall endeavour to assist the Treasurer in carrying it through.

MR. T. WALKER (Kanowna): I have no desire to delay the passing of the second reading, because this is one of those measures with which I thoroughly agree, and I am pleased to make this contribution to what I believe will ultimately be a national reform in the financial management of the State. A want is provided for in the Bill that has long been felt, and the only regret I have is that it does not go far enough. As has been said by previous speakers, I cannot see the necessity of having two State financial institutions, the Agricultural Bank and the Savings Bank. I do not see why they cannot be run as one institution and save the expense of two sets of management. Someone said, "impossible." I do not see the impossibility. They do this in South Australia and in ordinary banking instutions. This Opposition side of the House rightly champions the best of reforms, that which aims at breaking down monoplies. There are no greater monoplies than private banking institutions. They are at the root of all monoplies. They find the material for every other monopoly, and if we wish to destroy monopolies of every kind it is in taking over the monopoly of finance, that is of banking. I had the honour to be on a committee in New South Wales when all the managers of the banks available in New South Wales at the time were examined. A report was presented to the House in New South Wales, and it was quoted from and helped to mould and frame the opinions of those in the conferences that preceded Federation. It was seen clearly that it was quite practicable—and I was not the only one who held that opinion—for the State not only to do its own financing in a general sense, and to run an institution that should receive deposits from its own citizens and act as money-lender to its own citizens on security, but also feasible and practicable to have a note issue of its own, properly protected and regulated. If the banks and private institutions are allowed to issue notes, why cannot the State do so?

MR. BATH: And get the use of the money without having to pay interest.

MR. WALKER: Exactly; that is what the banks do. I am pointing out that this is a reform which must come. If this State had legal authority to issue notes to the extent enjoyed by all the private banking institutions which are flourishing in our midst, the amount of money which by that means alone would be available for the purposes of public works, and therefore of finding employment for the people, would be enormous. I have not the figures, but it is scarcely necessary to go into minute details to see the many advantages that will accrue to the State by a paper issue. We are allowing operations to be performed by cheque, which is another facility of currency, for I presume a cheque on the State Bank can be handed to the tradesman just as an ordinary bank cheque can be utilised in that way. We are extending the facility of currency in trade. But the one great step which will be the salvation of Western Australia placed under proper management, the issue of paper money, is not taken here, but it must be taken. When I say it must be taken, I mean it ought to be. I am astonished to find that people who are clever, able, expert financiers cannot see the wisdom of it. It is no new expe-

riment; it has been tried in many countries, to their salvation. Even England herself, rich as she is in every species of resources, has had to resort to paper payment, and for years has distributed paper in that way. On the continent of Europe, in Germany for instance, the issue of a certain number of bank notes every year has been allowed. That system saved America in the time of her crisis, and it placed France upon a sound footing too. There have been those who cried out against it, because there can be no question that the privilege and the utility have sometimes been abused. The over-issue of paper naturally would depreciate the value of that form of currency; but, as has been pointed out by everyone who has made a study of the question, that can be regulated. I do not know that we can bring in any reform of that kind on this Bill; but in Committee if I see my way clear to move an amendment of that nature I shall feel very much inclined to do it. In the meantime I welcome a step in the right direction, and only hope it will be the promise of that greater thing which to my mind is absolutely necessary to free us from that thraldom of our land, the accumulating interest to countries abroad, and to moneylenders who live over the sea.

THE TREASURER (in reply as mover): I have to thank members in Opposition for the encouraging remarks they have made in regard to this Bill. Of course the Leader of the Opposition took credit in a great degree for the Bill, and I will say at once that I do not begrudge any credit that is due to him or to his former leader, the member for Subiaco (Mr. Daglish). My object, and the object of the Government, is that we shall have as liberal a measure and as liberal provisions in our Savings Bank as we can possibly enact at the present time. I am not prepared to go to the full length of the suggestion of the member for Kanowna (Mr. Walker). I recognise that it is much too wide a subject for us to discuss at the present juncture, a State paper currency. We all know that there was paper currency issued in certain countries to which he referred, which worked ultimately to the great advantage of those countries. It was introduced at a pinch, when things were in a very distressed condition, and at that time it brought a certain amount of financial ruin to those who indulged in it.

MR. WALKER: They have all recovered from it.

THE TREASURER: I do not think we have arrived at that stage in our history when it is necessary for us to discuss the question as to whether we should issue a State paper currency. What I want members to do is to assist me in passing this measure in order that we may extend the operations of our Savings Bank, doing it gradually. I have not given sufficient consideration, nor indeed any consideration at all to the amalgamation of the Savings Bank and the Agricultural Bank as suggested by one hon. member; but as time goes on perhaps that might be brought about with advantage. If it can be brought about with advantage, I shall be only too pleased so far as I am concerned to lend any assistance in my power in that direction. At present I am not sufficiently conversant with the benefits that would be obtainable from such an amalgamation to express a decided opinion on the matter. I would like to point out, however, to the Leader of the Opposition that I hardly see how any savings bank can be more economically run than the Western Australian Savings Bank. In South Australia they have, if I remember rightly, a board of twelve trustees.

MR. BATH: Oh, no; they have reduced the number. They have a State Bank, which fulfils the dual functions of the Savings Bank and the Agricultural Bank.

THE TREASURER: My information goes that the Savings Bank is controlled by twelve trustees. You say that is altered now. Supposing it consists of a smaller board than that, still there is the expense of that board, whereas at present our operations are absolutely controlled by the Treasury; there is no increase of staff and no increase of expenditure whatever for the management of the Savings Bank. A board such as that referred to as existing in South Australia would not of course carry on the operations at the bank, but it must have a manager, and we also have a manager, a very capable manager, running the Savings Bank under the Treasurer.

MR. HORAN: Controlled by yourself.

THE TREASURER: Exactly. The manager acts under the Treasurer, and I

cannot conceive for one moment that we could have a more economical system than that which we now have.

MR. BATH: I do not say otherwise. What I say is that you could economise still farther if the Agricultural Bank and the Savings Bank were amalgamated. One manager would do.

THE TREASURER: That might be possible; but as I said before, I have not given the matter sufficient consideration to express a decided opinion. We must remember that the functions are, as the Premier reminds me, somewhat different. In one case we have the bank lending State funds on agricultural properties, but it draws its supply from the Savings Bank.

MR. BATH: The Agricultural Bank gets its money from the Savings Bank.

THE TREASURER: I admit that. The Agricultural Bank has, as one of its special functions, the lending of money to agriculturists.

MR. A. J. WILSON: Virtually a loan branch of the Savings Bank.

THE TREASURER: Practically so. The Agricultural Bank borrows all its money from the Savings Bank, under certain regulations and conditions and after inspection. With regard to reserve funds such as suggested by the Leader of the Opposition, I would be the last to say that reserve funds are not necessary in an institution of this description; but I should like to point out—one member mentioned it—that there is protection in the clause providing for runs, if necessity arises, and it would be very unwise to alter that clause. If necessity arises and there is a run on the Savings Bank we can fall back on this clause, which specifies that anyone having money under £50 in the Bank must give one month's notice of withdrawal, and if a person has over £50 he must give three months' notice of withdrawal. This gives time to draw supplies from any portion of the world from which we may wish to obtain them, and gives full power to preserve the Bank intact.

MR. BATH: The danger is that you might create a worse panic.

THE TREASURER: I cannot quite agree with the hon. member to that extent. Even an ordinary bank, if it pays interest on deposits, requires notice of withdrawal. In fact it will not pay a fixed deposit until the time has expired. Here we are paying interest on all deposits, and therefore we are entitled to say, in case of need, that we shall require a certain reasonable notice of withdrawal of funds from the Bank. If we had not that protection, we could not give the interest. We have at the present time, if my memory serves me rightly, £2,000,000 deposited in the Savings Bank. In order to pay three per cent. on these deposits, or a certain portion of them, we must utilise that fund, we must place it out at interest, place it on mortgage, advance it to the Agricultural Bank for loans on agricultural properties.

MR. HORAN: Is not the Agricultural Bank a source of interest?

THE TREASURER: Of course. We do not lend the money for nothing. We must invest the money in that and in any other ways, such as advances for the goldfields water scheme on their bonds; and the Metropolitan Waterworks Board and the Land Charges Board get their funds from the Bank; to say nothing of inscribed stock and municipal loans. If the money is not fastened up in these various investments, we cannot get the return necessary to provide for the interest we are paying out.

MR. SCADDAN: What return do you get from the Agricultural Bank?

THE TREASURER: Five per cent.

MR. SCADDAN: The Savings Bank interest is five per cent?

THE TREASURER: Three and a half.

MR. SCADDAN: What do you get back from the capital of the Agricultural Bank?

THE TREASURER: We get the whole of it back when it is due, as repayments are made.

MR. P. STONE: We have undoubted security.

THE TREASURER: With regard to the £1,000 maximum and the suggestion of the Leader of the Opposition that there should be no restriction——

MR. BATH: I think the restriction should be abolished. Let them put in as much as they like.

THE TREASURER: I agree with the Leader of the Opposition that we might possibly permit £1,000 to be deposited in one sum, in one period or within any time the depositor wished. But we must remember that we want this Bill to meet

with approval in another place, and we may have some opposition. My idea is that if we widened this clause so that £1,000 could be deposited at one time it would not work any great injury, and perhaps it would be a benefit, to certain societies more especially. At the same time by providing that only £400 is to be deposited in any one year we disarm to some extent the opposition which might be aroused amongst other financial institutions.

MR. JOHNSON: You deter many societies from patronising the Bank by that limit.

THE TREASURER: I can hardly follow the hon. member in that, because they can patronise the Bank up to the full limit allowed—£400 in the first year, £400 in the second, and £200 in the third. This will involve a delay in making the total deposit; and to that extent I admit that the Bank as well as the depositor will suffer. The other remarks that have fallen from members do not call for any special comment. I again thank the House for receiving the measure so well; and I trust that when in Committee members will assist me to pass it, so that it may be of benefit and utility to all concerned. Any reasonable amendments from members opposite or any other members will receive the careful consideration of the Government; and if possible, we shall endeavour to meet members in their suggestions.

Question put and passed.

Bill read a second time.

IN COMMITTEE.

MR. ILLINGWORTH in the Chair; the TREASURER in charge of the Bill.

Clauses 1 to 8—agreed to.

Clause 9—Depositors:

MR. BATH moved an amendment—

That the words "by any co-operative society" be added as Subclause (*b*.)

Co-operative societies were now growing up in this State, and should, like friendly societies, be entitled to make deposits and to operate on their accounts by cheque.

THE PREMIER: Were they not included in the definition of "friendly society"?

MR. BATH: No. They were registered under the Co-operative and Provident Societies Act.

MR. A. J. WILSON: The interpretation of "friendly society" included societies and clubs. Surely this covered co-operative societies.

THE TREASURER: That was the intention of the Government, and of the Savings Bank authorities.

MR. BATH: Kindred measures in Great Britain and other countries specifically mentioned co-operative societies.

Amendment passed; the clause as amended agreed to.

Clause 10—Limits of deposits:

MR. JOHNSON would test the feeling of the House on the question of raising the limit from £400 to £1,000, the latter sum having been proposed in an amending Bill in the last Parliament. While the present Bill provided that trades unions and friendly societies could patronise the Bank, the limit of £400 a year debarred many of the larger organisations from becoming depositors, for several of them received annually much much more than this sum. True, such organisations could lodge £400 with the Savings Bank and the rest of their income with private banks; but this was undesirable and should not be necessary. He moved:—

That paragraphs (*a*), (*b*), and (*c*) be struck out, and that the words "in any one year any sum which makes the total amount deposited for the year exceed one thousand pounds," be inserted after "depositer," in line 2.

THE TREASURER: Personally he did not object to the amendment, which if passed in another place would benefit the Bank.

MR. A. J. WILSON: There was much in what the Treasurer said regarding another place. The objection of the member for Guildford (Mr. Johnson) could be easily overcome without making the clause so comprehensive as the amendment proposed. Add after "depositor," "other than a friendly society or a co-operative society." Private persons would not then be allowed to deposit £1,000 at any time.

THE TREASURER: The mover could hardly intend that a society could deposit £1,000 in each year, without limit. He suggested striking out of the amendment the words "for the year."

THE PREMIER: The only objection to the amendment was that if a number of people decided to each deposit £1,000

and in three months decided to withdraw their deposits, the Government must pay interest on the money but would not have time to invest it. The only way to overcome the difficulty would be to limit the amount we paid interest on.

MR. JOHNSON accepted the suggestion made by the Treasurer to strike out of the amendment the words "for the year." Clause 16 stated that the Governor-in-Council might from time to time fix the rate of interest and the amount that interest would be paid on. We were not compelled to pay interest on a thousand pounds.

MR. FOULKES: We should not place the Savings Bank management in an awkward position. Many banks refused to take money on deposit unless they were assured that they could make good use of the money. They would only accept moneys on deposit provided it was for a fixed period, and the interest varied according to the length of period. The Savings Bank was more a bank for current accounts, and not deposit accounts. The Government might have large sums offered to them, but there might be difficulty in regard to investing. It would not pay the Government if a deposit was made for a fortnight.

THE TREASURER: No interest would be paid on a deposit for a fortnight.

MR. JOHNSON: The amendment was drafted fully realising the effect of Clause 16, with the object of allowing organisations to use the Savings Bank. The provisions in the Bill would meet the difficulty raised by the member for Claremont.

THE TREASURER: In all the States there was an interest-bearing limit. In South Australia it was £250 out of a total deposit of £500. In Victoria they paid 3 per cent. on the first £100 and $2\frac{1}{2}$ per cent. on the next £150, while the balance of the maximum of £1,000 received no interest. In New South Wales they paid interest up to the maximum of £300. In Queensland they had an unlimited deposit, but only paid interest on £200. In Tasmania the maximum was £250 bearing interest.

Amendment (as amended according to the suggestion of the Treasurer) put and passed; the clause as amended agreed to.

Clause 11—Deposits to be entered in a book and cancelled:

MR. BATH moved an amendment—

That the words "unless the paying-in slip proves to the contrary," in Subclause 2, be struck out.

This clause provided that the officer receiving a deposit should make a written acknowledgment of the deposit in a pass-book, and that such acknowledgment was to be conclusive evidence of the deposit unless the paying-in slip proved to the contrary. He considered the official acknowledgment in the pass-book should be taken as conclusive evidence.

THE TREASURER: It was absolutely necessary that the words should stand. There might be a clerical error in the pass-book. The deposit slip is the actual voucher for the amount deposited and should be the document to prove the amount deposited. There were over 63,000 deposits in the Savings Bank and pass-books must be written up immediately, so it was easy to imagine that clerical errors might creep in when entering up so many pass-books.

MR. BATH: It might be urged that the pass-book could be faked, but the deposit slip also might be faked. An officer desirous of making defalcations might do so, and the depositor would have no legal redress against the Savings Bank.

MR. JOHNSON opposed the amendment as dangerous. If any mistake was made on the paying-in slip the fault lay with the depositor. A depositor always glanced at the pass-book to see that it agreed with the paying-in slip. It was possible that the paying-in slip might be altered, but there was greater chance of the pass-book being faked. Consequently, for the protection of the Bank it was necessary that the clause should stand as printed.

THE PREMIER: We were simply following the ordinary banking process. The paying-in slip was initialed by the teller and was proof of the amount deposited. There was no necessity to depart from the ordinary practice.

Amendment put and negatived.

MR. JOHNSON: What was the necessity for Subclause 4, which provided that no depositor should have any claim on the Savings Bank in respect of any deposit unless the deposit was made during

the prescribed hours of business at an authorised office or agency of the Bank?

THE TREASURER: This had been explained on the second reading. In one instance in the State an official of the Savings Bank had met a client outside, and the client had handed the official certain money to be placed to the client's credit. The money was appropriated or lost, and the client considered that he had a legal claim on the Bank. The Government were advised that the Bank would have been liable had an action been brought. The clause was necessary to protect the Bank and to enforce that all transactions should take place in the banking premises, so that if clients were so loose in their business methods as to hand over moneys to bank officials, the Bank would have no responsibility in the matter.

Clause put and passed.

Clauses 11 to 17—agreed to.

Clause 18—Friendly Societies etc. may operate by cheque: consequentially amended by inserting in line 1 after "friendly societies" the words "and co-operative societies."

Clause passed.

Clauses 19 to 23—agreed to.

Clause 24—Transfers of deposits from or to other Savings Banks:

THE TREASURER moved that all the words in line 2 be struck out, and the following inserted in lieu:—

savings bank authority in the United Kingdom, or any State of the Commonwealth, or any other British possession, or any foreign country—(*a*) For the transfer, on such terms and conditions as may be prescribed, of any money standing to the credit of depositors from such a savings bank to the Savings Bank constituted under this Act, or from the Savings Bank constituted under this Act to such a savings bank; (*b*) For the payment on such terms and conditions as may be prescribed of any money standing to the credit of depositors in such a savings bank, to such depositors through the agency of the Savings Bank constituted under this Act.

This was to carry out a promise made when introducing the measure, to provide that a charge could be made for remitting from the Savings Bank of this State to Savings Banks in the other States or the old country if arrangements could be made.

Amendment put and passed.

Clauses 25, 26—agreed to.

Clause 27—Securities for investments:

MR. JOHNSON: Paragraph 3 of Subclause (*d*) provided that no more than three-fifths of the amount of a valuation should be advanced, and not more than seven thousand pounds should be lent on any one security." The amount of £7,000 was too large. The funds of the Bank were required in the first place for water supplies and similar objects, and the amount remaining over for distribution in the shape of loans was very small. If power were given to the Treasurer to lend one individual an amount of £7,000, others who desired to use the Bank for the purpose of obtaining loans of small amount would be debarred. The average small man who built his own home desired to get assistance, and if he could not obtain it from the Bank he must go to outside institutions and pay 8 per cent. It was the small man we were endeavouring to assist from the funds of the Bank. He moved:

That in Subclause (*d*), paragraph (iii), the word "seven" be struck out, and "three" inserted in lieu.

THE TREASURER: Originally the amount had been fixed at £3,000, but five or six years ago it was found desirable to raise the amount to £7,000, at which sum it had since stood and it had not been found to work to the disadvantage of either the Bank or the individual. It was necessary that there should be a wider margin than £3,000. There were many desirable city properties on which the funds of the Bank could be safely invested to the amount of £7,000.

MR. JOHNSON: Were not the owners in a better position to get money? Why not assist the small man?

THE TREASURER: Undoubtedly. But we wanted these investments in order to make the Bank self-supporting. It was not always easy to get securities which would satisfy him. The endeavour was to lend the funds of this institution only on first-class securities, and there must be some range. If all the first-class securities were to be cut out, it meant in many instances that the Savings Bank would be driven back to second-class securities. He hoped the hon. member would not press the amendment. At present there was not more than £100,000 —if there was that sum—invested in these

mortgages, and he would like to have another £50,000 out.

MR. JOHNSON: For years past investments had been refused.

THE TREASURER: Investments had not been refused since he had been in the office. It was purely a matter for the opinion of the Treasurer as to what was a safe reserve amount to keep. In his opinion if it were fixed at 2s. or 2s. 6d., we would be acting in a perfectly safe and legitimate manner.

MR. BATH: Provision had not been made for the amount to be kept.

THE TREASURER: No; it was a matter for the discretion of the Treasurer. Withdrawals might upset the reserve if it was specified in the Bill; something must be left to the discretion of those controlling the institution. We had also to consider the requirements of those institutions which were dependent on the Savings Bank to maintain their capital—the Goldfields Water Supply Scheme, the Metropolitan Water Supply, the Agricultural Bank and other concerns, besides the local water supplies of the municipalities.

MR. JOHNSON: That only assisted the argument, that the amount left for lending to private persons was too small.

THE TREASURER: At the present time there was only £100,000 out on mortgages, and the first-class securities offering were not so numerous that the Bank should be limited in this way, seeing that it was thought desirable five or six years ago to raise the amount to £7,000. The present arrangement was working well, and the extra amount would not be taken advantage of in any risky way, but every care would be exercised.

MR. FOULKES: Even though the amount were reduced to £3,000 it would be an easy matter for a borrower to divide his security in two, and borrow up to the limit on each portion of that security.

MR. JOHNSON How would a man divide his house?

MR. FOULKES: It had to be borne in mind that the Bank would only lend up to one-third of the valuation, so that a house would have to be worth £9,000 in order to obtain a loan of £3,000.

MR. BOLTON: In view of the legal opinion given by the member for Claremont he (Mr. Bolton) felt inclined to support the amendment. If it was such an easy matter to double the amount borrowed with the limit at £3,000, it should be equally easy to double the amount at £7,000. What the member for Guildford desired was that instead of lending £7,000 in one sum to one individual, the £7,000 should be lent to at least seven applicants. By that means we would be assisting the small man, who wanted to get his money at 6 per cent., but who if he had to go to outside institutions would have to pay 8 per cent. If the Treasurer would not accept £3,000 he would, one hoped, accept a compromise and make the amount £5,000. One was not at all afraid that insufficient security would be accepted by the Treasurer.

MR. GORDON: The Savings Bank was a working man's institution, and the smaller man who wanted to borrow money should have a chance of doing so. A man should be able to borrow £40 or £50 at a reasonable rate of interest, instead of having to go to a money-lender and pay 30 or 40 per cent. The cost of administration would not be very great. It was stated that money was advanced by the Bank on any lands in Western Australia. Not many weeks ago, however, security was offered to the Savings Bank which, according to their own valuator, showed a greater margin than was required by the Act, yet the person who wished to borrow was told that they could not see their way clear to lend money on lands outside the city.

THE PREMIER: What was the amount of the application?

MR. GORDON: Between £2,000 and £3,000.

THE PREMIER: £4,000.

MR. GORDON: Perhaps in that case they were justified in refusing the application, but the reason given for the refusal was not that the amount was too large, but that they would not lend money on lands outside the city.

THE PREMIER: Quite right.

MR. GORDON: It was not quite right. If the investment was good in the country, why not allow money to be lent in the country? All this Savings Bank money was not invested by city people.

THE MINISTER FOR WORKS doubted whether, if this amendment were carried, it would have the effect of helping the small man. The securities were

at the choice of the Treasurer for the time being, and it was possible that under those circumstances referred to the rate of interest the Bank would be able to pay would be affected. He understood there was some difficulty now in finding good investments for the Savings Bank money, and he would rather see the limit raised than lowered, because the first necessity was that the Treasurer should have at his disposal a number of good and sound securities on which the people's money could be lent, so that a decent rate of interest might be earned and the money deposited fully used.

MR. HUDSON: A smaller rate of interest was paid for the larger amounts.

THE MINISTER: But one got rid of the money.

MR. P. STONE said his experience of these institutions was that if a big man came along he received special consideration. If the Government did not want to utilise all the money for municipalities or such works as the Coolgardie Water Scheme and undertakings of that nature, the small man should, in regard to what was left over, have the preference as long as the Government were well protected, say with a margin of 50 per cent. security. If we made the amount £7,000, a few people who perhaps had the ear of the Treasurer would get special consideration at the expense of others. He supported the amendment.

MR. JOHNSON: The first call upon the Bank was on behalf of those institutions which we financed, such as water supplies, the Agricultural Bank, and local bodies. It was urged that money from this Bank should be invested in city properties as being secure. He had yet to be convinced that the city property was a better security than the home of the worker in the different suburbs. If big men wanted to raise £7,000, and they had security, they could get it for 5½ per cent., or at any rate 6 per cent. But if a man wanted £200 and had security, he would be very lucky if he obtained the loan at 8 per cent.; consequently our Bank should give assistance to the small man. It was necessary to limit the amount that one person could get in order that money should be distributed amongst many others who desired to get smaller sums. He trusted that now the Treasurer had had an expression of opinion from the House he would withdraw his objection, in order that we should encourage the residents of the metropolitan area to borrow money from the Savings Bank at 6 per cent. instead of paying 8, 9, 10, or 11, or up to 40 per cent.

THE HONORARY MINISTER: It was absolutely necessary that the Treasurer should have an outlet for this money. If he had to pay interest to the depositor, he must earn the interest and get it from someone. Why should we limit his opportunity of lending money? Everyone would agree it would be a very good thing if the money of this Bank could be used to provide homes for the people for whom the Bank was specially designed; but there was the other side of the question. The depositors were deserving of some consideration, and there must be absolute safety in connection with the investments. Members would agree that bricks and mortar, especially in cottage property, were not always the best form of security. The Treasurer said that in South Australia they paid interest on a very limited amount, up to he thought £200, and above that the amount deposited was free of interest. We did not want that to apply here. We were democratic enough to want to pay interest on the whole of the money one left in the Bank. To do that we must have some means of investment of those funds, and it seemed to him there had not been one particle of argument in favour of reducing the amount proposed. It was not necessary that the Treasurer should loan these moneys altogether in these large sums, but it was desirable that he should be allowed to do so.

MR. BATH: The money available for the Agricultural Bank returned 5 per cent., and if the Savings Bank only paid 3 per cent., really a profit of 2 per cent. was made, and surely that would more than compensate for the expense of managing the Bank. As to lending money on bricks and mortar, those who had lent money at a much larger rate of interest than that charged by the Bank had found it profitable enough, and it was very rarely, if ever, they had any loss or default as far as the investment was concerned. At the present time the people referred to had not the facilities desirable for obtaining money

from the Savings Bank, and the result was that instead of being able to secure some portion of this money at a reasonable rate of interest, they had to carry along good security to people who lent money at a much higher rate of interest.

THE PREMIER: It was not correct that money was not lent on cottage property.

MR. BATH: In many instances people found it difficult to secure loans. He had seen applications accompanied by excellent securities, and yet the people had been unable to secure loans from the Bank. The fact remained that the Bank had as good security in cottage property as in larger properties; and if funds were lent to small borrowers, these would pay only a small rate of interest instead of the high rate charged by money-lenders.

THE PREMIER: At every meeting of the Executive Council, loans on cottage property were authorised. The member for Canning (Mr. Gordon) objected to the refusal to make a certain advance. It was the duty of the Government to see that the security was the best obtainable; and an orchard property was not the best possible security for a loan of £4,000. In the event of fruit disease, where was the security? The refusal was quite justified.

THE TREASURER: In the first 14 or 16 days of this month the deposits had increased by £16,000; and the Bill would probably cause a greater increase by providing that anyone could deposit at any time a sum which did not make his total credit exceed £1,000. Why alter a provision which had worked well for the last five or six years? It had not been abused, and had not excluded the small borrower.

MR. JOHNSON: The Treasurer must know that the small borrower had been refused.

THE TREASURER: Not by the present Government; possibly by the Labour Government, which had borrowed all the surplus from the Savings Bank to carry on with.

MR. JOHNSON: The preceding Government borrowed it.

THE TREASURER: The Labour Government could not lend anyone a five-pound note till they went on the market and repaid the Savings Bank. The advance on the security of the orchard property referred to by the member for Canning was refused because the property was not a fit security for the State funds. Any such application would be refused.

MR. SCADDAN: If the applicant had approached the Agricultural Bank he would have got half as much again.

THE PREMIER: Not to redeem a mortgage.

MR. A. J. WILSON: What was the interest payable by borrowers?

THE TREASURER: The minimum was five per cent. There was no maximum.

Amendment passed; the clause as amended agreed to.

Clause 28,—agreed to.

Clause 29—Application of surplus income:

MR. BATH moved an amendment—

That all the words after "shall," in line 4, be struck out, and "be paid into a trust account for the purpose of extending the functions of the Bank," be inserted in lieu.

The Auditor General called attention to the need for a more explicit annual balance-sheet of the Bank. We should know each year exactly how the Bank stood; and any profit earned should not be paid to consolidated revenue, but to a trust account which could be available as a nucleus for extending the Bank's operations. The British Savings Bank had an annuity fund of which many availed themselves.

THE TREASURER: The amendment could not be accepted. The consolidated revenue took all the risks attached to the Bank; and if the Bank's funds were insufficient, the revenue was drawn upon.

MR. BATH: That was impossible, now that we had a deficit.

THE TREASURER: We had 3½ millions of revenue coming in month by month, and if the Bank had not sufficient funds to pay claims, the revenue must provide those funds. Usually the Bank showed a small profit. The institution appeared to have been admirably managed by good and careful officials; the bad debts were very small, and the narrow margin of profit should be carried, as in the past, to the credit of the consolidated revenue each year. The expenditure of the Bank was provided on the general Estimates, the total cost of management being charged to profit and loss account at the end of the year. The amendment proposed that the consolidated revenue

should find means for the Bank to carry on, but should not have the credit of any resulting profit.

MR. JOHNSON supported the amendment. The depositors had a guarantee that the consolidated revenue would be available in case of a rush on the Bank; but the Bank surplus now inflated the consolidated revenue, and the Bank did not get for the surplus the credit which it would have if the surplus were paid to a trust account. If we had a trust fund, it would still be available for the Treasurer, but we would demonstrate year by year exactly how the Bank was getting on, and would show to the public that year after year we had a surplus in the Savings Bank operations, which was a gradually increasing fund held in trust for any purpose. By putting the surplus into revenue, people would not know that there was any profit on the Bank's operations.

THE TREASURER: Then the money could not be spent by the Treasurer.

MR. JOHNSON: Yes. At present the Bank did not get any credit for the profit made. With a trust fund, the Treasurer would not be debarred from using the money.

THE TREASURER: Revenue would be decreased by that amount.

MR. JOHNSON: True; but the present system increased the revenue, while there was no distinct item to indicate to the public, or even to members of Parliament, what profits were made by the Bank.

MR. BATH: No statement was made of the profit of the Bank.

MR. JOHNSON: The Treasurer, if he could not accept the amendment, should look into the matter, because the suggestion was a good one.

THE TREASURER: According to the annual report of the Savings Bank and the balance-sheet to the 30th June, 1905, there was a profit and loss account showing exactly how much was made by the Bank and transferred to revenue. The profit for that year carried to revenue was £860 10s. 5d. We could see that the institution was worked on a small margin. It was not intended to make a large profit, and the small profit made was not sufficient to warrant any alteration. He was prepared to give the matter consideration later; but even if the profit were £10,000 a year, the consolidated revenue wanted all the money it could now get.

MR. JOHNSON: The Treasurer could use the money if it were in a trust fund.

THE TREASURER: Exactly; but it must be repaid. The revenue would be less that amount, and the deficit would br so much greater. The Treasurer could utilise trust moneys, but must repay them. He could not expend trust funds as revenue. The amendment could not be accepted, and members should not press it.

MR. BATH: The authority for saying that the annual balance-sheet did not disclose the whole of the operations of the Savings Bank was contained in the last report of the Auditor General, in which it was said:—

> It was pointed out in my last year's report that the statement required by Section 24 in no way discloses the success or otherwise of the operations of the Bank for the year, and although Section 19 provides for a balance-sheet, there is no direction as to its audit. I trust the omission may be put right in the amending Bill which I understand the Government intend bringing forward.

The Treasurer considered the proposal would deprive him of a source of revenue but this should not be regarded as a legitimate source of revenue, because it meant that the thrifty individuals of the community were asked to make a special contribution to the revenue. It meant that the depositors in the Savings Bank were asked to make a special contribution.

THE PREMIER: No; the borrowers from the bank.

MR. BATH: The Bank was enabled to use deposits and to make a profit by doing so. That placed an extra impost on the thrifty individuals which other members of the community were not called upon to bear. It was recommended by the Auditor General that this should be an institution placed on a separate basis, and that we should know the result of its annual workings. Any profits that accrued should be paid into a trust fund, and if it were made available to the Treasurer the amount should be repayable, and any interest accruing from its use should be paid into the trust account. The Treasurer had much to say on the fact that consolidated revenue could be called upon for any deficiency on the Savings Bank accounts; but how

much would the depositors get at present? The Treasurer could mention what was being used from loan suspense account at present to meet expenses that should be met out of revenue. Special Acts and the civil service had first claim upon the revenue. Therefore, in the present circumstances, when we were drawing on loan suspense account to meet the requirements of revenue, it was farcical to talk of the provision referred to by the Treasurer.

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

Ayes	...	...	12
Noes	...	...	20
Majority against	...		8

AYES.	NOES.
Mr. Bath	Mr. Barnett
Mr. Bolton	Mr. Cowcher
Mr. Collier	Mr. Davies
Mr. Holman	Mr. Eddy
Mr. Horan	Mr. Ewing
Mr. Hudson	Mr. Foulkes
Mr. Johnson	Mr. Gordon
Mr. Scaddan	Mr. Gregory
Mr. Taylor	Mr. Hayward
Mr. Walker	Mr. Keenan
Mr. Ware	Mr. Male
Mr. Troy (*Teller*).	Mr. Mitchell
	Mr. N. J. Moore
	Mr. S. F. Moore
	Mr. Price
	Mr. Smith
	Mr. Stone
	Mr. A. J. Wilson
	Mr. F. Wilson
	Mr. Hardwick (*Teller*).

Amendment thus negatived; the clause passed.

Clause 30—The Treasurer not liable for fraudulent withdrawals:

MR. P. STONE: The Treasurer was contracted out of all liability by this clause. If money was obtained by forgery from any bank, that bank was liable, but according to the clause if a person obtained money wrongfully from the Savings Bank, the institution was not liable. The depositor should be protected, and the Bank held liable for moneys deposited.

THE TREASURER: The Savings Bank was different from ordinary banks. It was impossible to identify the large number of depositors, who should preserve their deposit books. A person could not withdraw money without the production of the pass book; it was proof of the money lying at the bank, It was true a person might forge a depositor's signature, but the money could not be withdrawn unless on the production of the deposit book. A depositor must see that the deposit book was taken care of. There were facilities for withdrawal of money not only at the head office but at the various branches and agencies, and the risk was great. Precaution was taken in order to protect the depositor, and it would be unfair and unwise to say that the Bank should take the ordinary responsibility that other banks did where depositors should only operate on the branch where the money was deposited.

MR. HORAN: What was the annual loss the Bank was taken down for?

THE TREASURER: It was impossible to say. There was the risk of collusion between a depositor and another party. A dishonest person might open an account for the purpose of carrying on some fraud. It was impossible to prevent fraud if a depositor was so neglectful as to lose his deposit book, which was really a receipt for the money which he had in the Bank.

Clause put and passed.

Clause 31—Deposits may be refused under directions from Treasurer:

MR. BATH wished to draw attention to the fact that on several occasions members, on both sides, had desired to speak to clauses, but owing to the fact that the clauses had been put very quickly, they had the opportunity; and he thought it would be in the interests of a fuller discussion of Bills if there were more deliberation in the putting of the clauses. The member for Albany (Mr. Barnett) had desired to speak to Clause 29.

THE CHAIRMAN said he would give more time if the Committee desired it. It was not, however, done in the House of Commons.

Clause passed.

Clause 32—agreed to.

Clause 33—Unclaimed accounts, time limit:

MR. BATH: Would the Treasurer give any idea as to the amount of money forfeited to the Crown as a result of this provision?

THE TREASURER: There had been an unclaimed fund established in the Savings Bank up to the present, but the funds unclaimed had not been forfeitable to the Crown. By this measure we provided that they should become forfeitable.

The total amount of the unclaimed fund was £3,042 19s. 7d., which represented 1,574 accounts transferred.

Clause passed.

Clause 34 -agreed to.

Clause 35 – Charges on accounts:

MR. HOLMAN: It was stated the intention was not to charge for keeping an account unless the interest would cover the amount of the fee. He would like to see an amount stated of say £10, in relation to which there would be no charge for keeping the account. It would be very unwise to take away the interest from very small amounts.

MR. HORAN supported the suggestion of the member for Murchison. The sum here stated was practically the same as that charged by the banks.

THE TREASURER: This was a new provision. It must be remembered that the great majority of the accounts were small. There were lots of small accounts, and much work attached to them, especially where accounts were opened in the names of minors, where for instance people deposited 1s., 1s. 6d., 2s. 6d., and so on. Perhaps the amount did not come to 20s. in a year. The charge of 1s. was not made unless the interest reached that amount. The charge was, he submitted, a reasonable one.

MR. BATH: So far as minors were concerned, the money was usually deposited for a certain period of time, and such a charge as that proposed should not be made. Such a charge would be justifiable in the case of friendly societies or perhaps unions, which banked their money in the Savings Bank and could utilise that institution practically by cheque as on current account. They were the people who should be charged the shilling, rather than those who put in small sums, which it was desirable to have invested with the idea of encouraging thrift. He did not see that any work was entailed in banking in regard to a pound or ten shillings invested for a minor, which he supposed was usually for a considerable period.

THE TREASURER: There were stationery and other expenses.

MR. BATH: That, he thought, was not material; anyhow, he did not think it justified a charge of a shilling, which charge would, in his opinion, be a discouragement to the saving propensities, rather than an encouragement, which a Savings Bank ought to be.

MR. HAYWARD: In the other banks, if one had £1,000 to his credit he still paid a guinea for keeping the account.

MR. HOLMAN: If the proposal now made were carried out, depositors would receive no interest at all unless they had over £3 in the Bank, and that would be a discouragement. He would like provision to be made whereby a depositor could have five or ten pounds in the Bank before any fee was charged.

MR. BARNETT: One of the principal objects of the Bill was to encourage thrift, and he would prefer to see all amounts under £5 kept free from this charge, even if an increased charge were made on sums exceeding a certain amount. A depositor with £100 might be charged 2s. 6d., and one who had £500, 5s. There should be a much more equitable proposal than that contained in the Bill.

MR. BATH moved an amendment, that after the word "account," in line 2, "if the account exceeds £5" be inserted.

THE TREASURER: Small accounts being numerous, to exempt those under £5 would be unwise. He would accept the amendment to exempt the accounts of minors.

MR. A. J. WILSON: The clause should stand as printed, unless the charges suggested by the member for Albany (Mr. Barnett) were imposed on large depositors. Apparently the clause would bring in about £3,000 a year to the bank. There was probably as much trouble in keeping a small account which fluctuated between 1s. and £5, as in keeping a large account—possibly more.

Amendment by leave withdrawn.

MR. BATH moved an amendment—

That the words "but minors' accounts shall be exempted" be inserted after "account" in line 2.

Amendment passed; the clause as amended agreed to.

Clauses 36, 37—agreed to.

Clause 38—Accounts to be laid before Parliament:

MR. BATH: Was there no provision for showing in the annual statement any depreciation of securities? The official balance-sheet of the Bank seemed to differ altogether from the balance-sheet in the Auditor General's report.

THE TREASURER: It was impossible to state offhand what record was made of the depreciation of the securities; but he would make careful inquiries. If without great cost a return could be published with the balance-sheet, showing securities and their value, that would be done at the next annual balance.

MR. BATH: In England, the securities had depreciated by 10 millions on 150 millions.

THE TREASURER: The British Savings Bank invested its funds in consols, which fluctuated greatly. A portion of our Savings Bank funds was invested in our own inscribed stock, which fluctuated somewhat; but whether we should take much notice of such small fluctuations was questionable.

Clause put and passed.

Clause 39—Power to make regulations:

MR. HORAN: Would the regulations made under Subclause (*c*) govern clauses 10 and 17? If not, he must ask for a recommittal.

THE TREASURER: Those clauses had been passed. Any regulations made must be in accordance with the powers conferred by the Bill, and could not override a clause.

MR. BATH: They ought not, but they frequently did.

THE TREASURER: If so, they were *ultra vires*, and could be upset.

Clause passed.

Schedule, Title—agreed to.

Bill reported with amendments.

BILLS (2)—FIRST READING.

PRISONS ACT AMENDMENT, received from the Legislative Council.

FREMANTLE JOCKEY CLUB TRUST FUNDS, received from the Legislative Council.

ADJOURNMENT.

The House adjourned at 10·42 o'clock, until the next day.

Legislative Assembly,

Wednesday, 25th July, 1906.

The SPEAKER (Hon. T. F. Quinlan) took the Chair at 4·30 o'clock p.m.

PRAYERS.

NOTICE OF QUESTION, IRREGULAR.

MR. JOHNSON gave notice of a question which he purposed to ask Mr. H. Brown.

MR. SPEAKER: The hon. member is not in order in asking such a question.

QUESTION—GOVERNMENT PRINTING OFFICE, PRIVILEGES AND CLERKS' HOURS.

MR. H. BROWN asked the Treasurer: 1, Have instructions been issued to the Government Printer to abolish the privileges of the permanent hands in the Government Printing Office? 2, The hours of work for the clerical staff in the Government Printing Office?

THE TREASURER replied: 1, No. The Public Service Commissioner has been requested to ascertain what rights and privileges, if any, appertain to the staff of the Government Printing Office. 2, 8 a.m. to 5·30 p.m., with three-quarters of an hour for dinner; Saturdays, 8 a.m. to 12·15 p.m.

QUESTION—CATTLE TICK REGULATION.

MR. GORDON asked the Minister for Lands: 1, Has the regulation that all tick cattle must be conveyed to the goldfields in zinc-lined trucks been withdrawn? 2, If not, why were ticked cattle allowed to be trucked away lately in ordinary cattle trucks?

THE MINISTER FOR LANDS: 1, Zinc-lined trucks were not specified in the regulation published on the 15th June last. 2, As there was an in-